case study

#5 – Credit Suisse

(ISO 20022, Universal financial industry message scheme)
Introduction

The ISO strategy for service standardization

Trade in services is expanding at a faster rate than trade in goods. Based on this observation, ISO anticipates that market demand for service standards will steadily increase and we want to make sure that the organization and its members will have the necessary tools and knowledge to respond to this demand, and to the challenges and opportunities it brings. This is why ISO adopted, in February 2016, the *ISO strategy for service standardization*. Our mission? Raising ISO’s profile as a provider of service standards while continuing to respond to market expectations and helping our members to do the same.

For those not familiar with ISO, we are a membership-based network of national standards bodies that come together to develop International Standards ensuring products, processes and services are fit for purpose. ISO standards provide practical tools for tackling many of today’s global challenges, bringing tangible benefits to business, society and the environment. ISO has already published more than 700 standards related to services in various sectors, including finance, business, brand valuation, customer contact centres, outsourcing, assessment services, IT services, marketing, network billing and many more.
ISO defines a “service” as the “result of at least one activity, necessarily performed at the interface between the supplier and customer, that is generally intangible”\(^1\). However, the concepts of “services” and “service standards” are broad, and many different definitions and classifications exist. Some standards purely support the provision of a service. Others may support the infrastructure (e.g. IT or financial) necessary for the provision of a service. And then we have horizontal standards such as management system standards that can be applied to the provision of a service, but also much more broadly.

Rather than concentrate on questions of definition or classification, ISO has chosen to develop case studies to illustrate the use of these different kinds of service standards and to give real-life examples of how standards are being implemented in different industries, citing tangible results in terms of service delivery and consumer satisfaction. By looking at success stories of how standards are opening up new areas of business and improving quality and consumer trust, this case study will try to understand where standards are being implemented, how they work, and why the benefits more than outweigh the investment.

Note: This case study is part of a series, which includes ISO/TS 13131, Telehealth services, ISO 24510, Activities relating to drinking water and wastewater services, ISO 17680, Thalassotherapy, ISO 20121, Event sustainability management systems, and ISO 20022, Universal financial industry message scheme.

More information on ISO’s strategy for service standardization and ongoing work can be found at [www.iso.org](http://www.iso.org).

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Presenting ISO 20022, *Universal financial industry message scheme*

The idea of universal messaging for the financial services industry can appear a little odd until you start thinking about how to get different financial institutions – each with its own payment system – to communicate together. As a customer of Bank A, how do you make a payment from Bank A to Bank B without first communicating with Bank B? Answer: by using a “standard” messaging scheme among international financial institutions which guarantees that they can work together in the best interests of their customers.

ISO 20022 for universal financial industry messaging fulfils exactly this purpose. Developed by ISO technical committee ISO/TC 68, *Financial services*, ISO 20022 defines the platform for the development of financial message standards. It succeeds, and expands, the scope of ISO 15022:1999, which focused primarily on messaging for securities trading, and goes well beyond the mainstream practices of the industry by offering an updated format – a leap forward that can be attributed to the rapid growth in scale and sophistication of messaging in the 1990s.

Most financial institutions want to streamline their communication infrastructure and associated costs by opting for a single “common language” for all financial institutions. The increasing demand forced the financial services industry to innovate, leading to a preliminary
version of ISO 20022 in 2004. This was subsequently revised in 2013 to become the standard ruling the market today.

Standards succeed when they achieve critical mass and consistency of use, so rigorous enforcement is necessary to ensure they serve their fundamental purpose as a common language. Interestingly, because anybody can propose to develop ISO 20022 messages so long as they respect the standard’s requirements, an organization first has to submit its business justification for such development (scope, reason, estimated users/volume, dedicated resources) to the ISO 20022 Registration Management Group (RMG), the highest body governing the overall process. The RMG’s role is to help the Registration Authority promote and support the involvement of financial services actors to ensure maintenance of globally relevant ISO 20022-compliant business models for the exchange of information in financial services.

