

How SmartStream's managed services is transforming banking in Asia Pacific

Managed services streamlines operations and cuts costs by eliminating manually intensive processes.

Gone are the days when banks needed to shoulder hefty charges just to maintain high-performance data centres. Traditionally, banks had to rely on data centres and often ended up paying for high-performance hardware that remained dormant over 80% of the time. Cloud-based outsourcing and managed services changes the landscape by allowing banks to mutualise their processes with similarly-situated institutions.

“What we call managed services is in fact a mutualization of day-to-day activities. Our clients are mutualizing the processes so they can share the costs and our specialized resources to achieve quality output,” explained Nick Smith, Global Head of Managed Services at SmartStream. “Moving to the cloud provides financial institutions significantly more flexibility and scalability. It means that you only pay for high-performance hardware for the time that you use it, and you’re not paying for hardware when you don’t need it.”

By moving processes to cloud platforms, financial institutions can benefit from high-performing technology at a fraction of the cost. Once they adopt managed services, they benefit from the mutualization of sharing those processes across multiple clients. “For instance, our clients no longer need dedicated applications, and they no longer need dedicated IT hardware personnel. Our clients no longer need database administrators because they share those same specialist resources across the entire client base,” Smith noted.

At its core, managed services uses artificial intelligence to reduce the amount of manual effort required to deliver quality service. As a result, banks and other financial institutions can deliver service at a much higher level of quality at a lower operating cost. “Artificial intelligence in managed services is a classic game changer. What managed service is bringing to the table is that the client no longer has to worry about their day-to-day business. Our clients can focus on client-facing activities

that differentiate them and developing revenue streams themselves, because managed services will manage the day-to-day logistics of running the business on their behalf,” Smith added.

Driving growth and transformation

In Asia, banks are not only looking for solutions to boost revenue; they are also looking for ways to launch products to market more quickly. However, traditional ways of scaling up operations often get in the way of this goal.

For instance, one of SmartStream’s clients is a credit card provider targeting retail clients. As the client’s sales increased, the client’s hardware was not scalable which had a direct impact upon operating costs, revenue generation and margin. Using SmartStream’s cloud platform provides almost instant scalability and controlled operating costs. Additionally, bringing that scalability to market was significantly quicker using SmartStream’s Software as a Service platform.

Another of SmartStream’s managed services clients is a global investment bank. When they became a client of SmartStream, the company was able to reduce their IT application support resources by 50%. “This is simply because we’re not a generalist provider of consultants.” Smith noted. “We have real specialist knowledge in the marketplace that we operate in. And using that specialist knowledge is what enables us to do things at a significantly higher quality level and much more efficiently than other groups operating in this space.”

Providing customised specialist knowledge

In order to successfully migrate to the cloud, banks need to have a change in mindset about their day-to-day operations and processes. “What they need to understand is they’re



Nick Smith, Global Head of Managed Services at SmartStream

outsourcing to the process that they give us, so they can focus on more value-adding activities.” Smith notes.

A key challenge, however, is that people often struggle to relinquish control. Managers worry that if somebody else is managing their daily operations, then they carry a higher level of risk. This is why SmartStream operates under a policy of complete transparency and clearly defined KPIs. “We provide transparency to the most senior management as to the day-to-day activities of the performance of their business. We can do this because SmartStream knows and understands the space that we’re operating in, and we know how to deliver true value,” Smith said.

Moving forward, banks are more likely to re-engineer their processes and adopt managed services in order to boost revenues and deliver better products. “It’s about changing the mindset and the culture, so that people understand that they can step back from worrying about the day-to-day activity, because SmartStream is going to take that to the next level on their behalf,” Smith said.

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