

Why SaaScada stands out from the crowd

SaaScada recently won Best Core Banking Implementation: Best Adoption of Tools & Practices at the IBSi Global FinTech Innovation Awards 2022

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SaaScada's cloud native core banking engine was built to enable organisations to unlock trapped customer value, mitigate risks and drive real-time data insights. By rearchitecting how core banking services are delivered, SaaScada has simplified and accelerated the process of developing new financial products, making it easier and more cost effective to provide first class banking services to all customers.

The company won Best Core Banking Implementation: Best Adoption of Tools & Practices in IBSi's Awards for its work with Allica Bank on the bank's Business Rewards Account. Nelson Wootton (NW), CEO and Founder of SaaScada, and Paul Payne (PP), the company's CTO, spoke to IBS Intelligence about SaaScada's core banking solution.

Nelson Wootton explained what makes the company a stand-out performer. "There are 2 things which we do that differentiate us from other players in the market. The first is we don't take a modular approach to products. We don't silo customers into buying a set product from us; Once you have access to the platform you have the availability to launch any kind of financial service product on it, whether that be lending, a deposit account or a current account and you won't require us to turn on additional functionality or pay any additional cost to launch those new products.

"We don't try to sell customers a product and configure that particular product for them and wait for them to come back and say: 'We'd now like to launch another type of product, and can we have some help doing that...'. We don't then get out the quote and require them to write a cheque. Once they are onboarded, they are able to do anything.

"The second thing we do is data. We provide, if customers want to consume it, a real-time data stream of everything that is happening in your core banking system: money coming in, money going out, card transactions, fx transactions – anything you like. That data stream is something that we sit on top of, and we create structured data views for our customers off the back of that data: customer statements, regulatory reporting, management information reporting, etc.



Nelson Wootton, CEO & Founder, SaaScada

Customers can take that raw data stream and consume it in real time as transactions happen and pour it into their own data silos and management and reporting systems, in order to make the process of working alongside an organisation like ours as seamless as possible."

What's the significance of opting for an API-first approach?

NW: "The key to API-first is about building interoperability between other systems right at the start. It is not about building a platform that does core banking and then sticking some APIs on top of it so customers can access some of the stuff that is inside it. It's about designing your APIs as the first step when defining functionality and features. We will sit down with the team and build out what that API looks like. As our customers consume those APIs, we work backwards into that and develop the functionality that delivers it. So, it's a completely different approach. We don't try to deliver core banking and then stick an API on it. We design what a core banking API needs to look like and then build core banking around that and deliver it."



Paul Payne, CTO, SaaScada

How does the project with Allica play to your strengths?

PP: "From the outset we identified that Allica's internal team were keen to build against a platform like ours where they are not restricted. They have full access to our APIs so we went through various different iterations, and we have different layers to the platform where they can communicate into our systems. It was very much a collaborative approach to understand what they needed on an API level and connect the systems together.

"The other strength that we have, is the integrations that we developed for them. In this case it was an integration to ClearBank for payments, bank accounts, and GPS on the card processing side. So, in the same way we built our platform, it has APIs that we can plug into ourselves to develop integrations to these different solutions.

"The benefit that Allica has there is that it's built an integration to our platform. We then went ahead and built integrations to ClearBank and GPS but we can swap things in and out as needed if anything were ever to change or if they wanted to enhance their solution to incorporate other different processes or agency banks. That is something that is very easy for us to do. We're not hard coding any integrations in end-to-end for them. We have a 'pluggable architecture' which allows us to be much more flexible.

"What that then allowed us to do over the course of the project is to expose functionality that ClearBank and GPS provide directly to them. We do make all of the data that we get from them accessible through our APIs. Anywhere that we see gaps, that's our opportunity to deliver functionality through our core banking engine, to join the dots together and add new functionality on top."

What is the importance of being 'agile'?

PP: "[Most of my background is in agile development projects.] One of the things we have identified and proven through this project is if you try to define everything upfront that you want to achieve and then you try and work with lots of different systems that need to be integrated together, it is very difficult to drive towards the outcome that you might have envisaged originally.