After checking the submitting organization’s compliance with the criteria (i.e. that the proposed development doesn’t overlap with existing messages and is within the scope of ISO 20022), the RMG approves the business justification, which gives the green light to start development. The submitting organization will then be allowed to contact the Registration

Authority\textsuperscript{2}, which will offer assistance in the development of the messages and ensure that the organization is adhering to the rules. In the case that concerns us, the Registration Authority is SWIFT (Society for Worldwide Interbank Financial Telecommunication), which provides a secure network for international financial transactions. Chosen partly for its contribution to the development of ISO 15022 and ISO 20022, SWIFT is the custodian of the ISO 20022 central repository and responsible for maintaining its content and ensuring its integrity.

ISO 20022 can best be described as a messaging platform that standardizes specific data exchange between financial institutions in order to convey transaction services (e.g. payments) in a formal but syntax-independent notation. They can then be converted into physical messages in the desired model. The data model at the core of this message scheme has to fulfil certain conditions: it must be machine-processable, unambiguous and have direct legal meaning. The challenge thus lies in the ability to send messages that respect a common syntax, i.e. a structured format, while overcoming the semantic barrier. In other words, messages remain intelligible for all actors involved in the transaction despite the diversity of jargons and vocabularies used in the sector.

\textsuperscript{2} For details on the Registration Authority, please see: www.iso20022.org.
The strength of ISO 20022 is in its modelling methodology, which decouples the business processes from the physical message formats (syntax) – in this case, the Extensible Markup Language or XML (in ISO 20022:2013, a second syntax was defined (ASN.1) but has not been used so far). This allows users to immediately understand which institutions are processing the transaction, who shall receive the payment and so forth, resulting in the highest possible degree of automation through its standard message format.

And because it is fundamentally a business modelling methodology, the “ISO 20022 recipe” remains flexible enough to enable the development of new financial message formats while maintaining the entire system harmonized.

The advantages of universal messaging are numerous. Despite being a business-to-business standard, ISO 20022 has a direct bearing on customer satisfaction as it provides improved visibility and transparency as well as a high level of reliability while processing transactions. Interoperability and adaptability go hand in hand to bring clarity and consistency to a highly complex industry.
Suppose ExampleBank in Utrecht, the Netherlands (Bank Identifier Code (BIC) EXABNL2U) has been requested by its corporate customer ACME NV, Amstel 344, Amsterdam to transfer 12,500 US Dollars on 29 October 2009 from its account 8754219990. Instead of addressing the above instruction to its US Dollar correspondent in unstructured text, ExampleBank sends a structured message based on a standard message definition:

```
<CdtTrfTxInf>
  <IntrBkSttlmAmt Ccy='USD'>12500</IntrBkSttlmAmt>
  <IntrBkSttlmDt>2009-10-29</IntrBkSttlmDt>
  <Dbtr>
    <Nm>ACME NV.</Nm>
    <PstlAdr>
      <StrtNm>Amstel</StrtNm>
      <BldgNb>344</BldgNb>
      <TwnNm>Amsterdam</TwnNm>
      <Ctry>NL</Ctry>
    </PstlAdr>
  </Dbtr>
  <DbtrAcct>
    <Id>
      <Othr>
        <Id>8754219990</Id>
      </Othr>
    </Id>
  </DbtrAcct>
  <DbtrAgt>
    <FinInstnId>
      <BIC>EXABNL2U</BIC>
    </FinInstnId>
  </DbtrAgt>
</CdtTrfTxInf>
```

The above example is an excerpt from an ISO 20022 Customer Credit Transfer.

Chapter 1: What Is ISO 20022?

Figure 1-1: A simplified business information model for a payment transaction.


Figure 1-2: Part of the logical message structure for a credit transfer.

As the earliest adopter of ISO 20022, SEPA (Single Euro Payment Area) distinguished itself as the most advanced example of the standard’s implementation, which motivated our choice to look at it more closely. SEPA is a payment integration initiative led by the European Union institutions (i.e. European Commission, European Parliament, Council of the EU representing EU governments and European Central Bank) for the harmonization of payments denominated in euro, which was launched shortly after the creation of the Eurozone.

