

The Importance of Being Compliant

I was reading my e-mails this evening, and was struck by a question about the criteria which software developers and vendors had used to decide if their systems were 'euro compliant'.

Now I may be a bit sensitive about these things, but this is one of those phrases which drives me wild! It has been wheeled about the software industry like a rich incontinent, mad aunt, from whom everyone 'has hopes' of a legacy, but whom no-one wants in their house. Everyone would like to have the benefits, but no one is willing to do what is necessary.

Lots of people have had a bit of a go, only to give up when it got a bit too complicated. BASDA has had one of the best attempts, but the result is so comprehensive that it clearly cannot apply to many situations - and of course BASDA's standards are designed for software companies, not end users.

The problem is that the notion of 'compliance' has been carried across unthinkingly from the millennium projects which are running in parallel to the euro developments. But it is as meaningless to ask if a system is 'euro compliant' as to ask if the correct rounding algorithm has been applied to dates.

And there is the key to the question. Software cannot be euro compliant on its own. It can only be euro compliant in a context. To give a simple analogy, a cornflower in a field of wheat is a 'weed', on the uncultivated North Downs, it is a delight. You can't define 'weed' without setting it in a context. Similarly you can't say whether a computer system will support euro requirements without saying what those requirements are - and only organisations can have euro requirements.

I know of one bank which, having realised that its international operations will be conducted exclusively in euros from next January, is proposing to do almost no functional changes to its systems. Instead, it will undertake a major manual effort in December and January to convert and process transactions by hand for the transition period (of a few days). It believes that its systems - which will run equally happily with Francs, Guilders, Marks, Dollars or euros is already 'euro compliant'.

The same system, used in another bank which had decided it needed to undertake major automated conversion work, would *not* be euro compliant.

The problem we have is that the notion of compliance is not some objective property like roundness, heaviness, or 'being capable of working after 1 January 2000'. It only functions relative to some particular organisation.

Instead of trying to load all of the task onto the software, we must look more broadly. After all, what we want is for an organisation to function properly and fully after the given date.

An organisation may be considered euro compliant if:

- its systems can function as required after 1/1/99

- it has procedures in place for converting data and if necessary operating without problems in a two-currency environment
- its staff understand how the euro will (and will not) be used and what will be required of them
- it can deal with its supply chain in euros and national currency as required (including banks, tax authorities and regulators, as well as customers and suppliers)