

Improve operational efficiency and standout in customer servicing



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WHAT DO YOU THINK OF THE ASSET SERVICING INDUSTRY?

Asset servicing is a sector in the consolidation phase, which is struggling under the pressure of rising costs and bidding regulations. There were so far few mergers in this sector. However, the price war and regulatory pressure establish the importance and necessity of achieving economies of scale.

In 2019, Santander, a stakeholder operating in the Netherlands, was included in the scope of consolidation as a joint venture with Cr dit Agricole. As of said year, Cr dit Agricole S.A. and Santander respectively hold 70% and 30% of the capital of CACEIS.

In operating its digital transformation, Asset servicing experiences less pressure compared to retail banking and is still time to come. A time gap between these two business sectors, of around four to five years enable asset servicing to take full advantage of retail banks' experience. With the pressure starting to mount up for asset servicing, customer experience has become the most important aspect of tenders.

There are no new entrants to the core business of asset servicing. Several stakeholders like Iznas or Fundsquare have sought to build customer relations and market infrastructures. Indeed, market infrastructures are not efficient enough. So far, these new entrants have not succeeded in establishing themselves, through their approach of required agreements with local stakeholders and strict compliance regulations. Nevertheless, this journey will be realised one day.

The key challenge asset servicing is faced with is data management, a demanding concept to service offering process in order to cater its customers' priorities. You may wonder what kind of data is required. It is essentially CACEIS customers' data that include all assets and transactions entered between local stakeholders, in order to draw trend lines.

WHAT ARE THE CHALLENGES OF DIGITAL TRANSFORMATION PROJECTS?

The purpose of digital transformation projects is both to improve the operational efficiency of CACEIS and to standout as the customer chosen service provider.

In the area of operational efficiency, CACEIS relies on artificial intelligence for the automatic reading of investment fund reports and prospectuses, in order to extract useful data for its activity.

In the area of customer experience, CACEIS has built a data pool into which customer KPIs are linked to a shared vision. The data pool enables consolidations to be carried out and offers customers a dashboard via the CACEIS site.

In the area of data enhancement, CACEIS has developed the TEEPI platform (Tailored Electronic Exchange Platform for Investors) which is a customer-to-customer connection platform. This allows the exchange and access to regulatory data. It also makes it easier for an investor to get in touch with the Asset Manager to place orders.

WHAT ARE THE BENEFITS OF THESE PROJECTS?

Digital transformation projects, regardless of their heterogeneous characteristics, come with a number of high-level benefits.

Regarding RPA (robotic process automation), CACEIS runs a highly automated business with the deployment of 20 robots. The aim is notably to counterbalance the offshoring policy in low-cost countries implemented by its competitors. Regarding artificial intelligence, the purpose is to read documents and process emails effectively.

Indeed, artificial intelligence performs well in three specific areas: image processing, text processing and correlation of large amounts of data.

In data management, customer data is consolidated into a dashboard. This solution has satisfied the needs of reporting teams and results in a positive balance sheet.

Finally, with regards to internal data access, CACEIS has moved from automating business processes to providing valuable data that promote needs and uses. The overall assessment of IT operational efficiency is therefore largely positive, and the benefits are substantial.

HOW HAS THE PALMYRA PLATFORM HELPED YOU REACH YOUR GOALS?

Palmyra is the development platform used by CACEIS for all new applications within the enterprise. There are many benefits associated with the use of Palmyra.

First, it provides a unique development platform to guide all kinds of projects. Quality scalability allows CACEIS to focus on the added value of its business within the framework of application development.

Then, sharing information and lessons with an editor familiar with the finance profession allows mutual enrichment that seems more interesting than using the platform as a pure player. Finally, devoting special attention to its agile method is of high importance.