



CAPE CLEAR CASE STUDY

JPMORGAN



Category:
Customer Connection

Industry Sector:
Financial Services

About the Customer:
J.P. Morgan Chase & Co. is a leading global financial services firm with operations in more than 50 countries, serving more than 30 million customers worldwide. JPMorgan is the wholesale businesses of J.P. Morgan Chase & Co. JPMorgan clients include the world's most prominent corporations, governments, wealthy individuals and institutional investors.

The Problem:
JPMorgan Investor Services was faced with managing a large volume of diverse customer data. The data had to be integrated with the bank's internal systems to enable faster reporting and account reconciliation. Previous attempts at integrating the data had required complex integration projects and manual intervention to ensure that the data was successfully delivered.

The Solution:
Using the Cape Clear Enterprise Service Bus (ESB), JPMorgan Chase was able to easily integrate the incoming data with its existing systems. The result was significant cost savings and a reduction in the time required to execute financial trades and deliver accurate client reports.

SIMPLIFYING THE REAL-TIME INTEGRATION OF CUSTOMER DATA WITH THE CAPE CLEAR ENTERPRISE SERVICE BUS (ESB)

JPMorgan Investor Services provides a wide variety of financial services to its clients around the world. The provision of these services involves the collection and analysis of vast amounts of information from markets, other financial institutions, and the bank's clients. In order to increase the efficiency of processing client transactions, while reducing related costs, JPMorgan was faced with a significant data acquisition and integration problem.

To facilitate rapid client integration, JPMorgan needed to make it as simple as possible for clients to submit their trade information. Rather than mandating a set format, which would require clients to transform the data before it was sent, the bank allowed clients to submit their trade information electronically using their existing in-house file formats.

At the same time, the bank wanted to encourage a number of clients who were still submitting trade instructions via fax to move online. JPMorgan offered to add support for these customers' in-house document formats to make the transition from paper to electronic submission as easy as possible.

The result is that JPMorgan receives client trade instructions and other client data in a wide and diverse variety of data formats, from spreadsheets to text files to SWIFT messages.

The traditional approaches to processing this data required a lot of manual intervention to repair any errors and manage the dispatch of the data to the correct back-end system.

This intervention added significant time and cost to the processing of each client transaction. SWIFT estimates that any change or repair carried out on a client transaction costs an average of \$6. When that cost is extrapolated out into hundreds of thousands of transactions every day, it becomes a major issue.

JPMorgan wanted to create an application that would allow clients to submit their data, validate it, transform it into a format acceptable to the bank's internal systems and automatically route the data to the correct application so that the transaction could be processed. The chosen solution also had to enable new customers to be added quickly without the need for additional, customized integration projects.

THE SOLUTION

JPMorgan investigated a number of different approaches to streamlining this process, but each approach had significant drawbacks and ultimately still required a high level of human intervention to ensure that the trade information was correctly delivered.

- Many solutions required the implementation of a fat client at the customer site. However, customers no longer wanted to install additional applications in their already complex IT infrastructure. The distributed nature of this approach also meant that it would be costly for JPMorgan to install, manage, maintain, and upgrade the system.

JPMorgan required a secure Web-based solution that could be centrally managed and would not require the customer to install any software.

- Many of the alternative approaches mandated the use of scripting languages or proprietary data description formats. However, these approaches ran contrary to JPMorgan's emphasis on standards and were difficult to use. Each new customer format required an amount of development effort that slowed the integration process considerably. JPMorgan placed a lot of emphasis on the productivity tools offered by potential solutions.

Support for customer integration via Web Services was a key requirement since it would enable automated delivery of business services to customers in a cost efficient way. The Cape Clear ESB enabled JPMorgan to create a Web Service-based application to securely manage the entire integration process.

Clients now submit their trading information to a Web Service, which then validates and transforms that data in realtime and routes it to the appropriate internal application.

There is no need for additional manual intervention and each new customer is set up on the system using graphical tools without the need for an extensive integration program.



HOW IT WORKS

Customers submit their trading information to JPMorgan via a Data Exchange web client hosted on the secure the bank web portal, JPMorgan Access.

Possible input formats range from Microsoft Excel spreadsheets to comma-separated (CSV) files, ZIP files, fixed-width text files, SWIFT Documents and XML. The Web Service takes these documents as they arrive and transforms them from their original format to the JPMorgan target format according to business rules defined using the Cape Clear ESB.

The Cape Clear ESB provides a simple graphical interface for the creation of mapping rules used to convert from one data format to another.

It provides an intuitive, graphical environment for defining these rules; users simply drag and drop to create a mapping between diverse data formats. It enables business analysts to quickly define transformation rules without requiring them to understand the underlying technology.

The transformation rules include data renaming, reformatting, aggregation, filtering, and data completion and are encoded as XSLT (XML Stylesheet Language for Transformations). This approach to data integration makes adding new customers as simple as graphically mapping the relevant data fields — a process that takes hours rather than weeks.

Once this mapping is done, each subsequent document is automatically received, validated, and transformed into the target format without any user intervention. The Cape Clear ESB then takes the transformed data and routes it to the correct back-office system for processing.

With the Cape Clear ESB now managing the incoming data, transforming it, and integrating it with the back-end processing systems, JPMorgan can directly initiate settlement from the data provided by each client, without manual intervention or the need to make any modifications to the internal system.

Furthermore, because the entire solution is built on Web Services it can scale to meet growing business demands. Also, the received data can subsequently be integrated with new applications and systems that are added over time, at a fraction of the time and cost of traditional integration.

Due to the success of the integration project and the savings it has already delivered, JPMorgan is now looking to use the Cape Clear ESB in a host of other areas where the integration of applications and data has historically been a problem.



BENEFITS

- ❶ JPMorgan has eliminated large amounts of manual data capture by enabling their customers to submit trade data and orders in their own data format.
- ❷ The new system, which is built on Web Services, removes the errors that can arise from manual data input.
- ❸ The trade process has been simplified, because the number of systems required to carry out validation, translation, and routing has been significantly reduced.
- ❹ The removal of the client-side applications has resulted in reduced IT administration costs.
- ❺ New customers can be added more quickly than before.
- ❻ Cape Clear enables less technical users to integrate customers' data.
- ❼ Because Cape Clear's products are built on Web Services, a central means of managing, controlling, and updating the applications is provided.



CAPE CLEAR™
Business Integration, Simplified.

www.capeclear.com

United States

Cape Clear Software Toll-free: (888) CAPE 439
880 Winter Street Tel: (781) 622 2258
Waltham, MA 02451 Fax: (781) 622 2378
E-mail: info@capeclear.com

Europe

Cape Clear Software Toll-free: 0800 5871910
Building 3, Chiswick Park Tel: +44 20 8899 6020
566 Chiswick High Road Fax: +44 20 8899 6156
London W4 5YA, UK E-mail: salesuk@capeclear.com