

# AMERICAN BANKER®

THE FINANCIAL SERVICES DAILY

Friday, June 19, 2009

## VIEWPOINTS

### *Building Software with Blocks*

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The American business mind-set focuses on finding better and faster ways to get the job done. This efficiency challenge manifests daily throughout information technology departments, where developing software, ensuring it performs as expected and getting it to market can be a long, expensive proposition.

If you are a chief information officer or business line manager at a bank, you are probably on the perpetual lookout for ways to improve the speed of your product development efforts.

New models have attempted to address the banking industry's need to achieve speed in product development. An alternative to traditional development methodologies builds on the principles of service-oriented architecture. I call it the "banking application-centered building block" approach. This approach advocates the use of existing applications as components for new products that can be put together to form composite solutions.

The software development process can be compared to the construction of a house. The architect develops a blueprint and calls out the materials.

Carpenters, plumbers and electricians then use the building blocks at their disposal. In my analogy, these would be software applications. By themselves, they function as a finished subsystem apart from their inclusion in a new product.

A house is composed of dozens, if not hundreds, of parts that come together distinctively to create a fully functioning structure. Similarly, a new banking product targeted to a specific financial need can be formed out of fully realized applications.

This is often the best way to get to market quickly, reliably and with minimal expense. The time lines that accompany high-priority projects leave little room for volume testing. The building blocks minimize this problem, since each component undergoes a rigorous testing process before being included as a piece of the new software.

Application-centered building blocks hold several advantages over rapid development methodologies. The transaction engines are proven and volume-tested. Regulatory compliance is accounted for. Processing redundancies and documentation have been established. Compatibility with

legacy systems has been proven, and the building blocks are scalable.

Does the building block approach truly save time? In two individual product initiatives utilizing application building blocks, the development time saved ranged from 50% to 75%.

One of the initiatives created a system to help banks gain core deposits by sharing funds in excess of insured limits with other FDIC-insured institutions. The building blocks that were leveraged included a deposit system, a loan system, a data warehouse, a customer information system and an imaging system.

The other initiative included the creation of a product that enabled a bank's treasury management operation to accommodate commercial customers who wished to outsource their accounts payable function. This offering leveraged several building blocks, including an automated clearing house system, a wire system, high-volume check-printing capability and a commercial banking portal.

You may already be using some of the building blocks that can be recombined to make a new application.

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