

Strategic IT sourcing

Case study from Swift 'Data & Services'
software delivery group

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Swift



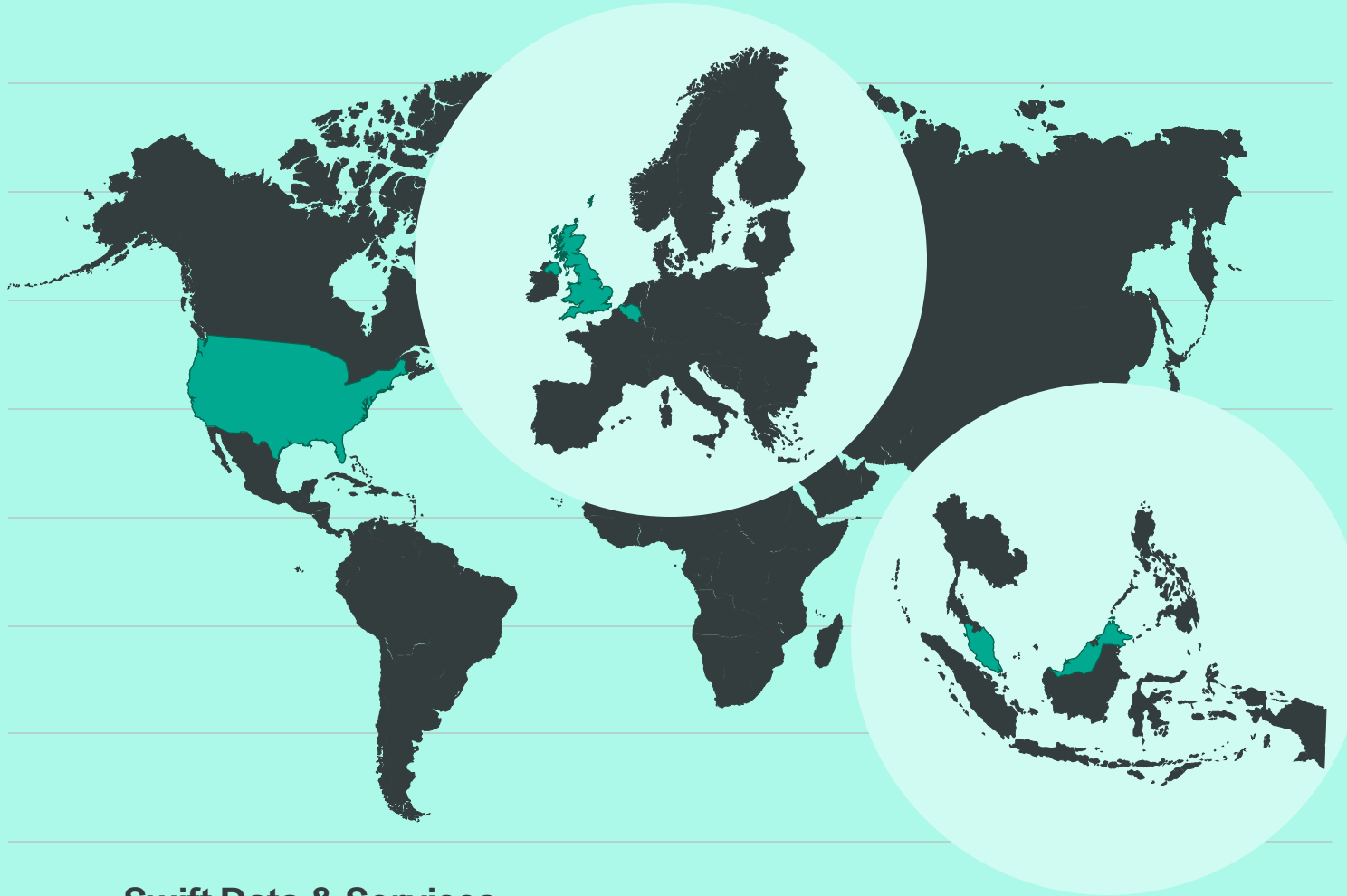
- Swift internal staffing
~4,000 employees with
2,000+ IT'ers
- High impact with limited
staffing → “expert model”
(vs. “mass model”)
- Context = Software
delivery group
- Many other groups &
models at Swift (Security,
Operation, Network ...)

Swift is a global member-owned cooperative and the world's leading provider of secure financial messaging services. We provide our community with a platform for messaging, standards for communicating and we offer products and services to facilitate access and integration; identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,500+ banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories.

