

A service management toolkit

Throughout a challenging year for the financial services industry, the overriding imperative has been to press forward with digital transformation. For transaction life-cycle management solutions developer **SmartStream**, this has led to ever-increasing demand for its managed services offering. Haytham Kaddoura, the company's CEO, tells us how it has stepped up to meet the needs of its clients.

In a year defined by the Covid-19 pandemic, the financial services sector has been under pressure to adapt to new ways of working – and to a rising tide of digital transactions. For many institutions, the journey towards the digital uplands was well under way at the start of 2020, of course, but the pressure to move faster has never been greater.

For financial transaction life-cycle management (TLM) solutions provider SmartStream Technologies, this has confirmed the prescience of its innovations – with the company developing a suite of solutions, increasingly cloud-native and powered by artificial intelligence (AI) and machine learning (ML).

SmartStream's solutions ensure that banks can help financial institutions improve operational control, reduce costs, build new revenue streams, mitigate risk and comply with regulatory requirements.

"At the start of the pandemic, our clients, ourselves and everyone in the industry wanted to ensure that business continued in as normal a way as possible," says SmartStream's CEO Haytham Kaddoura. "In March 2020, there was a slowdown as people in the industry found their footing, re-equipped their staff and implemented proper remote working capability, but then everything was up and running again quickly."

Kaddoura became the CEO of SmartStream Technologies Group in 2016, having already served as a member of its board of directors for nine years. With over 20 years' experience in investment advisory, asset management, corporate restructuring, strategy formulation and execution, for boards of some of the most prominent corporations across the Middle East and North Africa, he has overseen the company's transformation into a TLM market leader.

In the past two years, Kaddoura has seen the company's managed services division become an especially important part of banks' toolkit for digital



Haytham Kaddoura (pictured) has transformed SmartStream Technologies into a TLM market leader.

transformation, enabling them to quickly and easily gain access to market-leading solutions – covering everything from reconciliations to cash and liquidity management.

"A lot of clients have expanded the scope of what they use within our managed services portfolio," notes Kaddoura. "It is one of the fastest-growing parts of our business. For existing clients, the technology infrastructure was already set up and they already had service agreements in place, so it was easy for us to scale up and take on more services for them."

An open door to digital revolution

The pandemic has set banks further along the road towards digital transformation – with cloud-based technologies a central part of these changes. The

cloud, after all, offers many advantages to would-be innovators, not least because it eliminates the need to implement and maintain on-premise solutions.

Cloud-based solutions provide flexible, scalable and cost-efficient access to applications, enabling banks to respond quickly to the changing market.

“As the volume of digital transactions spiked, clients were increasingly interested in accessing some of our key solutions, including reconciliations, fees and expense management, so there was a positive impact for us,” says Kaddoura. “In the summer of 2020, a lot of financial services institutions expedited their digitalisation strategies, which has really helped us to expand our industry footprint.”

SmartStream already works with many tier one banks – key users of its cloud-based solutions that help the company capitalise on areas where innovation could be useful. These core clients have guided SmartStream’s development of a cloud-based systems as well as its managed services portfolio.

Central to SmartStream’s managed services portfolio are AI-driven solutions – many of which have been developed in the company’s innovation lab in Vienna. Over the past two years, the lab has developed an efficient AI Reconciliations platform, known as AIR, and Affinity, an ML-powered tool that learns from the activity of different users to tailor their experience and optimise workflow.

“Banks with one foot in the cloud suddenly decided to jump in with both feet,” Kaddoura says. “At the same time, we saw cloud providers such as Amazon Web Services and Microsoft Azure significantly expand into new geographies during the Covid pandemic, which is a sign of recognition of the global need for cloud services.”

SmartStream itself is looking to expand from its core Indian facility into new territories, making it easier to support its increasingly global client base.

“Part of this move by cloud services providers was driven by regulatory requirements to have data reside within specific countries,” Kaddoura says.

“For us, the strategy has been to expand our managed services operations centres. Most of our portfolio of solutions is already available through a managed services engagement but we are always looking to add more.

“By the end of 2022, everything that we offer will be available through a managed services contract,” Kaddoura adds. “Our team likes a challenge, and it keeps us moving forward.”

A comprehensive cloud portfolio

SmartStream’s fees and expense management solution has become an invaluable tool for banks looking to control their brokerage, clearing and execution costs. Now firmly part of many banks’

cost management strategies, it supports the accounting and invoice control function for expense processing, facilitating the management of fees through data-driven decision-making.

“It has a different flavour to some of the other elements of our managed services family, but it is used by many tier one institutions and their reliance on it is growing fast,” Kaddoura explains. “We have seen it grow phenomenally in the last 18 months, again due to the rapid increase in the volume of transactions banks are having to handle. In that environment, the return on investment comes very quickly.”

At the same time, Kaddoura argues that these same services will only go from strength to strength once the pandemic finally ends. “A lot of the expansion in managed services, and in specific areas such as fees and expense management, is driven by Covid,” Kaddoura says. “Once that pandemic is over, we won’t go back to the way things were before. That change has happened now, and everyone is used to living in the new age of digital transactions.”

SmartStream has also seen an uptick in interest in its digital payments and investigations platform – which serves as a scalable, real-time, integrated control layer for the automation of all digital transactions.

“We have seen a real spike in activity in the digital payments space, too, as new players come into the market,” Kaddoura notes. “It means that, as always, we have to keep ahead of the game. Our goal is to keep providing the flexibility, scalability, innovation and sophistication that our clients need from our solutions.”

For SmartStream, every surge in interest serves only as a catalyst for further innovation. This is not a company that rests on its laurels, after all, but one that constantly seeks to stay one step ahead of industry competition.

As an example, the company has just released new ML-enabled refinements to its existing suite of solutions. As part of its financial Reference Data Utility that ensures banks have access to high-quality reference data to support error-free electronic trading, the company has launched its new Exchange Notification Service (ENS) – that tracks, consolidates and normalises reference data notifications published by exchanges.

No doubt there will be more to come from SmartStream’s Innovations Lab and its managed services team going forward.

“We are always hard at work looking for the next best thing to deliver to our clients,” Kaddoura summarises. “We are always looking to move forward, working with our clients to stay ahead of the challenges they face.” ●