

Simulator Development Team and Service Proposal

Kari Korhonen
27 Aug 2008



Bank of Finland
PAYMENT AND SETTLEMENT SYSTEM SIMULATOR

Profiling Simulator

- Simulator has been offered as research tool and developed with users; maintained on best effort basis.
- BoF strategy discussions in 2006 and 2007
- Last December, the Board decided to investigate value-added service provision concentrated on Simulator.
 - Includes maintenance of free of charge Simulator
 - Continued development through partnerships.
- Establish Simulator Development team.
- We want to help you to get the best out of the simulator.



Product palette under discussion

- Free of charge support function will be based on services on website, possibly develop web 2.0 support community.
- Cost-based support services.



General Principles

- Based on average cost-recovery
- National law requires us to consider viable business practice requirements in pricing
 - In case of services in which competition is real,
 - When providing service to commercial purposes.



Development Partnerships

- Carry on developing simulator
 - Network analysis module
 - Testing framework
 - At least addition of features of TARGET2 in the pipeline
- Jointly with other users sharing costs
- Bank of Finland assuming costs related to integration and project management.



Our line of thinking currently

Service	Pricing criteria
Analysis Analysis Report on a given system made according to specifications of ordering central bank. Can be white labeled or not.	- Charging based on workload - Tailor made offer - Minimum fee (to be defined)
Reports Library Modules containing various standard output reports.	- Fixed fee per component, probably per year
Consulting Tailor made consulting on simulation or modelling.	- Tailor made offer based on user need - Fee based on length of consultation - Minimum charge, 2 days - Cost basis depends on seniority of consultant - Cover all travel related costs, if relevant
Training Standardised training sessions on use of simulator. 'The Objective of Education Is Learning, Not Teaching'	- Fixed fee per participant based on length of session - Rebate if number of participants from one institution exceed a certain number
Help Desk / Advisory service Supporting user in technical issues and use of BoF-PSS2 within a defined scope	- Capacity reserve for each user institution - Fixed fee - Commitment for fixed term eg 2 years.



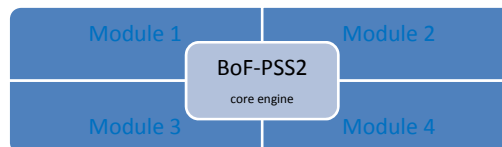
Interest in supporting services

Scale: 1 – 5 not interested – very interested

	#	Average 2008
Help Desk support in technical issues and use of BoF-PSS2 with a defined service scope	11	3,0
Training specific training courses in the use of the BoF-PSS2 simulator	11	3,8
Consulting tailored consultation on BoF-PSS2 use on modelling of payment systems, technical issues etc.	11	3,4
Reports Library new refined set of ready-made output reports for various purposes	11	3,1
Analysis analyses of given payment or securities settlement system according to specifications by the ordering central bank but produced by BoF	11	2,4



BoF-PSS Service Initiative



BoF-PSS2 will remain as the heart of the initiative. We may seek to develop additional modules and provide services against cost recovery.

Interest to develop new features, graphic tools, various indicators and service based products such as Help Desk, Training, Consulting and possibly turn-key Analyses according to demand.

Realise there is a need to lower the entry-level eg through a **Starter Kit**.

We are interested in your views!

