

Addressing operational challenges in financial institutions through effective managed services

SmartStream Head of Business Development, Managed Services Mark Morris provided insights on the need to upgrade systems and create efficiencies to reduce costs and risks.



Mark Morris, Head of Business Development, Managed Services at SmartStream

With the hastening of digital adoption and automation, many financial firms had to think quickly about their strategies and how new work setups would affect various aspects of the trade lifecycle. Whilst innovations in the financial services industry have been consistent, those who would want to thrive amidst the harsh economic environment had to rapidly rise to the occasion and adapt new approaches and solutions.

The key drivers for firms looking at SaaS solutions are a combination of lower cost of ownership, creating efficiencies by leveraging the expertise of vendors, and their experience in serving multiple institutions in this specialised space, by staying on the latest system version and benefiting from enhancements without being stymied by costly upgrade projects.

They want to focus on initiatives that drive their revenue growth and not have to focus on commoditised functions and processes in the shared services space which can be delivered by SaaS vendors or utility service offerings. Also with cloud technology and services, financial institutions realise operational resilience, enhanced performance are future proof against accelerated business growth. Firms also reduce the risk & burden of maintaining trained resources to manage vendor platforms.

Despite the impacts of the pandemic, it was still business as usual for SmartStream, having maintained uninterrupted service to customers. Mark Morris explained that managed services for Asian banks who are looking to reduce their total cost of ownership and where they can leverage

their expertise.

"Clients like the fact that SmartStream takes care of upgrades on their system for them, and that transformation are typically run by seasoned, experienced SMEs," Morris said. He mentioned that managed services can benefit the industry in many ways. Firstly, they benefit from all the latest enhancements by staying on technologies' latest versions. Firms are not bogged down by costly multi-year transformation projects and can conduct change at pace.

"Leveraging the cloud technology, and all the services that come with that, it gives them some cost reduction. It gives them real operational resiliency. It allows them to be scalable. It's very easy for us to provide additional enhanced processing capability in the cloud. It's much quicker than doing it in an actual physical data centre," Morris added.

With the rise of digital transformation, there is also an increase in digital banking services in Asia. For Morris, this occurrence complements the managed services industries as firms get away from the old regime to the more automated digital processing one.

As innovations in the banking and finance scene further progress, there is now a recurring premise of eradicating data centres as they are "old versions of technology and they've benefited massively from upgrading" in terms of processing. This is where SmartStream sees a lot of traction today.

Morris noted that clients today are now demanding innovation. They conduct weekly meetings with cloud providers and infrastructure providers, as well as regular monthly client key performance indicator (KPI) meetings. This means listening to customers and finding out what their issues are.

"I think it's the constant drive for innovation and efficiency then it's a good challenge that keeps you on your A-game," he said. We have helped clients with Pan APAC SaaS solutions, by adopting a "Hub & Spoke" model where they can leverage their prime site in Singapore and service 6 other centres from there.

Choosing the right managed services provider

Morris emphasised that there is no shortcut to choosing the right provider, as companies could introduce operational risk. Companies need to do a detailed request for information (RFI) and make a good shortlist of potential providers. They should also have real stringent scoring methodologies and act impartially.

"Make sure it's clear to the customer the costs of the implementations and the duration, how much elapsed time and resourcing the project is going to take. Some of these projects are very complex," Morris said. Choosing SmartStream as a provider means customers will get experts who understand the company's solutions, and who will immediately start looking at their day-to-day operations to understand how efficiencies can be driven.

SmartStream has trusted service provision and produces KPI packs for clients. It also offers best-in-class security and all the right regulatory accreditations and external audits, all of which are key aspects of its managed services business.

Moreover, for firms that are faced with a heavy amount of manual processes, SmartStream has introduced its SmartStream Air (Artificial Intelligence Reconciliations) solution to help them automate and incorporate machine learning capabilities into their processes.

With SmartStream Air, loading information is straightforward and quick. The AI will cleverly read, analyse, learn and identify what needs to be compared, and then present a list of unmatched records or disputes for investigation. Burdensome tasks become easier.

SmartStream's capabilities have certainly made their mark, making firms realise there's a better way to manage their data and streamline their processes. "They're just getting to the stage where they need to invest in some technology, which we want to help them with fruitful leadership and leveraging our expertise, you know, to say we can help you," Morris said.

ASIAN BANKS WHO ARE LOOKING TO UPGRADE THEIR TECHNOLOGY TURN TO MANAGED SERVICES PROVIDERS, TO REDUCE THEIR TOTAL COST OF OWNERSHIP, AND DERIVE IMMEDIATE BENEFITS