

Multi-Dimensional Approach to Sourcing Offerings

You advocate a multi-dimensional approach of sourcing offerings. What is meant with it?

Ulrich Kastner: The idea of sourcing as a one-dimensional commodity falls short. To really establish a long-term partnership profitable for client and provider the real sourcing potential means integration. Only the simultaneous analysis of processes involved, IT consulting, and development and secure operations can leverage the full strength. These three dimensions

- business process engineering,
- IT solutions, and
- operation services

hence have to form sourcing offerings to our customers.

How may such a concept be implemented?

Ulrich Kastner: Starting point must be the underlying business and particular know-how of markets and processes. In our case we can leverage our in-depth understanding of financial processes, which ensures that the customer receives comprehensive services. The real challenge is the actual application of the business requirements into the existing system landscape. Technical expertise is essential for the correct design and high



*Ulrich Kastner
Managing Director, Deutsche Börse Group*

quality implementation of the measures. This implementation has to be based on the right architecture which can be only developed in close cooperation with the clients. For example: Deutsche Börse IT has a long track record of implementing high availability and zero fault systems for the financial industry. So we concentrate on this area. This focus facilitates the integration into the current operation service using economies of scale.

What are the success factors?

Ulrich Kastner: The key factor of this concept is focussing on your core competencies. In a highly competitive environment with dozens of competitors you have to continuously provide strong services and it is necessary to clearly communicate this strength. With our systems, we successfully work on a daily basis in the heart of the financial industry. Thus, our focus is the financial industry's core

processes with customized solutions for trading and post-trading, asset, customer and credit management. Additionally, you must be strongly committed to continuously benchmark your organization and to have your organization excel in customer service.

Could you explain how this strategy will be successful in the future?

Ulrich Kastner: Continuous improvement and focused change management must be deeply rooted in your organization to compete in rapidly changing times. At Deutsche Börse IT, we have established two further concepts, which supplement our overall approach. We continuously evaluate business and IT innovations, and we permanently analyse options evolving from our and our customers' businesses. Take the introduction of our Central Counter Party Software as an example. With these methods in place we believe that our multi-dimensional concept will enable us to handle new opportunities in the future.

About Ulrich Kastner

Ulrich Kastner is Managing Director of Deutsche Börse Group and is responsible for Application Development / Trading & Consulting. Systems like Xetra and Eurex are designed, implemented, and tested within his area. Additionally the Account Management is within his reporting line, which manages various outsourcing deals with external customers thus leveraging the in-house IT infrastructure.

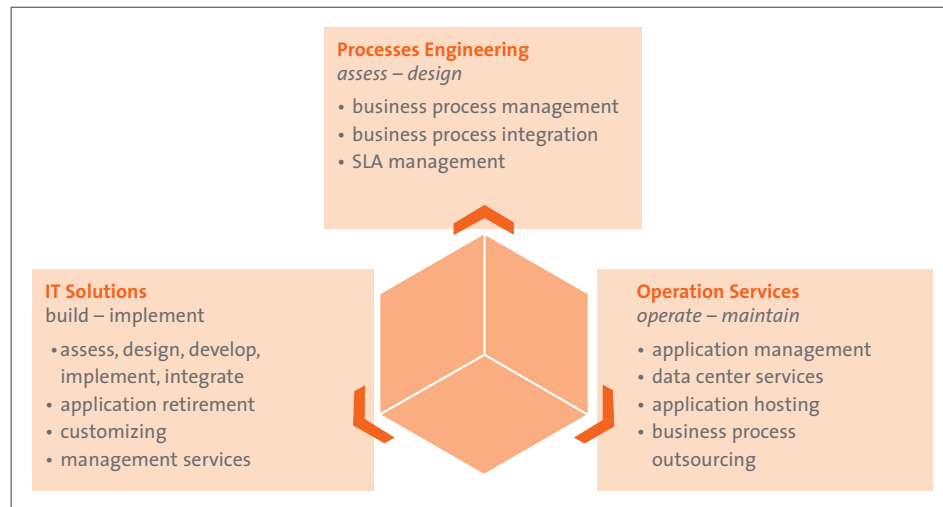


Figure 1: Multi-dimensional Offering of Deutsche Börse Systems