When the EU institutions first initialized the SEPA process, they expected the banking industry to contribute the resources required to develop European instruments for electronic euro payments. In response to these expectations, the European banking sector created the European Payments Council (EPC) in 2002. The primary task of the EPC is to manage the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) Schemes. The SEPA data formats described in the SCT and SDD Rulebooks and the associated implementation guidelines are based on ISO 20022 message standards.

Also worth noting is that the European Union (EU) legislator recognized that technical standardization based on the use of international standards facilitates the integration of the EU payments market. To that end, the EU legislator adopted in February 2012 the EU Regulation No 260/2012 (SEPA Regulation), which establishes technical and business requirements for credit transfers and direct debits in euro. As a result, all payment service providers (PSPs) are forced to migrate their direct debit and credit
transfer schemes to the SEPA data formats. The migration deadline for euro area countries was set to 1 February 2014 whereas 31 October 2016 will be the deadline for euro denominated payments in non-euro area countries. Among the technical requirements detailed in the annexes to the EU Regulation is the obligation for financial institutions to adopt the ISO 20022-based XML standard for message formats in the inter-PSP domain.

ISO 20022 is however not the only standard used in the financial services industry and SEPA. ISO 13616, specifying the elements of an IBAN international bank account number, and ISO 9362, which defines the structure of the Business Identifier Code (BIC), are two main pillars of the payment system used to facilitate the processing of data interchange, route business transactions and identify business parties, account numbers, account holders and types of transaction. Although they can be used independently, the BIC and IBAN information, when incorporated into an ISO 20022 message, allows the transfer of crucial information rapidly, making the exchange of data and services to users more fluid.

That being said, the same EU Regulation also stipulates that, from 1 February 2016, the BIC code is no longer required for payment service users (PSUs) in the euro area and, as from 31 October 2016, outside the euro area (although it will remain in use for transfers between PSPs) and the account number in the IBAN format will be sufficient. Following the “IBAN only” rule, IBAN – alongside ISO 20022 – is touted to become one of the most important standards in tomorrow’s financial landscape for the straight-through processing of international financial transactions.
Switzerland has a very special position in Europe. The country is not a member of the European Union (EU), yet it relies heavily on trade with the rest of Europe. So it is of prime importance that it participates in SEPA. The history of the Eurozone was a feat in crisis management. It is about people believing in a dream, a dream of unity where all countries of the EU share the economic and political benefits typically associated with larger countries, i.e. a single market that has to be accompanied by a common payment area. But the dream of a unified euro had to meet with harsh realities before, through much effort and conviction, it overcame the challenges and revealed a new world that would have been unthought of just a few years prior.
After the adoption of the euro, European Commission civil servants, on returning to their home countries, noticed a discrepancy in their salaries depending on where they lived, and in the time it took for the payment to reach the beneficiary. In those days, each financial institution in every member state had its own policy on transfer fees and conditions, which made paying equivalent salaries to all employees particularly problematic.

Spurred by the realization that creating a common market also meant putting in place a valid payment system, the European Commission adopted the EU Regulation (EC) No 924/2009 on cross-border payments, pursuant to which all banks in the EU were obliged to charge the same fees for cross-border payments in euro as for domestic inter-bank euro payments, directly eliminating the differences in charges for cross-border and national payments in euro.

This decision had the effect of reducing the market for cross-border payments within the EU, forcing financial institutions to look elsewhere to increase profits for their payment services. Since Switzerland is not affected by the European pricing regulation, foreign competition intensified within its borders as European neighbours offered euro transactions at preferential rates, which put pressure on Swiss financial institutions. The lower margins on transactions served as an incentive for EU banks to further reduce costs by working together for better interoperability.

After the European Payments Council (EPC) had accepted Switzerland among the ranks of SEPA members in 2006, a collective effort began inside the Swiss banking community to convince the different actors, from large corporations to SMEs, to implement the results of the work being done in SEPA. It is worth noting that the main incentive for doing so came from the market itself, rather than being imposed...
externally by public authorities. It was also necessary to convince the other SEPA partners that they should be looking to create a pan-European solution for payment processing that reflected the whole of Europe and not exclusively the European Union. In order to ensure a level playing field on both sides, Switzerland had to demonstrate that it played by the same rules as the EU.

