

THE CEO WHO LISTENED

Inspired by discussions with employees and clients, Haytham Kaddoura's strategic foresight has helped cement SmartStream as the go-to company for innovative solutions that drive digital transformation

At the end of last year, SmartStream unveiled a new brand identity to better reflect the company's mission to spearhead technological innovation and cement its role as a trusted partner to the financial industry. The company has almost 40 years of market expertise within the industry and its technology is now used by institutional banks, buy-side firms, neo-banks, payments service providers, corporates and telcos, across the world. But the onset of the Covid-19 pandemic truly highlighted the effectiveness of SmartStream's Cloud and managed services strategies to their clients – it was a case of business as usual, just from different locations – with the subsequent appetite and interest in these services now at an all-time high.

SmartStream's success and burgeoning reputation are largely due to the vision of Haytham Kaddoura, who took on the role of CEO in 2016 after serving as a member of the board of directors since 2007. In 2018 he set up an Innovations Lab in Vienna, bringing together highly skilled mathematicians, applied data scientists and IT specialists to investigate ways AI, machine learning and blockchain could support the company's growth in client innovations. *The Fintech Times* sat down with Kaddoura to discuss his CEO tenure at SmartStream and how his decisions have helped the company evolve.

THE FINTECH TIMES: Why did you take on the role of CEO at SmartStream five years ago and how have you helped drive the company's recent success?

HAYTHAM KADDOURA: Before becoming CEO, I advised the board and the shareholders at SmartStream for a number of years so when I stepped into the role, I had a rough idea of what success could look like. SmartStream, given its history, clearly had a great deal to offer but I could see there was a lot of work to be done and though it would

require effort, the impact of the change would be phenomenal. While I don't really like to toot my own horn, what I bought to the table was the ability to listen to people, creating an environment that would help ideas materialise and challenging those that were not promising.

I've seen in multiple instances where the CEO believes they know everything, and I've also seen the type of CEO that is willing to sit and listen, is open to fixing things and adopting solutions, and they're flexible. The difference is night and day. I was lucky enough to have the support of our shareholders which made it possible for me to take on this radical change. One of the first things I noticed was that we had team members who had been with the company for almost 40 years, which is astonishing, and something rarely seen these days.

They've seen the company in various stages and were phenomenal at contributing ideas as only they could because they knew the heritage, what worked well and what had gone wrong. I was lucky I could begin the transformation with such a strong underlying team that supported and shared my vision. However, I can't minimise the value of the young talent we had. They were full of ideas and very keen to help in the company's transition. So, we had no shortage of ideas and there was a continuous set of opportunities, but it was about building the right environment that not only started the process but helped it continue and flourish.

I think a good CEO is willing to consider when to direct and give advice, when to satisfy people and please the crowd, when to really lead them from behind and when to act and be the spearhead.

TFT: What achievements or experiences over the past five years stand out most for you?

HK: In some ways it feels like these five years have been decades long, as so much has changed and the world has certainly moved on, but in others it feels like my appointment to CEO just happened yesterday. Within the first six months, the

results started to show – not aggressively, but at least in the right direction. It just kept on building from there, like a snowball that just keeps picking up momentum. A few months after I joined, we launched our managed services, and that team has expanded since then to several hundred individuals serving Tier 1 institutions. We later launched the Innovations Lab from which exciting products have already emerged.

Our clients are also not shy in supporting us with ideas of where to grow to support their strategies and speaking with them has become an indispensable part of how we plan the attributes and functionality of our solutions and services. We've held innovation summits with our key clients, ensuring that we devote an event to listening to our users to make sure we share a common vision. Certainly, the growth I've seen in some of the businesses we've worked with is something to be proud of. Irrespective of the Covid pandemic, we're working with clients in a much deeper way than we were historically and, honestly, it's amazing.

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TFT: What issues have kept you up at night since becoming CEO?

HK: Certainly, in the early stages we lost people who I wish were still around, but they were unfortunately already in the process of leaving before I joined so I didn't get the opportunity to know them or try to change their mind. Although I've been on the board since 2007, and I've seen

the company in different stages, I never truly realised the potential the company had until I stepped in. Frankly, I wish that I had that realisation a few years before. I often say this to my shareholders and the board, that if by some miracle we were able to push back time, the company would be even more phenomenal than it is now. But as they say, hindsight is 20/20.

