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**Customer:** Temenos

**Website:** [www.temenos.com](http://www.temenos.com/)

**Customer Size:** 4,400 employees

**Country or Region:** Global

**Industry:** Financial services

Customer Profile

Temenos, headquartered in Geneva, Switzerland, is an independent software vendor that offers a range of banking software solutions to financial institutions throughout the world. Every day, 450 million people use the company’s software.

Software and Services

* Microsoft Azure platform
* Microsoft Azure Cloud Services
* Microsoft Azure SQL Database
* Microsoft Azure Virtual Network

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|  | | [Temenos](http://www.temenos.com/) |  | Core Banking Software Provider Moves Flagship Offering to the Cloud and Opens New Markets | |
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"A small bank can now establish a global brand presence at a very low cost by using a software-as-a-service model. Having a global Azure-based T24 core banking solution can change banking substantially.“

John Schlesinger, Chief Enterprise Architect, Temenos

Temenos, a global banking software provider, wanted to build a cloud-based version of its existing on-premises T24 core banking application to give customers functionality in the cloud. By developing its new version on the Microsoft Azure platform, Temenos can now offer cloud banking capabilities to financial services companies that have traditionally used on-premises solutions, and it can help them meet strict security and compliance requirements. Additionally, Temenos customers can quickly access the cloud version of T24, and they have more flexibility and scalability.

Business Needs

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The banking industry today is experiencing big changes, with banking becoming digital and more customers using mobile devices to conduct financial transactions.

It’s a trend that has caught the attention of Temenos, a global banking software provider that offers core banking, payments, wealth management, and business analytics solutions. “Banking is going through massive structural change, and it’s becoming a commoditized business,” says Ben Robinson, Chief Strategy and Marketing Officer, Temenos. “To survive, banks need to move upstream in order to add more value to their customers’ lives and help them make better decisions.”

At the same time, banks are seeking to lower their IT costs. “One of the biggest expenses for banks is IT, and with an increasing emphasis on lower margins, they have to look at the cloud as a way of reducing IT costs,” says John Schlesinger, Chief Enterprise Architect, Temenos. “This is a traditionally on-premises industry in terms of core banking applications, but our view is that by 2020, all new core banking projects will be on infrastructure-as-a-service (IaaS) platforms, if not software-as-a-service platforms.”

Temenos sought to create a cloud-based version of its flagship T24 application, a software solution that powers the core banking operations of more than 700 banks worldwide. The challenge? Finding the right cloud technology for hosting T24. “We needed to find a technology that was scalable but also very easy to set up,” says Schlesinger.

Solution

After choosing the Microsoft Azure cloud platform, Temenos developed a cloud version of T24 that uses Azure Cloud Services and runs in an Azure Worker Role and uses Azure SQL Database as the back-end database. “Many of our T24 core customers are increasingly moving to Microsoft SQL Server on commodity hardware,” Schlesinger says. “Whenever anyone tells me they think SQL Server isn’t really an enterprise platform, I say that’s total nonsense,” says Schlesinger. “Banks love it, and they love it for their core banking applications.” The cloud version of T24 also takes advantage of an Azure Virtual Network to extend the application’s on-premises network through a site-to-site VPN for use by bank branch tellers.

Although the majority of T24 customers still use the on-premises version of the software, a growing number are using the cloud version. For example, seven microfinance organizations in emerging markets are using the Azure-based version of T24. “We’ve started working on a full version of T24 in Azure for fully regulated deposit takers,” says Schlesinger. “We intend to have this fully functional for those banks by 2018.”

Benefits

Using Azure, Temenos can provide cloud banking functionality to banks that formerly used on-premises solutions. As a result, banks using T24 in the cloud can deploy the application in only a few months, meet security requirements, and meet close-of-business deadlines faster.

**Expanding to New Markets**

By using Microsoft Azure for its T24 application, Temenos can offer a software-as-a-service core banking application to an industry that has historically relied on on-premises solutions. As a result, Temenos can now more easily grow its business in emerging markets by offering T24 on Microsoft Azure, helping customers like Reall, a UK-based charity that provides basic financial services and financing strategies to people living in slum communities. “A small bank can now establish a global brand presence at a very low cost by using a software-as-a-service model. We think having a global Azure-based T24 core banking solution can change banking substantially,“ says Schlesinger.

Temenos can also support startup banks. “With Azure, we can help new organizations get going fast and bring services to their customers,” says Martin Kearsley, Director of Software Services, Temenos. “This is changing peoples’ lives, literally.” Adds Schlesinger, “Of the 190,000 microfinance organizations in the world, we initially thought we might only be able to sell T24 to a few of them. Now, we don’t see why we can’t sell to all of them.”

**Meeting Strict Security and Compliance Requirements**

The organization’s banking customers are able to comply with strict financial security regulations by relying on the Azure platform. Because Azure shares its audit report findings, it is easier for Temenos customers to ensure that the necessary technical and operational safeguards are in place. “From a security point of view, I think Azure is a demonstrably more secure environment than most banks’ datacenters,” says Schlesinger. “From the compliance point of view, we already have the regulators in Europe allowing core banking on the Dublin datacenter.”

**Avoiding the Need to Hire More Staff**

Temenos also avoids the need to add new employees by using Azure to support T24. “We need to focus on providing software to banks,” Schlesinger says. “We don’t want to have to hire database administrators or system programmers or have the problem of upgrading databases and applications servers and operating systems.”

**Easing Implementation and Providing More Elasticity**

Using Microsoft Azure, Temenos can deploy its core banking system faster, because the app’s standard functionality is implemented in the cloud. “Azure gives us the agility you don’t find in on-premises applications in terms of deployment,” says Schlesinger. “Azure is simple to deploy. With T24 on Azure, any bank can run it out of the box in just a few months.”

Temenos can also offer customers more flexibility because of the elastic provisioning capabilities in Microsoft Azure. For instance, many T24 users need to meet deadlines at the close of business each day for payment processing and other tasks. With Azure, Temenos can run a tenant using more cores at the close of business to complete the job faster. “Regulated banks will be able to meet their close-of-business deadlines much faster and more cost-effectively in the cloud as opposed to using on-premises applications, because of the elastic provisioning in Microsoft Azure,” says Schlesinger. “Azure really enables them to run their business more effectively overall.”