



zetaRP

API

CASE STUDY

The transition from Batch to Online API Posting with Finastra Equation



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Introduction

Banks and financial institutions are going through a massive transformation to cope with the changes across technology and the growing demands of their clients. Banks need to update themselves across several dimensions to cope with the growing trends. With a proactive approach to the shortfalls, financial organisations can stay abreast of evolving trends.

This case study deals with how one of our banking clients in the UK looking for a transition from traditional batch processing of salary transactions to real-time online API posting, got a comprehensive modernisation solution through Finastra Equation.

Our partner bank in the UK is a stalwart holding a prominent role in the financial sector, with years of experience handling clients both inside the UK and across the Globe, offering top-tiered financial services to diverse segments of people with different requirements. From single account holders to corporate giants, the bank has been serving with utmost reliability, security, and customer satisfaction. To enhance their quality of service and to give a modern approach to their existing bulk salary process, they approached zetaRP. This implementation will further enhance their operations resilience, helping them stay at the forefront of competition.

zetaRP identified gaps and challenges in the Bank and offered solutions that could streamline their bulk salary processing, enhance the bank's customer operations, and help stay competitive.





Challenges faced by the bank in batch API posting

The existing bulk salary processing module was set in a siloed manner and required manual interruption at multiple levels. The posting details was received from a source system as an input file or as a data feed Is processed and the transactions information were posted using batch APIs. Once the processing of transactions is completed, the system had to generate a report and sent back as a response to the base system. Then the transaction status will be generated as a report and sent back as a response to the base system.

After keenly analysing their existing system, it was identified that the batch processing system at the bank faced critical challenges that hampered the bulk salary processing efficiency owing to **operational sequence**.

The initial hurdle lies in the reception of posting details from a source system, presented either as an input file or a data feed. The diverse formats of these inputs can pose challenges in standardisation and data consistency. Once the bulk details are received, the processing phase introduces complexities. Efficiently handling a large volume of transactions demands meticulous attention to avoid errors, discrepancies, and potential delays.

The intricacies of data validation and transformation become critical challenges during this stage. The utilisation of batch posting APIs introduces its own set of challenges while managing the sheer volume of transactions simultaneously, raising concerns about system performance, potential bottlenecks, and the risk of incomplete or inaccurate postings.

Generating the transaction demands accuracy, robust error detection, and reporting mechanisms, as it handles enormous volumes. Inaccurate or delayed status reports can lead to challenges in real-time decision-making and hinder the overall efficiency of the salary processing system.

Lastly, the transmission of the response, containing the transaction status report, back to the base system poses challenges to data security, communication reliability, and the potential for data loss during transmission.

Effectively addressing these challenges in each phase of the bulk salary processing module is essential to ensure the seamless and accurate execution of the entire operation.



Challenges faced by the bank in batch API posting

Identified Gaps



Inaccuracies in Batch-Level Cumulative Amounts and Counts:

Cumulative amounts and counts at the batch level were found to be inaccurate, leading to potential discrepancies in financial reconciliations.



Misallocation of Error Codes in Transaction Responses:

Inappropriate assignment of error codes to transactions is causing confusion and hindering accurate identification of issues within the system.



Reconciliation Challenges for Backoffice Users:

Difficulties are being encountered by Backoffice users in reconciling postings due to discrepancies in the cumulative amounts and counts as well as misassigned error codes in response files.



Solution Implemented

Post identifying all the challenges of the bank in terms of the bulk salary processing module, zetaRP offered comprehensive solutions to augment the functionalities of Finastra Equation, enhancing its capabilities and bringing diverse benefits like accuracy, automation, identifying errors, simplified reconciliation process, along real-time alerts.

Introducing an online API posting system brought visibility into transaction processing, ensuring accurate cumulative amounts and counts.



Automated verification of transaction amounts and counts reduces the risk of inaccuracies, with intelligent error code assignment logic, errors were identified as soon as they occurred, allowing for immediate resolution and reducing customer impact.

With real-time transaction status updates, simplifying the reconciliation process for back-office users, and while implementing auto reconciliation modules, it generated real-time reports and alerts, highlighting missing transactions and facilitating rapid resolution.



The implementation of the online posting API empowered the system with precise control over the posting process, ensuring the accurate tracking of cumulative amounts and counts for each transaction. This rectified the inaccuracies that plagued the previous batch posting system.

The change in transaction status retrieval enabled the instant retrieval of transaction statuses along with error codes.



The issue of inappropriate error code assignments was effectively eliminated, enhancing the overall accuracy of the system.

The introduction of the online posting API facilitated the creation of an auto-reconciliation module. The interactive transaction statuses generated by this system provided back-office users with exact details of each transition, streamlining the reconciliation process.



All these effective changes not only addressed the reconciliation difficulties faced previously but also enhanced the overall efficiency and transparency of the salary processing system.





Steps involved in the Implementation of Online API Posting

While implementing the integration in the bank, zetaRP was cautious to follow the rigorous steps involved and optimise the bank's financial ecosystem by enabling changes. Through careful planning, testing, and effective user training, it will bring improved financial operations, streamlined processes, and enhanced data security.

