

Huge potential for the Multichannel Bank

Self Service, Internet Banking and Mobile Banking solutions. Very focused on flexibility, security and services' personalization, this is because the potential for more effective use of services and marketing in the multichannel bank is still enormous, explains Vincenzo Fiore, CEO of Auriga

« During the last few years, we have grown 30% a year, and we have always reinvested the profits to finance Research & Development activities. When you are a small company like ours, there is only one way to keep your place in a such competitive market : to aim for excellence and keep a step ahead compared with others. For this reason, each year we invest over 40% of our turnover in R&D ».

Vincenzo Fiore, CEO of Auriga, whose headquarters are in Bari, summarizes in these few words the philosophy of his Company. This philosophy is, also, characteristic of small and medium size Italian companies, which, as they are not supported by broad financial supervisions or protective powers, compete in the market with the larger companies in their sector and win because of the quality of their product. Whilst Puglia is certainly blessed with many beautiful characteristics is not a renowned as a location for technology, to find a company based in the area and maintaining its growth to become today one of the foreground actors in the electronic money word and the “virtual” bank, if it is still appropriate to use this adjective, is surprising.

Brain is in Bari

Auriga Informatica was formed in Bari in 1992 with the objective to develop software solutions for banking information systems, with a focus on the virtual bank environment. In 2000, Vincenzo Fiore created Auriga Net, dedicated to self service solutions, ATM and kiosks. With its innovative solutions, Auriga Net found success in a market dominated by large competitors who did not offer very flexible solutions. In 2007, the two companies merged to form Auriga Spa, a company in which “the capital is entirely held by the management, explains Fiore, in such way that it could be strongly related to the success of the company and finds the personal motivations to evolve and engage themselves”. One hundred thirty people (90% graduates in Electronic Engineering or Computing Science) are divided up between Bari, where 85 people represent the beating heart of the Company, Trento (strong partnership with Phoenix for services delivered to the BCC/Banca Credito Cooperativo World), Rome and finally Milan, sales offices for existing clients the and the base for searching for new business opportunities. Together, revenue reached a turnover of almost 12 million of euros in 2010, a year of consolidation for Auriga while the market is certainly marked by a decline in growth.

Multivendor Solutions

We have succeeded during these years to drive innovation in a protected market, dominated by large suppliers of equipment. In 2003, we were the first to propose the concept of a multivendor solution on the ATM. At that time it was a taboo: indeed each machine supplier was imposing their own standards, by tying the bank into an exclusive relationship with one supplier for the management of the hardware, as well as the software and the maintenance. Thus we have shown that hardware, software and maintenance can be delivered in different ways and the bank is able to choose the most suitable solution according to its own needs and its market . It has enabled us to become a major player and our system is today used in Italy by more than 300 banks, representing the management of almost half the Italian ATM fleet . But it has also enabled us to have a great position on some great banking realities; Auriga Spa is indeed at the forefront of the evolution in self service solutions. In addition, Auriga Spa is the only technology provider that is part of CBI (Corporate Banking Interbancario) which is not with a banking sponsor.

Custom-made Self Service

At the core of Auriga's success, beyond its obvious technical capacities, is its capacity to personalize. This quality enables large and small banking groups to deliver self service solutions built to meet their needs: from the payment of university registration fees to the payment of charity organizations. “Today self-service is such an important channel in the relationship between the bank and its customers, explains

Vincenzo Fiore, that it is not anymore possible to offer standardized service. On the contrary, it is necessary to develop its potentialities, by building it according to the characteristics of the market in which it is being delivered. We start obviously from a standard product, but we can then modify it quickly, according to the requirements of the bank itself. We even provide to the bank the means to allow it to set up, for example, immediate marketing campaigns, flexible, for one given period”.

Marketing is the key

One of the winning elements of Auriga’s solution is precisely the flexibility and the speed of implementation, by identifying the marketing function as key functionality : “Today, self service is fundamental in the strategy of the relation between the banks and their customers; thus many marketing chief executives appreciate the flexibility and the speed of delivery of our solutions. These solutions must obviously be integrated within the existing data structure of the bank and, in this case, the persons in charge of the information systems appreciate that the solution functions in a distributed architecture, by using the latest generation of data base, with Java technology, it can then integrated without any problem within any environment. During all these years of experience, we have never lost a customer, or, if it has occurred, it has only occurred in the case when the institute has merged with another bank or that it has been purchased by a larger banking group”.

An enormous potential for relationships

Throughout its life cycle, the self service machine will continue, according to Fiore, to develop its enormous potential for relationships: already today, for example, it can recognize the client, remember his usual operations and take him directly to the services that he normally uses: “it opens here a huge space of technical creativity, of services and marketing for banks, Fiore says with emphasis, to exploit it in a broad scale. For example, there are self service systems installed with some of our clients that are able to manage more than 80 different functions: a nice panorama of possibilities”.

Security no problem

The activity of Auriga is however not limited to the self service world, universe in which the company has, as previously explained, an important position on the Italian market, but is extended to the multichannel concept with solutions at 360 degrees including Internet and Mobile Banking, characteristic held by Fiore as unique in the Italian market. But which enables him to affirm that security, one of the trickiest areas in the virtual (banking) concept, is not plus a problem: “ today, we make available to our clients a wide range of security options: one time password, call drop, electronic signature or “client certification” (digital certification installed on the own browser). The bank itself chooses through a “security console” which methods it prefers to adopt, we recommend that they adopt at least 2 control instruments. From this point of view, we are very confident, all the more because we directly manage the fraud management system for the bank: we have therefore an immediate visibility on dangers and possible criminal attacks. And it is probably thanks to this that the mobile banking channel has been already adopted by thousands of members from our clients”.

Which direction for mobile Payments?

“Although always paying great attention on the developments in NFC& Contactless fields, I am not convinced that the best way towards mobile payment would be through an NFC chip. I think that it constitutes an expensive and complex solution with many flaws regarding security. We are currently exploring another way: the QR Code (Quick Response).” Already widely diffused in the editorial world for mass market promotion, the QR system is very simple: it requires that customer has a smartphone with an internet connection and that the retailer has defined his own QR Code which identifies himself. The purchaser needs to scan the QR Code to identify the retailer from his smartphone to launch the transaction. “All the security is in the hands of the payer, they have the POS application which is provided free, it doesn’t require any complex or expensive technological infrastructure, very important, especially when we think that mobile payment is at the origin designed for micro payments : why should you need to have an expensive technology to pay the two Euros of the bar or news kiosk?”.

Old Europe is the objective

Many Italian companies in the IT sector when looking at the foreign markets orientate themselves especially towards Eastern European Countries, Auriga is already present here (Slovenia, Serbia, Albania and Romania) and continues to invest itself to increase its client portfolio. But Auriga doesn't stop there and aims to be in the heart of the "old Europe" where, says Fiore, "a company armed like ours, offering multichannel banking solutions that cover 360 degrees doesn't exist. And where thus exists a possibility of creating a significant market". For this reason, the first subsidiary of the Enterprise is not in Prague or Budapest but in the England, where in 2009 a commercial office opened with the British banking market as a target.