"What we do in an agile process is identify some higher-level goals that we want the product to achieve. But we start to look at the underlying systems and how we can bring them together – what services they offer, what capabilities they offer, and refine that as we go."

What are the benefits of being cloud native?

NW: "Let's define 'cloud native'. What we mean is this platform was born, written, and designed to work on cloud infrastructure. We did not take an existing platform and try to virtualise it in the cloud. We utilise some of the benefits available in the cloud in order to deliver the services we deliver.

"The reason that is important is, firstly, scale. By properly utilising cloud and not just virtualising some machines in cloud, you have almost infinite scale, and the cloud will take care of that scale for you. As it sees demand on different services within the platform, it is enabled to scale those services out, applying more hardware for the time that that hardware is required and, even better, when that hardware is not required it is enabled to scale down. This 'play' backwards and forwards with virtual infrastructure that is being deployed as and when required means that we can lower the cost of core banking significantly. So, you have two great things here, scale – on-demand services – and lower cost!"

You claim core banking is not just for banks. What does that mean?

NW: "It is about how the world is changing, if you ask Revolut, they would tell you they are not a bank! We might argue with that

“...this platform was born, written, and designed to work on cloud infrastructure. We did not take an existing platform and try to virtualise it in the cloud.

but there is a much wider ecosystem of organisations moving into financial services. We can look at those that sit alongside banks and provide financial services in a slightly different way – building societies, credit unions, corporate enterprises providing supply chain finance and moving into retail transactions, providing lending and financial support. That requires a core banking system and the kind of integrations that an organisation like ours provides to do that.”

What are the trends you are seeing in banking?

NW: “There is increasing interest and appetite by organisations that aren’t strictly banks to get involved in financial services as an industry. It may well be that they become regulated to do that. I think we are certainly seeing organisations that aren’t banks wanting to move into financial services. We are seeing increased activity and challenges in the wealth management space, putting pressure on some of the legacy infrastructure and legacy players in that space as wealth is being handed down to the next generation. A fully digital experience of financial services is an expectation of that generation and a lot of players in wealth management are not able to offer that.

“This is also an exciting time for regulated banks. Interest rates have shifted for the first time in nearly 20 years in a meaningful way. That is creating opportunities for banks to launch new products and reach new customers and solve new problems.”

How will these trends affect SaaSca?

NW: “We are beautifully placed! One of the things you have to think slightly differently about is how we consume and provide data. The ability to sit on top of a real-time stream of events and structure those events out into different data sets allows organisations deep insights into what’s happening within the organisation and within

the customer base. Furthermore, and most exciting of all, you can start using these data sets to create new value propositions that you can launch to those customers. It could be, for example cashback, or rewards for different types of behaviour, and your ability to sit on the event stream, capture those behavioural patterns and then reward customers for those behaviours creates great new opportunities for organisations to launch new products into market.”

What is next for SaaSca?

NW: “We are still very, very focused on Europe [including the UK and Switzerland]. We are continuing to build out increasingly with existing financial institutions launching new products and services into market. We are well-positioned to run alongside existing platforms and systems that they might use and are a well-versed in running our platform inside a bank alongside its existing platforms. That is a strategy we have executed with Allica very successfully.

“We are growing well in Switzerland – there’s a lot of activity in wealth management and private banking that is, again, quite an exciting territory for us. And, of course, there are still new banks coming to market. There is no doubt that there are some really interesting plays, particularly in trade finance as well as corporations moving into financial services. It’s a long list and it’s a really exciting time!”

Allica Bank

Established in 2019, Allica Bank is a FinTech challenger bank, named in 2022 by *The Times* as one of the UK’s Top 20 financial technology companies. Allica Bank is dedicated to providing a full range of credit and payment services to established, growing SMEs – combining proprietary technology and experienced local relationship managers to provide a great customer experience.

Conrad Ford, Chief Product Officer at Allica Bank, said: “At Allica, we believe that a small number of talented and empowered colleagues can deliver more – and better – outcomes than the huge, bureaucratic programmes beloved of traditional banks. The successful build of our proprietary Business Rewards Current Account – counted in months, not years – demonstrates this in practice, helped hugely by the shared values of our partner SaaSca, and their API-first core”.