Among the many actors involved in this exercise was SIX Interbank Clearing, the Swiss operator of the central electronic payment system for Switzerland’s financial market, which has a presence in the technical committee in charge of ISO 20022. As a staunch advocate for the standardization of payment transactions, it played an important role in spreading the word about ISO 20022. With the migration of financial institutions’ payment systems to ISO 20022 scheduled for mid-2018, banks must now persuade their clients of the importance of complying with the same requirements by 2019 and 2020. This is particularly challenging as it comes at a cost, especially for SMEs, making them more reluctant to adapt. On the contrary, multinational corporate clients were quicker to welcome ISO 20022, which they saw as a means to facilitate their activities.
With the support of the different actors and organizations involved, SEPA was progressively implemented throughout the country, first for euro transactions and later for transactions in Swiss francs. This, then, is how ISO 20022 became a feature of Switzerland’s new financial landscape, gathering in its momentum some of the biggest players in Swiss finance. Credit Suisse is among the converts. Recognizing the added value and opportunities the standard could offer, it decided to embark on a journey towards service standardization. Here is the story of this journey, told by the people who made it happen.

Our sincere thanks for their support:

- **Stephen Lindsay**, Head of Standards, SWIFT
- **Christophe Godefroi**, Senior Business Analyst, European Payments Council
- **Boris Brunner**, Executive Director, SIX Interbank Clearing
Case study: Implementing ISO 20022 for payments at Credit Suisse

We would like to thank Credit Suisse for their insightful contribution.

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Process standardization and resulting efficiencies for Credit Suisse and our clients within their banking processes are key to enabling a long-lasting competitive advantage and improving client satisfaction. This is especially true in those areas which profit highly from economies of scale and are therefore under constant cost pressure. The payments industry is a good example. By introducing an international framework for payments and cash management to Switzerland, ISO 20022 became a key contributor in achieving standardization between market participants. The European Union (EU) was one of the first to jump on the ISO 20022 bandwagon by replacing domestic clearing standards and formats with SEPA data formats. This led to a new era of industrialization in financial messaging, which later also proved to be effective in decreasing entry barriers for new competitors, resulting in an improved value proposition for clients.

Swiss banks watched closely the birth of SEPA in the European Union in 2008, which generated exactly those efficiencies the Swiss financial industry was not
yet aware of. New product offerings were created and quickly adopted by Swiss residents as well. With the benefit of several years’ experience with SEPA, reducing the fragmentation of standards within Europe was the next logical step. Once this was successfully completed in August 2015, the Swiss market seemed ready to undergo the same transformation. As the central facilitator for payment transactions, Six Interbank Clearing obtained its new SIC architecture (NSA 4) life on 15 April 2016. This is a central milestone for the whole ISO 20022 roll-out in Switzerland.

Credit Suisse is committed to being Switzerland’s first major bank to activate market connectivity based on the new ISO 20022 standard. Hence we see ourselves as a role model for the Swiss financial industry. We strongly believe that today’s legacy formats within the payments industry are at the end of their life cycle and hinder future growth.

Implementing ISO 20022 leads to real client benefits and transformed our bank’s mindset to a client-first and end-to-end value chain view, where the standard is used as a facilitator for allowing new offerings. This will be used to create added value for clients and will subsequently lead to a differentiation compared to the FinTech industry, which is the No 1 competitor at the moment.
The beginnings of ISO 20022 in Credit Suisse with SEPA

The ISO 20022 framework based on Extended Markup Language (XML) was not broadly used in Credit Suisse at the time SEPA was introduced. Certainly, it was not implemented in any active payment application. Thanks to the entrepreneurial spirit of Credit Suisse’s IT department, we were able to engage skilled employees who had already implemented their first personal Website projects based on XML. These specialists were involved from the beginning in enabling Credit Suisse to start its journey toward ISO 20022.

