

## Model business partnership benefits Saudi market



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**RIYADH: Sending money from one bank account to another seems to require just an online form and a few mouse clicks. Behind the scenes though, complex financial systems must securely communicate with each other to make the funds transfer possible.**

In the Kingdom, the Saudi Arabian Riyal Interbank Express (SARIE) national system provides the mechanism for all Saudi commercial banks to make and settle payments in Saudi riyals. Learn more about it through [www.sarie.gov.sa/portal\\_en.php?lang=en&cid=3](http://www.sarie.gov.sa/portal_en.php?lang=en&cid=3)

But what if the funds transfer needs to go from a Saudi bank account to a bank account outside the Kingdom - in the US for instance? Then, Saudi banks need to use another system known as the Society for Worldwide Interbank Financial Telecommunication (SWIFT). The SWIFT worldwide financial messaging network exchanges messages between financial institutions so that they can carry out the transfer of funds through the relationships they have with each other.

SARIE and SWIFT are two highly secure systems, each owned by different groups, and each functioning in its own regulated manner. A special hub or middleware is needed for Saudi banks to be able to send data from their own internal business systems and interface with SARIE and SWIFT. Stelink from the Swiss-headquartered Sterci S.A. is used by more Saudi banks than any other financial middleware solution to streamline the flow of data between the bank's business applications and the network gateways. The Saudi Arabian Monetary Agency (SAMA), six of twelve Saudi banks and four of six foreign banks operating in the Kingdom run their payment operations using Stelink.

Last week, Sterci's executives came to Riyadh for their annual user group meeting and to celebrate with SAMA and other Sterci customers, the company's two decades of service to financial institutions in Saudi Arabia and its 10-year partnership with local IT services and solutions provider Ejada Systems.

"When we first began investing in the development of Stelink to integrate with SARIE, there was no guarantee of success. All we had was the goodwill from our relationship with SAMA. It was a unique opportunity, but there were competitors and they of course had confidence in their own offering. I believe that we understood the Saudi banks' requirements better than the others, which is the reason for our success," said Etienne Savatier, Marketing and International Sales, Sterci S.A.

The first banks to use Stelink were Riyad Bank and Banque Saudi Fransi. Abdulrahman Alodan, SVP, IT, Riyad Bank, spoke about how banking operations in the Kingdom have changed. "Most of the payments used to have to move manually between the back end systems. Now that is all integrated and there is a good level of straight through processing," Alodan said. "A large part of our payments can now be moved without any human intervention. Riyad Bank plans to streamline its systems further using other Sterci applications, which will make it even easier for us as business people to configure processing rules and manage changes, be they regulatory or business requirements, without the need to bring in IT staff to write code."

He continued, "We are using Sterci because we believe that they understand the requirements of Saudi financial institutions. Sterci has a good support structure in the Kingdom through Ejada, which helps them do much more than just sell a product. You need configuration, you need support, you need consultancy services in addition to the base product. The more customers they have in the Saudi market, the more Ejada adds resources here. It's a win-win situation when new customers sign on with Ejada and Sterci in the Kingdom because we are sure that the support and offerings for all the customers will be even better."

Sterci has constantly gained customers and market share because it has never ceased responding to the financial sector's requirements. According to Fawaz Abou Nasr, executive vp corporate planning and development, Ejada, "From the beginning, Sterci focused on the specific requirements of the Saudi financial market. There was a long-term business plan and consistent investment for years. This gave the banks confidence to consider Sterci's solutions for major integrations and it gave Ejada confidence to invest in resources to support Sterci products. The outcome is a relationship that has been a model for many of our other partner relationships."