

SWIFT's Vision 2010

Speaker:

Lenny Shrank, CEO SWIFT

Date:

Monday 6th November 2006

For this session The FS club, sat down for dinner and heard Lenny Shrank sing for his supper. Whether it was dinner or Lenny or a combination of both which delivered such a fine turn out is open to speculation.

How does Lenny or SWIFT see London?

Lenny opened by declaring London to be “the financial centre of the world”. Whether this was a sop to the London audience, an observation in general, or a postulate to be verified or proved we waited to hear.

Lenny's view is that London is sitting in the eye of a storm and how to take advantage of the situation. SWIFT also sees things that way. A continental banker remarked to Lenny that what the European continent needs is half a Maggie Thatcher. The city of London has a wind at its back and of course SWIFT can help!

Where next?

At this point we were offered a choice of whether we got the “future of London vision “or the next few years of SWIFT. Without waiting for the audience to have a view we were given the next few years of SWIFT.

What has SWIFT been doing recently?

“SWIFT 2006” the prior vision had been about becoming the global industry message switcher. Over the years SWIFT has become 5 times bigger and its charges are a fifth of what they once were. 30% more business is clearing and settlement.

What will SWIFT focus on next?

SWIFT 2010 is about “achieving more together” more traffic = lower costs .SWIFT has four strategic thrusts. The first is to encompass the emerging BRIC markets where presence and offices are needed. The second is to extend client reach to embrace the top 200 corporates, the third is Euro integration which is SWIFT's back yard and the fourth focus is on securities and derivatives.

How has SWIFT itself been changing?

Lenny looked back on his years as CEO and offered the view that whereas at the beginning of his tenure the board had to be persuaded to adopt changes now it is the one doing the pushing. SWIFT is a very successful growing mutual organisation delivering services to the benefits of its members.

What has SWIFT delivered?

Lenny proclaimed the virtues of SWIFTnet which has public key encryption, uses the XML standard and offers an SOA, service oriented architecture – the only industry infrastructure using these three technologies together. SWIFTnet is heavy duty wholesale.

What are the challenges for SWIFT?

SWIFT sees its challenges as keeping its members on board and watching what's going on with the internet.

What did the floor think?

In response to a floor question as to why only big corporates were being invited to join or wooed the answer seem to be vague or maybe that in usual SWIFT style they might get there someday but in very slow progress; SWIFT being a misnomer for the speed of progress.

Another view queried why SWIFT still combined its standards operations with its commercial operations. Lenny opined that this was strength of the organisation. The table this correspondent sat on what not at sure and felt that SWIFT was slow to react, still almost prohibitively costly for some entrants and seemed to want to continue its exclusivity when inclusivity is what many participants felt was needed.