

Scotiabank upgrades to Trade360 trade finance platform from CGI

Canada-based Scotiabank has started to migrate to CGI's Trade360 hosted trade finance platform, initially for North America, Mexico, the Caribbean and the UK and ultimately to support more than 50 countries. It is replacing a number of trade finance systems, including CGI's old Tradeline, and a key aim is to standardise products and services on a global basis.

'We started down this path in 2008,' says Paul LeBlanc, senior vice president, trade services and financial institutions, at Scotiabank. It did an 'inventory' of its existing systems, many of which were reaching the end of their lives. The vision, he says, is for a fully integrated, global platform across the entire network. 'That integration includes to our general ledger systems, DDA systems, loans systems, MIS applications and, of course, Swift.' At the time of the initial study, the bank had more than 30 processing centres for trade and 'inconsistent integration'. It will end up with three processing centres, with the locations to be decided, but one will be for English-speaking markets, one for Spanish-speaking and one for Asia Pacific.

The selection process is described by CGI executive consultant, trade and supply chain solutions, Kitt Carswell, as a 'marathon'. It included RFI, RFP (in December 2009 to around ten suppliers and financial institutions), workshops (one of which lasted for eight weeks) and gap analysis. The Tradeline users that have moved to Trade360 have all undertaken full selections, he says, with Trade360 not seen as an automatic choice just because it is 'in the same family'. Tradeline was delivered on a standard licence basis, for one thing, and Trade360 is underpinned by a rewritten version, ObjectTradeline. Standard maintenance for Tradeline ended a year or two ago, although CGI still does bespoke maintenance and customisation for users such as Barclays Bank.

Scotiabank identified which vendors were really best-of-class service providers, says LeBlanc. While the search included financial institutions offering outsourcing, the bank's focus was mostly on software providers, he says. This is a strong and long-standing business line for the bank so it was felt it warranted its own platform and retention of its own back office staff. 'It is in our DNA,' he says.



'There were few suppliers that could convince us they could deliver a single, global platform,' says LeBlanc. Three suppliers made the shortlist. 'It was unanimous from the business' perspective that CGI best suited our needs going forward.'

CGI's president for Canada, Doug McCuaig, says the ability to use a single instance of the system on a global basis was a factor in the choice, so too the broad support for supply chain finance. CGI was the only provider offering a hosted platform (the IT is hosted but the users still handle the back office processing).

The project will be over three phases, with Latin America as the second and Asia as the third. While Scotiabank has Tradeline in North America and the Caribbean, it uses a mix of systems elsewhere, particularly in Latin America, where it has bought a number of banks. LeBlanc says Trade360

has some benefits over and above what the bank was initially seeking, particularly in the area of supply chain finance. There will be some minor customisation 'but we feel we can implement it relatively quickly'. He expects the first phase to take 14 to 15 months, phase two to take a bit less time than this, and phase three to be nine to twelve months. The fact that the solution is on an IT hosted basis should speed up the project compared with doing everything in-house, he believes.

Enhancements for Scotiabank will include interfacing to its trade front-end, from S1 Corporation, which is being rolled out across all of the operations. The original intention was to have one front-to-back office solution but it was an issue of timing, says LeBlanc, not a reflection on CGI's front-end. The bank needed an immediate decision and has been implementing the S1 solution ahead of the Trade360 roll-out.

CGI only has a handful of banks on Trade360 (Proponix, as was) but they are notable names. ANZ and Bank of Montreal have been users since the outset (and were initially part of a joint venture with AMS, which was subsequently acquired by CGI). California-based Union Bank is a user, as is Comerica Bank, which signed last year to move from Tradeline (IBS, March 2010, Comerica opts for CGI's Proponix360). LeBlanc describes Bank of Montreal as a 'very good competitor' but there are differences, particularly around Scotiabank's international network, which allows it to often provide end-to-end processing. In terms of overall trends, there was a move back to letters of credit as a way of raising working capital during the financial crisis, says LeBlanc, but there is now movement away from these once more and he believes one part of the supply chain finance shift will be stronger convergence with cash management, financing services and other products.