



Altus

clear thinking for Financial Services

Architecture for Business Process Outsourcing

Developing the right systems architecture to support outsourced business processes presents its own unique set of challenges. But the practicalities of moving from the highly individualised systems inherited from the client to the new architecture can be even more demanding. The outsourcing service provider needs to find an economic way of making this transition, but with minimal risk to the continuity of service to their new client.



The Issue

Beyond the usual expectations for good IT architecture (scalable, secure, reliable and well-integrated), the ideal architecture for business process outsourcing also needs to:

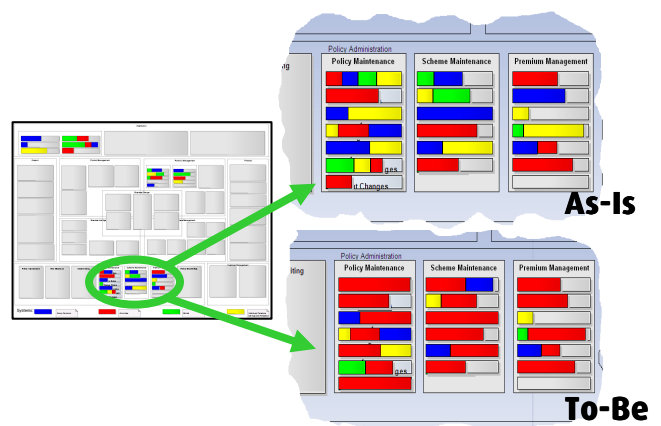
- Support multiple clients, but keep their data logically separate;
- Achieve economies of scale by using common processes, systems and infrastructure;
- Include formalised interfaces for client instructions;
- Provide monitoring and reporting for agreed service level criteria.

However, to allow an outsourcing deal to be concluded swiftly, the initial step is often for service providers simply to adopt the systems and processes of the client. These systems may have been built up over many years, comprise an esoteric mixture of home-grown and third-party products, and be highly tailored to the peculiarities of the client's processes.

To move from existing systems to the ideal end solution in one step is likely to represent an unacceptably high risk to the ongoing support of business processes. The challenge, then, is to establish a 'road map' that will transform the architecture in a series of low-risk steps.

The Altus approach

The development of the end solution and the transformation road map needs to span business and technical worlds; the territory in which Altus typically operates. We'll start by mapping out the current systems (if they're not already adequately documented) and then, in collaboration with business and technical representatives, establish the most appropriate end solution.



Sample maps of current and target architecture

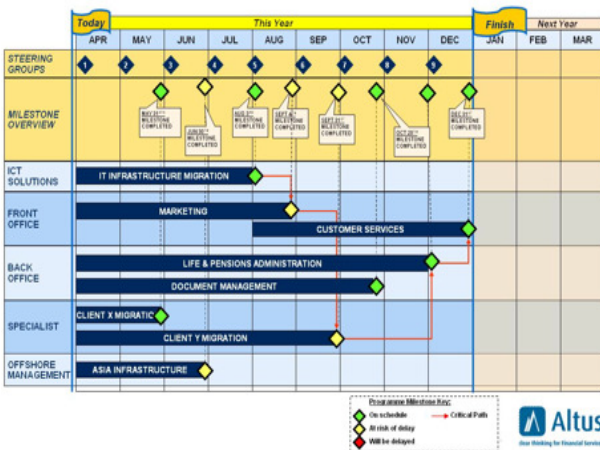
We then consider the issues that will shape the road map:

- Changes introduced by the outsourcing agreement (perhaps additional security risks or new service level agreements);
- Impending changes driven by business process or legislation changes;
- Impending changes driven by system upgrades or technology obsolescence;
- Any possible immediate cost savings;

The Altus Approach (cont.)

- Practicalities of handling system migration and interfaces through intermediate stages;
- Scheduling constraints imposed by accounting periods and other programmes;
- Capacity, flexibility and licensing constraints of existing systems;
- User acceptance of changes, particularly for staff transitioned from the client.

This is not just an academic exercise. Once the road map is agreed, we will work with programme management to help communicate the solution, plan the changes and handle the implementation issues that may arise.



Sample transition plan

The Deliverables

The outputs of this process are:

- Current system architecture specification – describing the existing applications, interfaces and infrastructure and how they support the current business processes.
- Final system architecture specification – describing the end solution.
- The road map – describing the intermediate stages and the changes necessary to reach them.

These documents will promote a common understanding of the solution across business and technical teams and provide the foundation for subsequent planning and implementation work.

The Benefits

Service providers can't afford to be running inherited systems indefinitely, but moving to the scalable and economic platform that is needed presents a host of problems. Altus provides the rigour to systematically work through these issues and establish the best approach – leaving you to focus on the needs of your clients.




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Altus understand Financial Services - the products, the processes, the people and the systems that make the whole thing tick. With years of experience in complex change programmes, we understand that successful solutions begin with the business.

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