TFT: How have you led and adapted the company through the pandemic?

HK: SmartStream is like a big family, where we take care of our people on an individual basis. So, they were our priority as Covid started spreading and impacting different countries in different ways. We had some employees that wanted to get out of the cities and stay with their families, for example in places like Mumbai and Bangalore where we had young developers working in the city but suddenly, the places they were living in shut down and they had to leave and work remotely. Making that transition as easy as possible, then supporting them with the infrastructure they needed once they got there was challenging but important and ultimately something we knew we had to do and I'm happy to report something I think we did well.

In most instances, it took literally minutes to transition into business continuity mode and to ensure everything was in place, especially for our big development centres but once done it was all about doing our best to minimise impact on our clients. In many of these instances, we were back online much faster than our clients and ready to help them maintain their operations.

Some of our clients, but particularly the managed services, have now expanded their level of involvement with us, with bigger teams and more functional coverage. Financial organisations realised they needed to move fast to ensure they had full coverage with no sacrifice in service which was especially challenging due to the new normal which often entailed employees working from home, institutions experiencing record growth, especially in digital payments

and treasury transactions, all during the turmoil presented by the Covid pandemic.

Our Cloud native applications and AI solutions, which had been purpose built and planned well before the pandemic was even a thought, helped ease some of those spikes and demands. AI learns quickly and automates the task seamlessly and that's exactly what was needed to ease some of the volume pressures and resource constraints our main service clients were facing. Looking back at this time in hindsight, I think the adage luck favours the prepared is appropriate, we had the right solutions and services at the right time. We helped clients in a way no one could have imagined because we built these products with an eye towards the future. We just had no idea the future would come this soon in the form of a pandemic causing a global disruption to the way business is conducted in a very short period, really changing the fundamentals of the way business is done and was being done for decades.

TFT: The Innovations Lab has already led to development of exciting products, such as SmartStream Air – how has the Lab evolved and what else can we expect to see in the coming year?

HK: I originally set the Innovation Lab up to be a bit like a Formula One team where they design new technologies, they test them out, and then they are commercialised through the core of the organisation. Increasingly that team is becoming more involved in commercial decisions simply because of the value they bring to any financial institution; and their technologies are quickly and easily proven. We sit with our clients, discuss what we're doing and, in more cases, than none, you've landed and expanded into multiple teams.

I didn't envision the Innovations Lab to be so successful this quickly and frankly the learning curve has been steep. The Innovations Lab is not populated with industry experts; they are data scientists and mathematicians and the way they look at a problem is completely different to how anyone else would which is precisely what we wanted. The level of entrepreneurship and creativity coming in, in terms of modelling and predictive analysis are being felt by our clients day in and day out.



What they are doing in the whole machine learning environment is certainly exciting. One of our products set to make its debut is Affinity Plus. It is unique in that it not only learns from what a user manages to do, but it also tries to justify and learn from what users don't do. That expedites the education process for an AI engine tremendously.

I don't think there's any other industry today that's changing at the same pace as the financial service industry. The pandemic has clearly illustrated the need to modernise, especially for Tier 1 institutions which have a heritage of resisting change in the middle and back-office. While they were already facing competition from typically non-industry players, like Google Play, Apple Pay and digital Neobanks, Covid has reenforced the point that changes are needed, whether in terms of upgrading their services and infrastructure or modernising the entire experience. Everything is becoming more simplified and automated at a pace that has never been experienced. It has been and continues to be an interesting journey. **TFT**

AT A GLANCE

WHO WE ARE: SmartStream is a recognised leader in financial transaction management solutions that enables firms to improve operational control, reduce costs, build new revenue streams, mitigate risk and comply accurately with regulations. It provides a range of solutions for the transaction lifecycle with artificial intelligence and machine learning technologies embedded.

COMPANY: SmartStream

FOUNDED: 1988

CATEGORY: Financial Transaction Management

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