



SOCIÉTÉ GÉNÉRALE

Financial group specializing in diverse operations including retail banking, investment banking, and asset management.

Industry: Financial Services
Geography: Europe

Deployment Summary

- TIBCO's business integration software replaced custom, point-to-point interfaces.
- Société Générale replaced a legacy scheduling system with TIBCO BusinessWorks™ software.
- TIBCO capabilities enabled an SOA.

Benefits

- Use of TIBCO has lowered Société Générale's maintenance and development time and cost of integration.
- Enhanced IT flexibility allows the bank to better meet changing business demands.
- SOA provides shared access to business functions across applications and helps reduce development costs.



"TIBCO's solution has helped us get more value out of our corporate assets while reducing IT costs and giving us superior agility and control. This is allowing us to keep pace with constantly evolving market conditions and business requirements."

François Boucher, CIO, Société Générale

TIBCO Helps Reduce System Complexity and Costs at Société Générale

With more than 16 million customers in more than 80 countries, the France-based Société Générale Group is one of the largest and most profitable banks in Europe. The company, which is renowned for its innovative capability to track trends in global finance and meet changing client needs, has three primary business lines: retail banking; asset management and private banking; and corporate and investment banking.

Bank traders working for the corporate and investment banking division of Société Générale conduct business using many diverse systems. To help manage credit risk, Société Générale developed a global system that collects data from Société Générale back offices worldwide and uses this data to calculate the global risk for market operations such as commodities, credit, and exchange.

"Our risk department closely monitors the results of the system's calculations, which provides invaluable protection for the corporate banking division," says Jerome Grelier, architect of the risk management project at Société Générale. "We rely on the system to help keep the bank's risk at a manageable level – but over the years, it had become large and difficult to maintain. We needed to reduce costs and align our IT systems more closely with business goals."

TIBCO Provides Flexible Integration and Scheduling

Although many large banks make global risk calculations on a monthly basis, Société Générale's system allowed it to do more. Société Générale collected the relevant data and calculated risk for hundreds of thousands of deals three times a day – once for each major business zone (Europe, New York, and Asia-Pacific). In addition to the deal-capture systems used by traders and the integrated back-office applications, the system comprised two major software components supplied by third-party vendors: a risk-calculation application and a scheduling application.

Unfortunately, the scheduling software was a batch system, which restricted IT staff to launching processes only once a day at a fixed time, hindering IT flexibility. And, because all the components in the system were integrated with custom-developed point-to-point interfaces, the overall system was highly complex and costly to maintain. To enable greater cost-effectiveness and agility, Société Générale decided to change the way risk calculations were scheduled and applications were integrated.

TIBCO has been Société Générale's corporate standard for integration technology since 2001, when the bank evaluated and selected TIBCO's

business integration and messaging products for an integration project in the Debt Finance Group. Grelier and the IT risk department team followed suit, using TIBCO's business integration software to replace point-to-point connections. The team also replaced its legacy scheduling system with TIBCO BusinessWorks™ software.

TIBCO Integration Reduces Maintenance and Development Efforts

Data collection and once-a-day risk calculation remain the core functions of the risk management system. As in the past, traders use a number of applications to enter deal data, and risk calculations still occur once a day per business zone. TIBCO BusinessWorks coordinates the data-collection tasks and sends the data to the risk calculator to determine the amount of risk associated with each client. Traders at Société Générale use this data throughout the day to make smart financial choices. For example, when evaluating a deal with a client, a trader checks whether the client's risk is below or above the company-set risk limit. The trader signs the deal only if client risk is below the limit. In the future, Société Générale plans to support access to these applications over a web browser using web services.

Although the changes to the risk management system are largely invisible to bank customers, the differences have been enormous from an IT perspective. "Using TIBCO has greatly reduced maintenance and development time," says Fabrice Beral, project manager of the risk management project at Société Générale. "Custom interfaces were time-consuming to build and costly to maintain. Our legacy scheduling application also restricted our capability to meet changing business

demands. Since adopting TIBCO, we have been pleased with our system's reliability and flexibility."

Updated System Helps Better Align IT with Business Goals

Switching from a dedicated scheduling system to TIBCO BusinessWorks has provided advantages as well. "Because dedicated scheduling applications are not process-oriented, if your system gets too large, scheduling becomes difficult to control," Grelier says. "What we like about TIBCO is that it's not a scheduling system – it's an integration product – but TIBCO's powerful features allow us to use it as a process-oriented scheduling system."

Because integration at Société Générale used to be custom-developed, functional logic was essentially hidden within individual programs, making it difficult for developers and business managers to communicate about business processes. Using TIBCO's business integration software, functional logic is easy to demonstrate – helping developers and business managers work together to more easily align IT processes with business objectives.

TIBCO BusinessWorks also has XML handling and mapping capabilities that allow IT staff to transform data for different products into one standard XML format. "We like the way TIBCO enables us to convert all product data into a common format, which gives us a lot of flexibility, visibility, and reusability. All of these factors help us decrease development and maintenance costs," Grelier says.

Reusability Reduces System Complexity and Costs

Société Générale has also used TIBCO capabilities to further streamline development and maintenance by implementing a service-oriented architecture (SOA). The bank's previous architecture forced developers to duplicate data-gathering code in every application in the system. Under an SOA, functional components – known as "services" – are reusable. Different applications in the Risk Information System (batch and synchronous applications) can all connect to the data-gathering service and share the same functional logic.

"TIBCO provides SOA capabilities that enable shared access to business functions across applications," Beral says. "We also plan to plug in real-time applications to this service. Now and in the future, we see TIBCO capabilities helping reduce system complexity – enabling us to lower our IT costs and flexibly change and scale as required to keep pace with evolving business needs."



TIBCO Software Inc. (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's optimizing claims, processing trades, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage™ – the ability to capture the right information at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at www.tibco.com

www.tibco.com

Global Headquarters
3303 Hillview Avenue
Palo Alto, CA 94304

Tel: +1 650-846-1000
+1 800-420-8450
Fax: +1 650-846-1005