A new dawn for TLM

The launch of TLM Aurora marks a bold step for SmartStream, as it rebuilds its leading financial transaction life-cycle management solution to embrace new technologies. Jim Banks asks the company’s product manager for Aurora, Roland Brandli, about why it was the right time for its market-leading solution to be updated.

Corona is the flagship reconciliation platform from SmartStream Technologies, and it has become a leader in its field. As a provider of financial transaction life-cycle management (TLM) solutions, the company has to constantly look at the challenges that banks face and the opportunities that new technologies bring. This endeavour led the company to take drastic action to update Corona and release the next generation of the system: TLM Aurora.

Aurora ushers in a new generation of integrated operational control for the digital marketplace. It is designed to support Swift and SEPA transfers, mobile, cash and card payments, digital currencies, settlements and reconciliations – everything a bank could need. Its first module is designed to support the new industry standards in the digital payments world, by providing connectors to Swift, RTGS and blockchain-based networks. The solution is based on the oldest legacy system of any SmartStream product, putting it in prime position for an update, but the new release goes far beyond a mere upgrade.

“It is a complete change in the paradigm in terms of what Aurora is built on,” explains Roland Brandli, SmartStream’s strategic product manager for TLM Aurora. “We are making it upgradeable for our clients, so we are not just dumping the old stack. It is dockerised, has a new front end, and fulfils our main goal, which is making the complicated simple.

“It is a B2B solution, and those are usually complex and heavy on functionality – not the friendliest solutions to use or implement – but we are trying to change that,” he adds. When you have the industry’s leading reconciliation platform, it may seem risky to make too many changes. SmartStream, however, understands that it must keep itself – and its clients – ahead of the game in a world where new technologies are constantly changing the shape of the playing field.

Brandli, who has been with the company for 17 years, and is steeped in its culture of innovation and adaptation, believes that the only way to meet clients’ changing expectations and keep TLM Aurora at the forefront of the market was to reinvent it from the ground up.

“We are moving to a more B2C feel,” he remarks. “If you get a new application on your phone and you can’t use it within 15 minutes, what do you do? You delete it. So, we have to deploy our solutions faster and make them easier to use. For that, we have to change the paradigms on which Aurora is built.

“The first of these is that users currently have to look for the data in the system before they can work on it,” he adds. “Now, the data looks for the user. Aurora sees the user’s tasks for the day and assigns the relevant data to those who are responsible for it.”

The next step was to build a front end in such a way that any user would be able to use the solution in 30–60 minutes, maximum.

“Then we looked at how software is usually delivered,” Brandli says. “Normally, we would have to configure it for the user. Now, we preconfigure it as much as possible based on what we know about how it is used from our knowledge of other clients who use the solution. Configuration can be a big risk factor, especially if it is a big project, so we try to keep that phase of deployment to a minimum.”

Tooled up analytics

Aurora is quick to deploy and easy to use but that is not where the changes end. It also has an intuitive analytics layer, TLM View, that enables a real-time management information system and in-depth reporting to the transaction level.

With this functionality, organisations can search and retrieve payment transactions regardless of their origin,
geography or source systems through the Integrated Advanced Payments layer.

“We have added more intelligence and analytics, which can identify problems in users’ processes,” says Brandli. “It means that clients do not have to go looking for problems – the solutions find them.

“This ties in with the final change to the previous paradigm for the system, which is the introduction of AI. We have deployed it in the matching process in the first module, and more AI will be coming into the system during the next 12 months. Overall, the goal is to transform the usage of the software.”

Making such a major change to a software solution that has retained a leading position in the market might have been risky, were it not for the way that SmartStream organised its resources in the development process. The company not only has technology experts and people dedicated to innovation, but also experts in the financial services industry. It was by bringing these different skill sets together, and looking holistically across its entire suite of products, that it was able to define a development path for the solution that fitted with its specific needs as well as the company’s broader innovation strategy.

“In the Corona era, a product manager would have an idea about how to improve a product, then that idea would be taken to the development team to make it happen,” remarks Brandli. “Now, we have broken down those silos. We have people with a lot of experience in the company and who have been here for a long time – that is rare in a software company – so we were able to move to an environment of agile development.

“All teams are involved – support, development, professional services and everything else – in identifying limitations, ensuring the solution was easy to implement and that it met the needs of our clients. We sat with our customers to see how they use the software, so there was a strong consultative element to the development cycle. We joined up all of the silos.”

Eyes on the horizon
At the recent Sibos conference in London, SmartStream unveiled Aurora Digital Payment Control, which provides users with real-time control and greater visibility into payments processing, while facilitating the rapid detection and investigation of exceptions. Its aim is to combat the problems of declining revenue per transaction amid the demands of financial regulators, card schemes, consumer protection bodies and fraud-prevention agencies, which are driving up costs.

The highly scalable solution enables full transaction life-cycle monitoring for digital payments, settlement voucher creation, ATM balancing, chargeback processing and much more. It increases automation levels and drives up STP rates to bring down the overall cost of payment processing. Judging by its reception as Sibos, the appetite for such a solution is great.

“We launched it at Sibos and we already have our first customers,” notes Brandli. “They cannot wait for the next modules and they want to bring the system to a wider audience within their organisations.”

Look for the aurora
The next step will be the launch in 2020 of TLM Aurora Advanced Payment Control (APC), which will provide financial institutions with a single, integrated solution to track, monitor and investigate all of their payments. It will allow SmartStream’s clients to streamline and optimise investigations, irrespective of the payment system used.

APC’s preconfigured workflows allow the automation of large parts of the exception handling process, guiding users through the exception life cycle, and virtually eliminating the risk of errors. Sophisticated analytics provide valuable insights into the root causes of failed or investigated payments, enabling financial institutions to tackle problems at source.

“The solution can cover 80% of users’ needs pre-packaged, out of the box, but there is a feedback loop that lets us refine it and improve the functionality,” Brandli remarks. “We are transforming the Corona product into Aurora, which has been developed with our customers. Many of them have been with us for more than 10 years, so we have been partners for a long time, and the feedback they have given us has been immense.

“After APC, we will look at the cash reconciliation side, then securities and there will be one single exception management layer. We are also looking at the collateral space. It has been an immense year, thanks to our CTO, who introduced agile development to the company. We are really delivering on our promise of making the complicated simple.”