Credit Suisse began studying in detail the process and structure guidelines elaborated by the European Payments Council (EPC) and the European Banking Association (EBA). The goal was to detect which areas were impacted and elaborate further on the manifold adaptations within those areas. The technical aspects, and thus the necessary adaptations, were quickly understood by our IT department. Several internal applications had to be trimmed to be ISO 20022-ready. The application that transmitted payment information to the European clearing systems had to be built from scratch, which could be done in a very short time.

The main challenge turned out to be the identification of the necessary attributes to be mapped into the outgoing ISO 20022 messages, and the information that had to be kept for incoming transactions. Sometimes, we were forced to use a heuristic approach to make up for the fact that certain data entities were not available as such within Credit Suisse.
For example, the beneficiary of the transaction used to be one large data field. Now we had to fill in separate fields for first name, last name, street, and so on.

Adapting all our business processes was a different story. Since SEPA processes and product specifications differed in some key parts from our existing offering, e.g. processes, prices, etc., we had to make some modifications to our internal structure as well. A separate area was created within payment operations that only observed incoming and outgoing SEPA traffic. Special skills were needed from our workforce who had to learn to read XML messages to compensate for the fact that not all end-user interface capabilities could be developed from Day 1. In addition, all the change topics had to be addressed as well.

Other activities included organizing end-user training for our sales and support units, updating all the necessary fact sheets and contracts with our clients and updating the marketing material, among many other tasks.
Credit Suisse has competed very well on the Swiss market, and still does today, because we pass on directly to our customers the transaction price efficiencies we gain, which is one of the keys for success in a commodity business such as payments. Our market share for cross-border and especially SEPA transactions grew significantly in the first two years. What’s more, we achieved further internal processing efficiencies. Our key performance indicator “straight-through processing” of payments grew significantly as well. This meant a smaller internal workforce involved in investigating incorrect account data, fewer returned payments due to incomplete information, and many more benefits.

Also, from a risk perspective, ISO 20022 introduced a number of improvements, especially with regard to international regulations and sanctions topics. Starting with the new XML structures and the new PACS formats in interbank messaging, we were able to gain deeper insight into the underlying data of the transaction and were therefore able to improve our own compliance and risk-filtering functions significantly.

Thanks to standardized interbank investigation messages and return functionalities, our interaction with other banks also changed considerably. From one day to the next, we were able to place investigation activities via a standardized ISO 20022 message, removing the necessity to do multiple follow-ups by telephone or fax. Answering times were clearly defined in the SEPA schemes and SEPA participants had to adhere to these. Also, returned payments could be debited directly on the customer account without further interaction from operations due to the transparent referencing of the related payment. Based on that, automated client information processes, e.g. rejection letters with the reject reason, could be implemented.
Clear benefits of ISO 20022 for clients

On the client side, either a software partner provides and implements the ISO 20022 changes in the client’s IT infrastructure, or the customer himself needs to adapt his own payment solution. The latter situation seemed to us to be the more challenging as it would require guiding those clients through the changes when fundamental banking know-how was missing. On the other hand, we expected most of our software partners to have not only the format skills, but also some payments and banking understanding. But they also struggled in some areas, which meant that a lot of support was required from our side. This was given in the form of clear process documentation, format specifications, and guidelines on how we implemented ISO 20022 in our client-facing infrastructure. We even had regular exchanges with some key software vendors during the implementation phase.

By implementing the new payment format themselves, customers were gradually gaining a better understanding of the new functions. From that moment on, they were able to decrease their reconciliation efforts by the consistent use of reference numbers, which improves end-to-end automation and thus reduces manual interactions. What’s more, the quality and quantity of data improved. Clients were no longer limited to our legacy standards, which forced them to truncate or cut information that was essential for them in order to communicate with their counterparties. ISO 20022 allows plenty of available space to fill in the information that is relevant for banking transactions. Furthermore, clients profited from a clear payment acceptance confirmation or, if something went wrong, from an immediate response providing rejection-status information and a reason code. This enabled our customers to implement status and error pages within their own installation. Now, they no longer have to use proprietary banking tools (e.g. online banking portals) to verify that their payment has been accepted.
With such obvious benefits, clients adapted quite quickly to the new ISO 20022 standard for European payments. The cost advantage, in particular, was a key motivation for large corporations that are familiar with cost-cutting exercises year by year. But this time, not only could the transaction costs be reduced, the process automation could also be increased thanks to the new data structure in ISO 20022 messages. Some customers even added their own codes into the remittance information, enabling their partners to automate subsequent reconciliation processes.