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Software delivery context

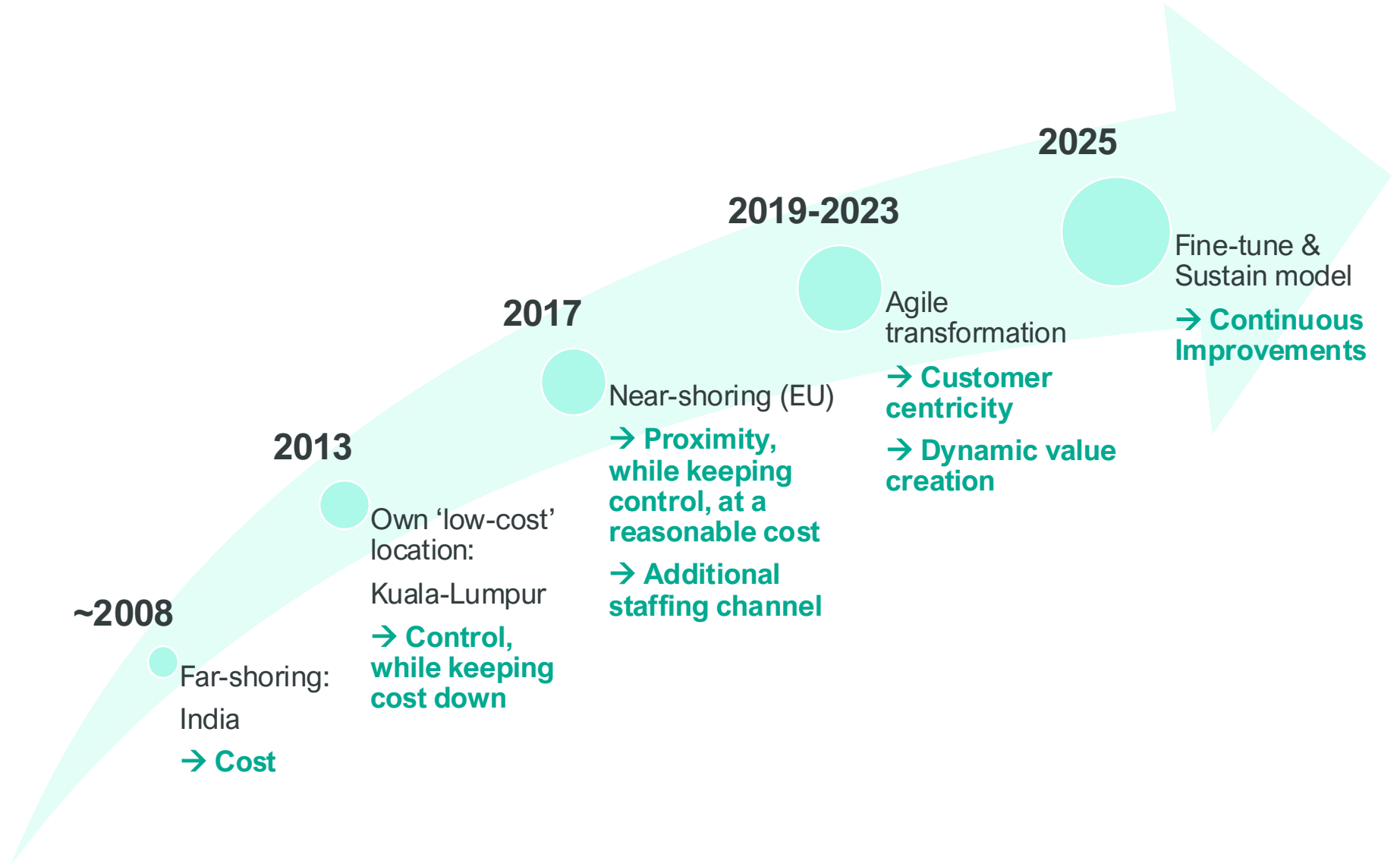


- Mission is to deliver Operational Excellence, with heavy focus on:
 - Security, Availability, Reliability
- Strong oversight from G20 and regulators, with heavy focus on:
 - Controls, Risks, Processes, Data Protection, Governance, Regulation
- Long staffing onboarding due to lots of specifics
- Knowledge continuity and retention is key

Swift Data & Services

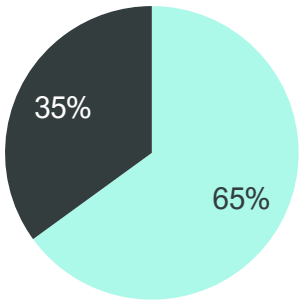
- Compliance services (Sanctions screening, KYC)
- Transaction Anomaly & Fraud detection, and Pre-validation
- Transaction Data analytics & reporting
- Compliance platform, Data platform, and AI capabilities

