

Changes in Corporate Trust Industry Challenge Software Suppliers

John Greiner-Ferris

Corporations and Banks Put Their Trust in ISS

A. Luis Bonilla, vice president of marketing and sales at Integrated Software Solutions, faces a tough business challenge. His market, the corporate trust industry, continues to consolidate, and the remaining players are trying to orient the market toward cost rather than service. For a company that prides itself on quality, ISS needed a way to stay competitive while maintaining its high standards. It's a tough problem. But not insurmountable. Open M lets Bonilla offer a cost-effective solution that reduces certain costs up to 40 percent and, at the same time, maintains the high level of quality upon which his company insists.

For Bonilla and ISS, cost-effectiveness results from the scalability and the platform portability offered by Open M. His Open M-based securities processing and transfer system solution, Corporate Universe, can scale to hundreds of users, and run on any of the major hardware platforms typically used for transaction processing in the financial arena. This advantage helped the \$2.7 million (U.S.) company get chosen by the prestigious Wharton School three out of the past five years as one of the 100 fastest-growing companies in the Delaware Valley.

Cost-effective solution keeps ISS competitive

The consolidation that has taken place in recent years in the corporate trust industry has had a profound effect on ISS. Fewer and fewer players, both end users and VARs, have driven the market toward an emphasis on cost. Many organizations have gone out of business because their cost structures prohibited them from either successfully bidding on business or processing transactions competitively.

"Open M allows us to offer a more cost-effective solution because our application initially can be deployed on a PC, and that very same application can scale up to an IBM RS/6000, without ever changing a single line of code," explained Bonilla.

Vendor hostage a thing of the past

Once their application is deployed and begins to grow, ISS

can offer its customers the option of upgrading the same hardware platform, or moving to another without a rewrite. "Platform portability gives us an indescribable competitive advantage," Bonilla said.

Bonilla clarifies: "When you lock yourself into a business relationship with just one platform provider, it affects your ability to react to market changes. If the vendor goes belly up, and we've all seen that over the years—all of a sudden you're faced with a rewrite.

"We're not held hostage by any one hardware vendor. We have customers running on DEC, IBM, Compaq, Dell, and

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Gateway in a number of different operating environments including AIX, SCO UNIX, AT&T UNIX, and VMS. If one of our Microsoft NT or Windows customers wants to upgrade and we don't believe we're getting favorable prices, we can offer other alternatives."

As ISS customers grow, the only change they may see is in the hardware; ISS does not have to change the functionality of Corporate Universe to suit the platform.

"More with less" reduces costs up to 40 percent

Two other features of Open M—its rapid application development environment and its simple systems management have enabled ISS and its customers to drive costs down. Thanks to Open M, ISS's time to market is much shorter than its competition's, enabling it to react to market conditions with much more favorable lead time.

"Greater productivity with less overhead is an important factor that helps us drive costs down," said Bonilla. "Open M

allows us to produce more code with fewer people than other technologies allow.”

While it runs on a wide range of both large and small hardware platforms, another factor that keeps ISS's costs low is Open M's ability to perform on much smaller platforms. Bonilla explains: “First of all, if a customer demands a PC solution, that cuts out two-thirds of my competition because they don't offer a PC solution.”

“Secondly, PC solutions give my customer an overall lower cost. The platform itself is cheaper, and system management is reduced significantly. In fact, it's rare for any one of our customers to hire someone to support our product from a technical standpoint.”

Bonilla has also done analyses of prospective customers and has found a direct correlation between the number of employees it takes to run a corporate trust department with Open M-based Corporate Universe versus the number of employees it takes using a competitor's product. He has found there is a difference of 20 to 40 percent in the number needed, depending on the size of the department. “The numbers are compelling, and when prospective customers hear them they begin to see the benefits of our solution,” said Bonilla.

Solution selling addresses business issues

Bonilla is optimistic about InterSystems' strategic relationship with Microsoft, and has since implemented an NT solution.

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Today, his sales force sells Corporate Universe by solution selling—by addressing the business issues of its customers. “Once you have an existing, proven product, other issues go away,” said Bonilla. “The fact is Corporate Universe works, it works well, and it's hard to dispute that.”

“From ISS's perspective, Open M is the heart and soul of Corporate Universe,” said Bonilla. Addressing business issues means that what matters is whether or not the customer is going to achieve its business mission.

“And are they going to enhance their profitability?” said Bonilla. From ISS's past successes, the answer will be “yes.”

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*John Greiner-Ferris is a senior marketing writer for InterSystems Corporation.
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