



## A journey of co-creation



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**Christian Westerhaus**  
GTB Head of Clearing Products,  
Deutsche Bank

One of the first banks to adopt SWIFT gpi using APIs, Deutsche Bank is working closely with clients to maximise the benefits.

In the last couple of years, Deutsche Bank has paid close attention to the challenges presented by cross-border payments. Payments made using the correspondent banking model often involve several different banks, which means that getting transparency over the status of these payments can be difficult. Other obstacles include a lack of transparency about bank fees and the tendency for remittance information to be truncated.

Currently, Deutsche Bank's corporate clients can access information about their payments via the Cash Inquiry app on the bank's Autobahn app market. Many key clients also contact their client service officer directly when they want to find out about the status of progress of a cross-border payment. “However, finding out the whereabouts of a payment requires point-to-point engagement with our correspondent banks, which may take a lot of time,” explains Christof Hofmann, Head of Global Payments & Collections at Deutsche Bank.

All this is changing with the arrival of SWIFT global payments innovation (gpi), a new standard in cross-border payments which aims to make cross-border payments faster and more transparent. Payments sent using this new standard carry remittance information unaltered, while funds are available the same day. The service also provides transparency over bank fees – and last but not least, it provides end-to-end tracking.

“The centrepiece of SWIFT gpi is the cloud-based tracking service,” comments Christian Westerhaus, GTB Head of Clearing Products at Deutsche Bank. “We can use the tracker for our own investigations and we can also open it up to our clients so they can track and trace their transactions.”

### Engaging with clients

As one of the initiative's founding banks, Deutsche Bank has participated actively in the development of SWIFT gpi. As part of this process, the bank has engaged extensively with its corporate and institutional clients. Running co-creation workshops has enabled Deutsche Bank to understand what clients are really looking for, and the resulting insights have been used to inform the gpi working groups. “We have validated each and every perceived market problem with our end clients to make sure the solution fulfils their requirements,” says Westerhaus.

Likewise, Deutsche Bank is keeping clients' needs front and centre where the bank's own gpi implementation is concerned. Consequently, all the information available on the Tracker will be made available to clients once the project goes live. “It's important for us that the information and transparency gpi provides is not disruptive for our clients, and that it integrates seamlessly into our current service offering,” says Hofmann.

### Embracing APIs

SWIFT gpi tracking can be adopted in one of two ways: via FIN messages or via APIs. For Deutsche Bank, the new gpi service presented an opportunity to further the bank's API strategy. “With an API, you have one authoritative source and everybody accesses the same information, so you don't need to build a separate repository of data,” says Hofmann. “I think the whole industry needs to move in this direction, because some services are easier to offer – and consume – via APIs.”



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The bank therefore welcomed the opportunity to adopt gpi using API connectivity, and was one of the first banks to choose this option. The project included a period of co-development, with Deutsche Bank and SWIFT working closely together to iron out any issues. “We wanted to be a leader and innovator in this area, rather than waiting until the API offering was 100% ready,” explains Hofmann.

**Implementation process**

When implementing gpi, Deutsche Bank first focused its efforts on EUR and USD payments in the bank’s major cash management hubs in the US and Europe. A joint project was set up incorporating a core team of around 20 people from across the organisation: institutional cash, corporate cash, product management, IT, communications and legal professionals were all involved in setting priorities and deciding the strategy. “We also ramped up our development capacity on the IT side,” says Hofmann.

Where timings are concerned, it has taken around six months for Deutsche Bank to be ready to roll out gpi – although as Hofmann points out, implementation is likely to be faster for other banks choosing the API route in the future. “We laid a lot of ground work with SWIFT, which other banks can now leverage,” he notes.

**Benefits**

Interest in the new service is already high, with customers keen to understand how they will be able to benefit from gpi and access the service. “The best thing about it is there is no need to connect corporates to gpi,” says Hofmann. “They will just get the added service seamlessly.” Customers will be able to access gpi information either via the bank’s Cash Inquiry app or by speaking to customer service officers who have access to the relevant information. All eligible payments will be processed as gpi payments, maximising the benefits for clients.

Deutsche Bank is also set to benefit from operational improvements. “By being able to track a payment end-to-end, we can build in specific rules and artificial intelligence within our infrastructure,” says Neil Brady, Global Head of USD Cash Operations. “This means that when queries are received from clients, we will be able to automate responses and conclude enquiries faster, bringing greater efficiency, faster response times – and hopefully a better client experience as well.” Brady points out that these benefits will increase further as more banks sign up to SWIFT gpi.

**Looking forward**

Building on the current implementation, Deutsche Bank plans to add further countries and currencies next year. Beyond this, the bank is already exploring the possibility of further value added services and is talking to clients to decide upon the next priorities. As Hofmann explains, “We see the current implementation as the start of the journey, rather than the destination.”

As such, Hofmann says that banks implementing gpi should focus on going live with the most important currencies and that they should have a clear focus on building the necessary architecture. “Any bank joining now should understand that this is not the end service – phase 2 of gpi will include new functionalities such as stop and recall payments,” he explains. “What we are implementing now is the foundation and not the roof.”

Finally, Westerhaus has some words of advice for banks considering adopting SWIFT gpi. “Don’t start working on gpi from scratch, because you can build on the experiences of the banks that have already participated in the project,” he says. “And don’t wait for your customers to ask you to get involved.”

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