Sourcing model evolution



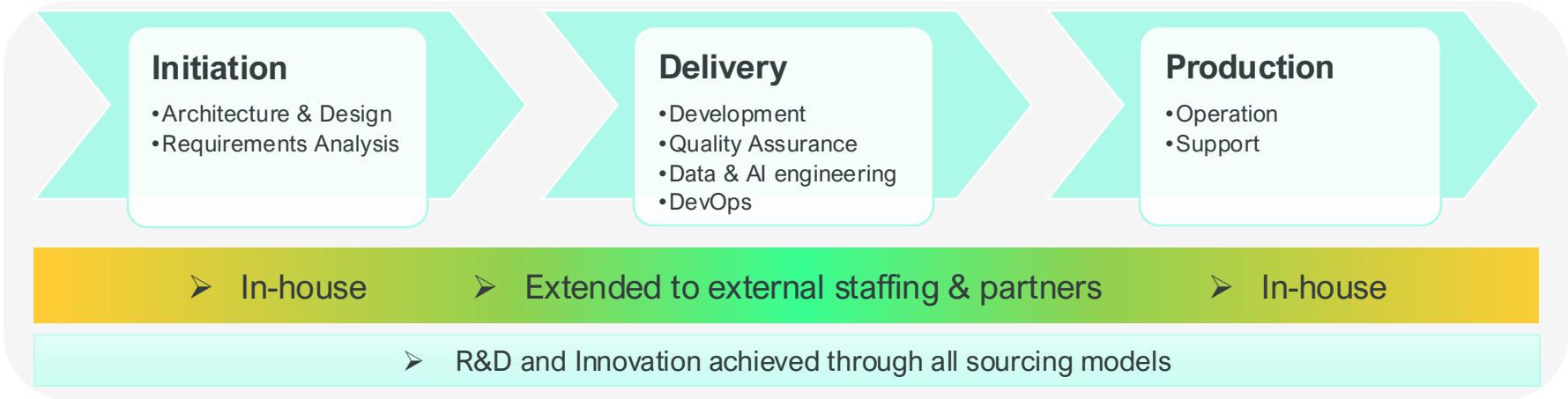
Data & Services current IT sourcing model

■ Internal staff ■ Externals



Internal staffing

- Larger proportion of internal staffing to keep control and handle our specifics (e.g. operational duties)
- EU vs own KL ‘low-cost’ location based on internal criteria (e.g. proximity with customers, interactions with our US hub, data protection requirements, availability of skills ...)



| | | | | |
|-------------------|--|---|---|---|
| External staffing | <ul style="list-style-type: none">• Near-shoring to extend our EU capacity (e.g. Greece)• Mostly ‘delivery’ profiles• Near-shoring advantages:<ul style="list-style-type: none">• Same culture• Good English• Same timezone• Similar skillset as BE• Access to more diversity• Long-term partnerships |   <i>Based on SoW</i> | <ul style="list-style-type: none">• Outsourcing (end-to-end ownership) for few selected activities with “less strict” requirements• Long-term partnerships |  <i>Based on SoW</i> |
| | | | <ul style="list-style-type: none">• Traditional tech providers and consultancy firms for specific, limited & temporary assignments | <i>Based on SoW</i> |
| | | | <ul style="list-style-type: none">• Traditional body shopping kept for specific/niche expertise, most of the time with onsite presence | <i>Based on T&M</i> |

Summary & Conclusions

Multi-sourcing to have access to more profiles, on different markets, at different price points

Internal Staffing

- Senior people, critical and control functions kept in-house to retain knowledge, and to cover our specifics
- Additional measures to manage our KL 'low-cost' delivery:
 - ✓ Slightly bigger teams and pro-active hiring to mitigate higher attrition
 - ✓ End-to-end local ownership to limit the long-distance interactions and keep content interesting

External Partners

- Preference to work with smaller actors, or bigger players but with dedicated focus; in order to have leverage
- Mainly working with flexible SoW (mix of T&M and fixed fee, ramp-up/down, envelope commitment)
- Nearshoring staff fully embedded into our agile delivery model, with evolving assignments and responsibilities to maximize retention of best engineers, while keeping full flexibility to drop weaker contributors
- Enforce a certain way of working to our partners to keep alignment and control

Control > Expertise > Abundance, Flexibility & Diversity > Cost

Long-term relationship is key!

