SmartStream’s Model Client Approach

SmartStream continues to be recognized for its innovation and best practices in corporate actions processing, winning this year’s Best Corporate Actions Data Initiative award. *WatersTechnology* speaks to Robert Glassfield, SmartStream’s TLM Corporate Actions Practice Manager, about its repackaged OnDemand service.

This year’s win recognizes SmartStream’s repackaged TLM Corporate Actions OnDemand service. How did the service come about and what has changed?  
Robert Glassfield, TLM Corporate Actions Practice Manager, SmartStream: SmartStream’s TLM Corporate Actions OnDemand came about following lengthy discussions with customers. While there is clearly a strong business case for introducing greater levels of automation into corporate actions processing, firms are still often cautious about doing so. They are concerned about cost, long implementation times, disruption to business and project failure. Of these, cost tends to pose the greatest worry.

Responding to market participants’ feedback, SmartStream made its own corporate actions processing technology—TLM Corporate Actions—available in the cloud. TLM Corporate Actions OnDemand is readily accessible, without the need for a lengthy implementation phase, making it easy to adopt. It essentially provides financial institutions with a cost-effective and fast route to taking up the technology.

What is fairly new is the change to the engagement model. SmartStream is making it easier for companies to onboard the product through what it calls the “model client configuration”. This is where clients can pick the elements of the TLM Corporate Actions OnDemand solution they require from a template, which enables them to tailor the solution to their individual requirements and further accelerates delivery. This has been designed with flexibility in mind and the success of this approach is reflected in the significant number of new sales made over the last year. A recent example is that of Coronation Fund Managers, one of the largest independent fund managers in South Africa.

What new features and capabilities has SmartStream added to TLM Corporate Actions OnDemand, and what difference have these made to clients so far?  
Glassfield: SmartStream has made considerable investment in its corporate actions processing technology. The level of investment is reflected in the design of a number of new features, including the solution’s user interface. The user interface deploys HTML5 screens and offers an attractive user experience; it is easy to navigate and presents data clearly while supporting flexible reporting. It has been very well received by customers, who have assisted in its development. Another newly introduced feature is the client portal, which allows for elections and their outcomes reviewed by a variety of different roles—for example, clients, portfolio managers and the front office.

SmartStream has also expanded its proxy voting capabilities, which provide users with the ability to create resolutions, pass them on to interested parties and then directly instruct their proxy servicer or their custodian via Swift messaging. In addition, SmartStream has added support for ISO 15022 and 20022 messaging standards.

How does SmartStream help corporate actions professionals address the challenges they face in their day-to-day activities?  
Glassfield: Corporate actions processing is a time-sensitive and highly complex activity characterized by frequently changing event details. The increasing volume of events creates further pressure, especially when companies are still reliant on manual processes and legacy systems. Where missed corporate action events or erroneous elections occur, a company’s bottom line can be impacted, and it must make good the losses its clients experience as a result of the oversight.

SmartStream’s TLM Corporate Actions solutions provide automation and active alerting controls to address these challenges when processing all event types. The platform flags exceptions and discrepancies to clients who can then solve the issues they are being directed to.

When dealing with corporate actions, accuracy and timeliness are key—how does SmartStream ensure data captured from different sources is reliable and consistent?  
Glassfield: SmartStream’s solution automates the collection and scrubbing of event notifications received from external data sources including market data vendors, exchanges, custodians, depositories and counterparties to create a single rationalized event master—or a “golden record”—of information. Where required, SmartStream’s system can prioritize a more trusted source over another, as the TLM Corporate Actions OnDemand solution is in the cloud, new information is consumed and validated in real time and, if no issues are identified, it is passed downstream to interested parties.

What is next for TLM Corporate Actions OnDemand?  
Glassfield: SmartStream will focus on the continuous improvement cycle for the model client configuration, whether that involves applying industry changes relating to ISO standards and regulations, or best practices defined by clients in their given markets.