

Orchestral Manoeuvres



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“It’s easy to play any musical instrument: all you have to do is touch the right key at the right time and the instrument will play itself.”

When the great composer Johann Sebastian Bach made this statement in 1736, he probably sported a wry smile and knew it could be used as an analogy for all manner of disciplines and that it would rightly be viewed as highly simplistic. It is nevertheless true; it totally ignores the fact that the instrument needs to be well-made, in tune and that the touch needs to be deft and practised, but the basic premise is correct. And what of the rest of the orchestra? All the instruments must be expertly played, controlled with precision and conducted together to deliver a beau-

tiful suite to the audience; in Bach’s day, Kings, Queens and Heads of State. So if the orchestra could not play together, cacophony would ensue and heads would roll. Literally.

In our business, practice, precision, command and control must all be similarly sophisticated in the delivery of the right information to the right audience at the right time. The technological delivery of accurate and up-to-the-minute data will not be valuable or properly applicable if this is not the case. Just as with our orchestra and its

music, it can only be done through the right medium and with the right instrument. Indeed, if everything is just right, then with a sufficient degree of automation and management, the instrument will effectively play itself.

Complex score sheet

So what is the right information? Our basic context defines it as the fundamentals of a service provider network used by a financial institution (FI): the static data that pins down a provider's location, status and credit ratings, the contracts, service level agreements, contact lists and indemnity documents, the cash and securities accounts that are held by the provider on behalf of the FI, the fee schedules that

bespoke reports, tracked issues and fees reconciliation. The 'right information' is not the data that is delivered to us by the provider; it's how we are able to convert it and then present it intelligently to the institution in order to enhance business processes and add value.

The right audience is an ever-changing quantity in an ever-changing regulatory and commercial world, but that's not the point. The right people for receipt of the right information are simply those that need it. They may not be an audience of Heads of State, but they are vital to the infrastructure and sound operation of the institution and heads might still roll if things aren't right. They are relying upon

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are applied to the FI's business as serviced by the provider, the volume and charging figures shown on the invoices that the provider delivers for payment and the details returned by providers in request for information (RFI) documents and due diligence questionnaires (DDQ).

It is a very extensive and complicated score sheet from which to play and by which to conduct the disparate elements into a coherent, harmonious representation of the network. All the information delivered from the network, organised or not, must be gathered into a form in which it may be presented as intelligence to the audience. It's not easy. Even so, the material is there to be ordered and manipulated. It is possible, once order has been imposed, to satisfy the needs of those that require illumination in the form of provider scoring,

those that manage the network to furnish them with the information without which their job would be that much more difficult and ill-informed. A Risk Manager will need to know the institution's exposure to the markets, Treasurers whether or not what they are paying away to a provider is correct, Fund Managers whether a portfolio will perform better with a different provider or clearing model, a Settlements Supervisor if the issues outstanding on those unsettled trades are being closely tracked and a Company Lawyer what clauses are still being debated within the new custody contract. The same rationale can be applied to the corporate world – a Marketing Executive wondering why he's paying so much for brochure design or a Logistics Manager needing to ascertain which haulage firms are performing in line with the SLA.

It is fundamental to the lean efficiency of the business that the correctly presented, accurately directed intelligence gets to where it needs to go, quickly. If the right person is not in receipt of this when it's essential, then up goes the financial risk and exposure risk, up goes the cost, both material and time, and up goes the reputational risk. Consequently, another element that then increases is the need for a solution, a need that will continue to rise exponentially, year-on-year, if not properly addressed. The kneejerk reaction would likely be an attempt by the company to solve the problem in-house, at vast cost, with no guarantee of success.

The right violin

Bach said it was easy to play the instrument, and we have identified the right key, the right time, and in addition, the right audience. But what is the right instrument? Here lies the real essence of my analogy; a fragile antique violin that costs \$4,000,000 will need constant maintenance and will spend most of its life in a display case. A carefully-crafted and maintained modern equivalent will probably do a better, more intense and persistent job for vastly less money, and will hang together longer with greater usage and a guarantee. This rings true

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There would certainly be scant chance that this patch-up would persist as a solution in the long-term. Simultaneously, the known avenue of an efficacious, off-the-shelf apparatus to treat the problem, within easy reach and of comparably little expense, would be the road, regrettably, not taken. If wisdom prevailed, and the right solution is implemented, shareholders will be delighted and management relieved of a chronic headache.

And so we arrive at the last piece of the equation – the right time. It's another easy one: anytime, every time, whenever needed, yesterday, immediately and crucially, if it is constantly to hand, all the time. If all the components, elements, documentation and data of the provider network are in a single, secure, globally available system, and it's agile enough to retrieve all of it simultaneously, then the derived workflow will provide reporting and reconciliation upon it, in all shapes and forms, to anyone, at a pace to satisfy all the above timings, as clichéd as they may sound.

in the world of technology; it's no good trying to deliver complex, constant and essential information at a moment's notice with outmoded, ungainly and disparate systems that hold insufficient information.

Gathering multiple reports on a daily basis from such equipment will be laborious, slow and in all probability, imprecise. The tool for the job brings together the basics and the minutiae of every aspect of all the provider services and delivers transparency and harmony throughout the network and the department itself. If it delivers precise, instant reporting, securely over the internet, allowing its executives to do their job, with immediacy, in its entirety, from anywhere in the world, it adds value. With such qualities, it's not just a solution, it's an asset.

You need to deliver the right information to the right people at the right time. Just get the right instrument. ■