Looking back on the SEPA migration, we learned many lessons during the implementation of ISO 20022 in our systems and processes, including which factors are most important for a project of this scale. Putting the client first was the key, as was creating a change framework around the crucial migration steps that had to be taken. This made it much easier to communicate the necessary steps and to align internal activities. Strengthened by those experiences, Credit Suisse feels extremely confident about pursuing the ISO 20022 migration in Switzerland.
Launching the ISO 20022 era in Switzerland

Since 2013 we have been working on the “re-evolution” of the Swiss payments sector, which will last at least until 2020. The overall harmonization task is split up into the four focus areas: the implementation of new ISO 20022-based formats for credit transfers, advice and reports; the introduction of new e-billing and direct-debit solutions; the usage of a single new unified payment slip; and, last but not least, the mandatory introduction of IBAN-only payments within Switzerland. At present, Credit Suisse is focusing heavily on two of these four areas. Based on what we learned from the European SEPA migration, we strongly believe that seven key points are essential in order to keep ahead of our competitors.

1. Putting the client first

Within all our product offerings and change processes, we have put the client first. When creating the Swiss ISO 20022 offering, we were looking to gain operational efficiencies both for ourselves and our clients, while increasing our flexibility to fulfil clients’ needs. We did this by adding empathy to a clear data view and by asking ourselves at each step if the data were helpful to our clients and, if so, what help or benefits they provided. In this “client migration” approach to ISO 20022, we also systematically put our clients’ needs at the centre of developments, providing the information they required and supporting them in case of questions.
2. **Creating a top-notch offering**

ISO 20022 offers a vast playing field where we are going to choose the capabilities smartly and where we have detected opportunities for creating added value for our customers. This was not easy at first because local Swiss standards provided only a limited amount of content and had a stringent structure that restricted value-added services and product offerings. So for us it was essential to generate additional value, and not just copy the old patterns we knew, but improve significantly on certain dimensions. As an open standard offering powerful opportunities, ISO 20022 gives us this possibility. This is crucial to achieve fast client adaptation. The offering has to be superior so that clients really recognize the need to adapt and implement quickly, despite the initial short-term effort.

3. **Using software partners as an extended workbench**

Special attention must be given to the software partners that support our clients when integrating ISO 20022 within their own systems. Since they are such an important factor relative to the overall client experience, close collaboration is needed and migration scenarios have to be evaluated in partnership. If our clients decide to use a software partner, the good thing is that they do not have to face the technical challenge by themselves as the software partner integrates the payment capabilities and functions that are helpful to the customer. They should therefore be seen as the “extended workbench” and supported in a similar way to internal parties. Process adaptations still have to be done by the clients on their own.
4. Communicating clearly

Communication is key to reaching the goal of market harmonization. As there is no regulatory obligation for non-financial institutions in Switzerland to adopt ISO 20022, communication and marketing activities are required to guide the market through the change process. Telling the right story, at the right time, to the right audience and in the right words is the challenge. Communication needs to provide evidence that the payments harmonization will deliver opportunities to create benefits for all stakeholder groups. It is therefore highly recommended to structure all communication activities in several phases and to “tell a consistent story” across the different phases. The advantages are obvious. Since redundancy is unavoidable when communicating to clients and partners, the different phases enable the development of certain parameters in the communication approaches. In the course of these activities, for instance, the communication style can change from informative to sales-oriented and/or from “awareness” to “detailed guidelines” communication, so having a consistent storyline is a must. Carefully select the appropriate communication channels to reach both clients and partners and initiate communication activities as early as possible.
5. Sharing know-how, reducing complexity and providing transparency

