



CASE STUDY

MN: Transforming Payments as a Critical Business Capability



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Rens van der Meer
Information Manager, MN

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FINANCE IS OPEN

MN embarked on a payments transformation journey to modernize its payment systems with a secure, reliable solution

With a track record of service excellence for more than 60 years, MN is one of the largest pension and insurance administrators, and asset managers in the Netherlands.

MN Company Profile

- Location: Den Haag, Netherlands
- Administers pensions for nearly 2 million people and 34,000 employers
- Approximately €110 billion under management

The company currently administers pensions for nearly two million people and 34,000 employers and has around 110 billion euro under management.

By nature of MN's business, payments is a business-critical function in both operational and reputational terms. MN embarked on a payments transformation journey to modernize its payment systems with a secure, reliable solution, able to handle the increasing volume of payments for its growing customer base. MN is already realizing the benefits of the new payments system, from improved payment and operational efficiency; better auditability and traceability; and improved visibility of its payments processes, all of which allow MN to glean insights from a single source to make better business decisions, improve the customer experience, and better manage their cash flows.

The importance of payments is underlined by the sheer volume of transactions MN handles, hundreds of thousands per month. The majority of these transactions are domestic payments—made to recipients within the Netherlands. But MN makes pension payments to people all over the world, ranging from the U.S. to Australia. To ensure accurate and timely payments, MN found in Finastra (formerly Fundtech) a payments system provider offering the right combination of leading-edge functionality, industry experience, proven expertise and scalability.

Today, MN runs all of its payments using Finastra's SWIFT service bureau solution, and corporate payments hub. Based on their payment services vision, MN's journey began around 2012, with a need for innovation and improvement of its processes for direct debits, for payments to pensioners and suppliers, and for implementation of new regulations. At the same time, MN wanted to further tighten its controls and ensure readiness for future developments, such as instant payments and virtual accounting.

At that time, the deadline for financial institutions to implement the new Single Euro Payment Area (SEPA) regulation was approaching—a change that brought major



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Senior Business Project Manager, MN

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implications for MN. John van Gog, Senior Business Project Management at MN states, “SEPA was a major project for us because it required us to do a lot of transformation and adaptation of our back-office systems. To eliminate concerns about business continuity, we needed a sophisticated solution to support our increasingly more complex business—and to ensure sufficient control, auditability and connections to our back-office. So, we searched for a platform that could address these business needs.”

MN chose not to combine its SEPA compliance project with its payments platforming initiative, as this would have made the whole undertaking too complex. MN moved to quickly implement the SEPA requirements—achieving SEPA compliance a year ahead of the deadline—and then turned its attention to search for a payments platform. The decision to take up adoption of SWIFT connectivity first, was driven by the MN asset management team wanting to use SWIFT to send messages—such as payment and stock orders—to its banks. An RFP for a SWIFT connectivity solution was issued and was won by Finastra.

“The Finastra solution best suited our needs,” explains Hubert Baars, Senior Program Manager. “This was not due

to one particular advantage, but a combination of all aspects of the offering: the overall presentation, price, and quality. All these elements seemed very promising, so we felt confident in selecting Finastra.” MN’s decision proved to be the right one: the implementation proceeded with great precision and has delivered everything the company was looking for. “It simply works—and that’s the most important thing,” says Van der Meer. “We have no reason to worry whether the system is still working—because it has been stable without exception.”

With robust and reliable SWIFT connectivity in place, MN continued its search for a new payment hub solution to complete its payments transformation journey. The company conducted a thorough and rigorous review of providers and identified a long-list of around 20 providers. As with SWIFT connectivity, Finastra emerged as the best choice for MN.

“Once again, it was a whole range of factors that won us over—not one particular characteristic,” comments van Gog. “The functionality and security of the solution is first-class, as is their support team. We were impressed by everything we heard and saw, and chose Finastra for our payment hub solution.”

For MN, the implementation and migration to the payment hub represented a bigger and more complex project than adopting the SWIFT connectivity solution. Additional

complexity arose due to a change in the technical platform and reporting structures of the bank involved. MN’s IT platform was simultaneously undergoing an update to the latest techniques, creating a wide range of technical challenges. To ensure a smooth transition, a joint Finastra and MN team was created, in which Finastra provided technical assistance throughout the project. This included the supplying of middleware, to enable seamless integration between the new IT platform and the payment hub.

“Our in-house technicians and Finastra’s technicians worked together closely on investigations and implementations,” recalls Baars. “And through all this hard work we achieved great results. Looking back, we did a fantastic job together.” MN chose to implement the payment hub in-house—rather than outsourcing it— and to then scale up to an IT managed service solution for all its hardware and software assets. “This combination brought us greater scalability, flexibility and efficiency once the system went live,” explains Van der Meer.

With Finastra’s SWIFT service bureau and payment hub now implemented, Van der Meer says the business benefits and objectives of the project have started to

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show. “We have achieved all our targets in the payments transformation journey,” he comments. “All our back-office systems have been connected. We now have a sound information source to gather business insights and to make better decisions. Further, we are very pleased with the auditability, the traceability and the stability of reconciliations of the new platform. All of these contribute to improved management of our cash flows. Put simply, we have a high quality system in place, with a vast array of functionality.” The company is also well-positioned for the future with a flexible system.

Overall, MN has no doubt that it made the right choice in selecting Finastra as its partner and solution provider for SWIFT connectivity and payment hub. “Finastra has supported us every step of the way,” says Van Gog. “We wanted to leverage Finastra’s experience and expertise from the banking side, so we challenged them to think as a corporate when evaluating

and improving their product, at the same time challenging us. They were not afraid to ask tough questions to help us meet our objectives. At MN, we had become accustomed to working within our specific processes. The Finastra team challenged us to change our methods, thus helping us improve process simplicity and efficiency. This led to a very interactive and productive a relationship.”

Having gone through our payments transformation journey with Finastra, would MN advise other companies facing the same situation to follow the same path? “Yes, absolutely,” Van der Meer affirms. “We know we made the right decision and we would recommend Finastra to any organization facing the same challenge.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world’s top 50 banks use Finastra technology. Please visit finastra.com

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