STEP 01

Comprehensive Gap Analysis:

zetaRP begun by conducting a thorough gap analysis of the existing batch processing system. This involves identifying limitations, inaccuracies, and challenges faced in the bulk salary processing module.

STEP 02

Solution Identification:

Based on the gap analysis, zetaRP proposed the implementation of Online API Posting as a solution to address the identified challenges. This decision was made with a focus on improving accuracy, reducing processing times, and enhancing overall efficiency.

STEP 03

Integration Planning:

A detailed integration plan is created, outlining how Finastra Equation's online posting APIs will be seamlessly integrated into the existing system. This includes considerations for data mapping, API integration, customisation, and data security.

STEP 04

Data Mapping:

The data mapping phase involved aligning existing financial data to fit the structure of the Finastra Equation system. This ensures a smooth transfer of financial information, encompassing accounts, transactions, and historical data.

STEP 05

API Integration:

The actual integration of Finastra Equation's online posting APIs with other financial systems and applications is taken place. This step ensures real-time data synchronisation and minimises the risk of data inconsistencies.





Steps involved in the Implementation of Online API Posting

STEP 06

Customisation:

The bank's core banking system (Finastra Equation) is tailored to address the identified gaps by bespoke customisation. It involves adapting new interfaces, workflow processes, and reporting features to align seamlessly with the bank's objectives and requirements.

STEP 07

Data Security Measures:

Robust security measures are implemented to protect sensitive financial data. Encryption, access controls, and regular security audits are incorporated to ensure compliance with data protection regulations.

STEP 08

Testing and Validation:

Rigorous testing is conducted at various levels to validate the integrated system. This includes unit testing, system testing, user acceptance testing (UAT), and performance testing to ensure reliability, accuracy, and compliance with organizational standards.

STEP 09

User Training and Adoption:

A systematic training program is developed for end-users to adapt to the new system. This includes training on system navigation, data entry, reporting, troubleshooting, and other essential functionalities.

STEP 10

Change Management:

Change management strategies are employed to address resistance to the transition. Communication about the benefits of the new system, and ongoing support are crucial components to facilitate a smooth changeover.

STEP 11

Monitoring and Continuous Improvement:

After implementation, the system is continually monitored for performance and user feedback. Regular assessments and updates are conducted to ensure the system remains adaptable to evolving industry trends and regulatory changes.





Results and Outcomes

Our thorough and meticulous implementation process reaps a journey of transformative impact, ranging from heightened efficiency and accuracy to improved user satisfaction and adaptability. Let us see in detail about various benefits brought by this extensive implementation.



Real-time Transaction Posting and Status Retrieval:

The implementation ensures that each transaction is instantly posted, and its corresponding ACK and NACK status, along with KSM and EXCEPTION error codes handshake is retrieved without delay. This real-time visibility enhances the transparency and responsiveness of the entire transaction processing system.

Efficient Handling of Transaction Failures:

In the event of individual transaction failures, the system is designed to capture that specific transaction status with appropriate error code and skip these instances and seamlessly proceed with the processing of the remaining transactions. This capability minimizes disruptions and ensures the smooth continuation of the overall processing workflow.



Sequential Posting for Tailored Actions:

The transition to online postings allows transactions to be processed one after another. This sequential approach enables the incorporation of transaction status-specific actions, tailoring the response based on the real-time status of each transaction. This flexibility enhances the adaptability of the system to unique transaction scenarios.





Results and Outcomes



Consolidation of Processes in an Interactive Interface:

Online postings introduce an interactive interface that consolidates multiple steps involved in the batch posting process. Tasks such as tracking posting status, generating amount summary and various reports. Reconciliation is seamlessly accommodated within a single, user-friendly process. This streamlining reduces complexity and enhances operational efficiency.

Enhanced Control Over the Processing:

The transition provides better control over the entire processing cycle. Real-time monitoring and intervention capabilities empower users to proactively address issues as they arise, contributing to a more controlled and responsive operational environment.



Improved Turnaround Time:

With transactions being posted instantly with appropriate and instant ACK and NACK messages and processed sequentially, the overall turnaround time is significantly improved. This swift processing not only ensures timely disbursement of salaries but also contributes to an overall reduction in processing timelines, enhancing efficiency and customer satisfaction.



Conclusion

With a detailed road map or understanding of the challenge to successful implementation of the changes outlined, zetaRP has meticulously planned and executed each step, thereby enhancing the operational efficiency of the Bank. It is a significant milestone for the bank, which would propel its success in the competitive landscape.

zetaRP brings deep insights gained by serving diverse industries and understanding their unique challenges. By building tailored solutions and strategies, all the needs and demands are easily met, enhancing the capabilities to look to the future, with enhanced scalability and sustainability at the forefront. Our regular assessments and updates conducted by the dedicated team ensure the process remains agile, seamless, and adapting to evolving industry trends and regulatory changes.

We extend the partnership to all organisations and are confident that the collaboration will open a plethora of futuristic opportunities. Call us at +44 (0)204 574 2433 or mail us at salesdesk@macroglobal.co.uk. Our executives will keep in touch with you to understand your requirements.



We are here to help you

Please click on the web link below to access our sales desk telephone numbers and email and we will be in touch straight back to you.



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