

# From outsource to outcomes

SmartStream's Simon Byles discusses how leveraging the technology and comprehensive expertise of a domain dedicated proven managed service is increasingly becoming the preferred solution for many organisations

What trends are you seeing within the managed services space?

The interest in managed services has never been greater. Client appetite, interest and more importantly clarity on their needs is at an all-time high. In the past, organisations explored managed services as a potential option, sometimes without full clarity to their needs or conclusive measurement of success, however, in more recent times, the managed services engagement has matured.

The clear need is for an outcome-based service arrangement which delivers operational excellence. Moving away from an outsource focus (of doing it as well, for less), to a strategic outcome-focus, where the service provider as the domain expert, partners with the client to deliver formalised business outcomes.

Last year was a record growth year for SmartStream's managed services. This year we are forecasting our growth to be more than 150 percent compared to 2019. New clients this year have ranged from small hedge funds to very large retail banks, and from large investment banks and asset managers to insurance companies.

Managed services are changing the current landscape as they provide the complete solution that delivers to defined outcomes. Our customers seek the most efficient and effective way of achieving these outcomes, achieving their business goals and realising their individually defined measures of excellence in areas across the middle and back office, such as reconciliations, corporate actions, fees and expense management, reference data, collateral and cash management. Furthermore, the COVID-19 pandemic has meant that organisations will continue to focus on both their immediate and long-term technology as well as operational resiliency and sustainability, and therefore a proven managed service solution remains firmly on the c-suite agenda.

Leveraging the technology and comprehensive expertise of a domain dedicated proven managed service, is not only recognised as a viable option, but it is increasingly becoming the preferred solution for many organisations.

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if the providers are proven in delivery of best practice services through leveraging their own best in class technology platforms.

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**What are some of the challenges associated with managed services?**

When engaging with a managed service provider, it’s important that both parties understand the requirements with agreed service-level agreements (SLAs) to ensure sustainable business outcomes with the continuous commitment to improving and delivering operational best practices and cost benefits.

SmartStream is a domain expert, delivering through its award-winning technology and the best practice operational services. It remains dedicated to its areas of expertise, ensuring the very latest technology solutions are fully aligned with its accredited operational professionals.

**Do you think we will continue to see growth within the managed services space next year?**

SmartStream as mentioned has seen significant and continued growth in recent years due to the demand from its clients for managed services.

This has been driven largely by the firm’s reputation and its ability to keep up with the rapid pace of change in the industry and to constantly respond with innovative technologies. Today, 70 of the top 100 banks around the globe rely on SmartStream’s solutions which are more accessible than ever with a range of deployment options.

The COVID-19 pandemic continues to further focus the industry on the technology and processing resiliency of its operations. It

has further crystalised the need for in-depth focus and investments in long-term resiliency and sustainability and the focus on the optimal model to deliver on key business objectives.

Our customers’ decision to partner with SmartStream has been truly validated throughout COVID-19.

While ‘outsource’ providers have requested revisit of SLA’s given their service challenges, on the contrary SmartStream has received the full appreciation of its customers, for continuing to provide unimpacted services to market-leading benchmarks, remaining completely committed throughout to an outcome-focused delivery relationship.

This global situation and the maturing recognition of the business value provided by the right partner, will ensure next year and beyond, the increasing recognition and relevance of managed services.

**What work is SmartStream doing within its managed services department?**

The keyword is invest. We continually invest in our technology, we have a research and development programme in all of our development centres, and more recently we set-up an innovations lab, made up of a talented team of data scientists and mathematicians to pilot new technologies on behalf of our customers.

Just in the last year, we made significant announcements with the launch of our artificial intelligence (AI) and machine learning (ML) technologies, which are truly game changing for the industry.

To ensure we remain the respected provider of choice, we are continuously talking to our customers and working with industry practitioners to ensure we are not only fully serving and addressing the current business challenges, but building the roadmap to meet those ahead.

We are also investing in cloud-native solutions, and more importantly, they include AI/ML technologies.

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The innovations team developed a solution called SmartStream Air, within a year they have launched version 2.0 and this technology is now being integrated into all of our solutions so that our customers can also increase operational efficiencies without having to retire technologies. Our latest AI solution is called Affinity, it uses observational learning to identify user action patterns across significant data sets.

Affinity understands the actions taken, replicates where accurate, offering transparency to improve actions, ultimately realising cost/efficiency and accuracy business benefit gains.

All of these advances are being deployed by managed services, which means that our clients can see immediate returns within

**Why would a company consider the use of managed services?**

Securing and sustaining the highest quality of delivery requires expertise and continuous investment and improvement. Where certain activities are not central to the core business purpose of that organisation and do not provide a competitive advantage, but are vitally important in supporting the business, leveraging the right specialist managed service provider is a commercially astute consideration.

There is clear recognition that improvements can be achieved across all aspects of the business activity including raising service quality when leveraging comprehensive expertise, especially

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their business without the need of investing in costly IT projects, which may or may not come to fruition.

### Why is technology so important within the managed services sector?

The scalability of any business process is critical. Ensuring the services are fundamentally supported and enhanced by technology solutions is key to this.

During times of market volatility, the scalability of business models have proven to be critically dependent on technology and with staff working from home many businesses simply wouldn't be able to function.

The latest cloud-based SmartStream technology, which has real-time scalability, has proven itself time and time again, ensuring service levels meet and exceed customer's benchmarks.

As the accredited operators of our own technology, we know our successful delivery is the optimised combination of the scalable, capable and resilient technology and comprehensive expertise.

### Over the next five years, how do you see the managed services space expanding?

SmartStream has a diverse range of clients, ranging from tier 1 institutional banks through to small hedge fund managers, and we are confident that managed services will continue to grow and evolve as the fully-recognised go-to solution standard for the industry. The broadest adoption is with cloud-based solutions, working with our clients it's common for us to work with their own internal cloud strategy teams as this moves further up the strategic agenda, this is a big cultural shift, but a necessary one for if they are to survive and thrive. The topic of AI and machine learning will evolve to enhance the managed services offering and capabilities, providing business insight, greater transparency and further leveraging the expertise to continuously meet and proactively deliver targeted business outcomes.

Over the next five years, SmartStream will continue to be at the forefront of the industry and remain the trusted partner to our growing customer base, we will be investing in new technologies and leveraging our accredited experts to deliver next-generation solutions with lasting benefits.

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**Simon Byles**  
Global head of business development  
for managed services  
SmartStream



# SmartStream

## Let's talk about the next wave in AI, Machine Learning & Managed Services

SmartStream's fully integrated suite of solutions and platform services for middle- and back-office operations are more relevant than ever – proven to deliver uninterrupted services to critical processes in the most testing conditions. Their use has allowed our customers to gain greater control, reduce costs, mitigate risk and comply with regulations.

With AI and machine learning growing in maturity, these technologies are now being embedded in all of our solutions and can be consumed faster than ever either as managed services or in the cloud.

Simply book a meeting to find out why over 70 of the world's top 100 banks continue to rely on SmartStream.

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