ISO 20022 is quite complex and can be complicated to implement, so there is a declared need for good documentation and easy-to-read examples of how clients should implement it. To avoid clients getting lost in the wealth of information provided by the official ISO 20022 guidelines, Credit Suisse helps them identify the tags they should use and guides them through the process with its own documentation. But written material is often not enough and clients also need to have access to key specialists in this area, especially larger clients that are in the midst of costly project implementation phases. This not only provides opportunities to strengthen relationships as a whole, but also reduces risks for go-live and post-production surprises, which can be stressful for both parties.
6. Gaining experience on a high-class test bed

Because of the complexity of ISO 20022, it is essential that the client have a test bed where he can check if his implementation works according to the defined rules and regulations. Credit Suisse will therefore offer its clients a testing facility specifically designed for ISO 20022, which emulates the behaviour of a real bank. This includes confirmations, incoming and outgoing payments, and account statements. On that basis, clients and partners can test the system at their leisure and validate whether their adaptations work correctly. Credit Suisse’s main customers will also be supported by dedicated specialists in case of further questions that cannot be covered by the testing facility.
7. Providing support during the migration

Client support during migration is a strategic decision. Is a bank willing to “pro-actively” support its clients and partners in discovering the opportunities for optimizing their product usage, services, interfaces and processes alongside the technical migration? Or does pure “re-active” support for the format migration to ISO 20022 fulfil its clients’ needs? As migration support activities in all different options always create budget needs and require skilled staff over a long period of time, client segmentation will be essential to manage the cost and effort.

Once the guiding principles for the approach and client segmentation have
been determined, the variety of ways to offer support services is huge. Whether through on- or offsite consulting, test platforms, hotline support, online help, or other forms of assistance, the key for success will be to set the course for the support strategy at the right time in order to activate the right migration support package for the right client segment.

Overall, ISO 20022 and the standardization efforts carried out by ISO have brought enormous benefits to the payments industry and its market participants. Without this initiative for harmonization, the Swiss financial services industry would be faced with increased maintenance costs, sunk costs, a lack of interoperability and inefficiencies. ISO 20022 is definitely the way to go.
ISO standards used everywhere
Conclusion

ISO service standards and the 2016-2020 strategy

As this case study demonstrates, service standards not only set a much needed framework for the supply of services, they also provide an opportunity to drastically improve the quality of the services offered, contributing a growing share to the added value of a product. The more diverse and competitive a market, the more guidance consumers need to be sure they are purchasing the service they want at the best price. International Standards will help to maintain a healthy competition in the marketplace by ensuring that those companies which have already invested considerable amounts of money in order to offer better quality at affordable prices are rewarded accordingly.

As mentioned in the introduction, these case studies are part of ISO’s strategy on services, which was adopted in 2016 with the aim of further developing the field of service standardization. They belong to the first pillar of this strategy on “communication and outreach” that looks at ways ISO can help its members engage with their stakeholders in the services sector and in particular with small businesses. The objective is to make a clear business case for service standardization and to position it as a natural extension of product standardization.
This will help identify the market interests of the business community, which, in turn, will help determine where (in which sectors) services are being traded, and which sectors and stakeholders could benefit most from the development of International Standards. Moreover, while preparing these case studies, we were able to consult the various committees that developed the standards, to learn from their experiences with different economic actors and to get their market feedback.

Of course, the ISO strategy for service standardization does not stand alone and it is worth recalling the bigger picture surrounding ISO’s efforts in this area. ISO recently adopted its ISO Strategy 2016-2020, which will guide the organization’s decisions over the next five years. Among its strategic directions is a communication pillar that aims to build recognition among the public and private sector of the value and impact of International Standards. This will help us to achieve our ultimate objective of “ISO standards used everywhere”. For although you may not yet see it, ISO is already working hard to make your life easier and the world a better place.
About ISO

ISO (International Organization for Standardization) is an independent, non-governmental international organization with a membership of 161* national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market-relevant International Standards that support innovation and provide solutions to global challenges.

ISO has published more than 21,000* International Standards and related documents covering almost every industry, from technology to food safety, to agriculture and healthcare.

For more information, please visit www.iso.org.

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