

# GETTING MORE COMFORT AROUND OUTSOURCING

A SUCCESSFUL BUSINESS PROCESS OUTSOURCING PROJECT WITHIN PRIVATE BANKING RELIES ON THE PROVIDER HAVING A FULL-SERVICE SOLUTION, A TRACK RECORD AND THE EXPERIENCE AND COMMITMENT TO OVERSEEING IMPLEMENTATION AND INTEGRATION FROM START TO FINISH, SAYS JEAN-CLAUDE FAVRE, MANAGING DIRECTOR OF CRÉDIT AGRICOLE PRIVATE BANKING SERVICES.

Private banks in Europe have become increasingly open to business process outsourcing (BPO). They have begun to accept the need for an alternative to the ever-rising costs, administrative tasks, time and distractions of regulations and operational quick-fixes.

“For many smaller banks, I don’t think there is any other choice than outsourced services if they want a chance to survive in the new environment,” says Jean-Claude Favre, managing director of Crédit Agricole Private Banking Services.

Larger institutions, too, need to find a partner which can service them across all the jurisdictions in which they operate, he adds.

Yet the concept is in its infancy in Asia. This is partly a symptom of market evolution, but also due to the economic realities of the business. With lower resource costs in Asia, for example, banks rely more on their own staff for IT and back-office tasks, says Favre.

Regardless, he is positive about the longer term outlook for BPO in the region, given recent traction among external banks with his solution. “We have two customers in Singapore, one

being a new bank implementation in 2013, and one client in Hong Kong.”

## MOMENTUM

Especially in Switzerland, banks of all sizes realise that outsourcing enables them to focus on their areas of specialisation, explains Favre. Plus, BPO solutions lower the cost of putting the required back-office infrastructure and systems in place on their own.

“To tackle this, we have developed the core system S2i, a full banking solution, suited to 10 different jurisdictions, able to be completely integrated and including all functions needed for private banking, from order entry to reporting,” he says. “We also finished developing a mobile solution in 2013.”

## SMOOTH IMPLEMENTATION

Favre’s optimism for BPO is bolstered by the firm’s track record in implementing solutions.

For a new bank, the process can take anywhere from four to six months, rising to up to nine months if there is a need to change an existing sys-



**Jean-Claude Favre**  
Crédit Agricole Private Banking Services

tem. “And we have done more than 40 projects of these types,” he states, “all completed on time and within budget.”

Plus, the firm runs the entire project for a bank. “We have our own integration team that follows a clear methodology, rather than relying on integration companies or consultants.” ■