

Putting clients first with Asian expansion

Capco is making no secret of its ambition to leverage the growing need within wealth management for infrastructure, compliance solutions and digital offerings – especially in Asia, where the firm is keenly investing, say Peter Schurau and Christine Ciriani.

With the direction in which global wealth management has been moving, it is no wonder Capco deems this segment of financial services a priority.

With consulting capabilities in the areas of regulation, digital, post-merger integration and platforms, the firm hits all the hot-button issues with senior industry executives.

“We see big changes across global wealth management. It is an area we want to invest in,” says Peter Schurau, chief executive officer for Capco in Europe and Asia Pacific.

And the opportunities to provide this type of expertise in Asia makes Capco’s recent office opening in Singapore a logical next step in expanding its presence in the region, to add to its three-year old Hong Kong operations.

Looking at the growth ambition on a trajectory of five years, Schurau predicts

Asia will represent between 20% and 25% of the global revenue run rate.

The timing certainly seems right.

“Consulting services have been on the rise for banking,” says Christine Ciriani, a partner with Capco and head of the firm’s Swiss and Singapore-based operations. “This is no surprise. The banks are going through major transformations due to regulation, and for that they need assistance from individuals able to bring best practices to them.”

PLAYING TO ITS STRENGTHS

As one of the firm’s four key pillars, regulation continues to be a key way it foresees openings in the wealth management market, in particular.

“The focus is from policy down to delivering solutions,” says Ciriani, “where we create a point of differentiation in the way we link to a firm’s operations and package implementation.”



PETER SCHURAU

Capco

Creating more of what Schurau refers to as “utilities” in the wealth space is a key value-add it can offer these institutions. Examples include in the areas of



CHRISTINE CIRIANI

Capco

KYC, anti-money laundering, cyber-security, and finance.

Digital is another big topic for Capco.

This ties into the strategy to open an office in Singapore, she explains, as it mirrors the move by many leading Swiss institutions to shift many of their functions Eastwards, supported by the government and a more tech-savvy mind-set in the city-state generally.

“For us, digital is everything from customer experience and user design, all the way through to big data, analytics and modelling,” says Ciriani.

This is especially important when it comes to the future of the delivery of wealth services, adds Schurau.

He predicts that what firms offer at the front-end will need to evolve, to stay in sync with expected changes in consumer behaviour.

A third relevant strength that Capco brings to its wealth management clients is post-merger integration – whether that refers to migrating clients or operating models.

The fourth area of expertise relates to the platforms being built for wealth offerings, including those used for cash management and payments, which Ciriani explains are a key part of the wealth proposition.

Especially as digital firms play a bigger role in this market, they need infrastructure to compete, adds Schurau.

“They don’t own ATMs, so they need to find partners to help them bridge these types of gaps,” he explains, “and complement the front-end.”

DEEPER INTO ASIA

Clearly Asia has been a growing opportunity for many years. For Capco, however, the time is now right for its

strong and growing presence in Thailand.” And Malaysia serves as its near-shore centre.

Capco’s new Singapore team will focus on tackling client challenges across the region, including KYC, payments transformation and regulatory initiatives. Among other capabilities are digital banking experience development, and entire core banking platform upgrades and renewals that are taking place in growing numbers through the region.

At the time of the launch, in mid-May 2015, Charles Bokman one of two newly-hired local partners, said the industry worldwide is in need of trusted partners with deep knowledge to help them deal effectively with a range of issues, from tackling regulatory complexity to effective client onboarding and anti-money laundering.

Indeed, a key part of the decision to opt for Singapore as an additional regional

“Our experience in Hong Kong strongly validates our commitment to Asia Pacific. This is clearly a region of continuing growth opportunities.”

expansion as the firm itself feels it is ready to deliver on its promise.

“Our experience in Hong Kong strongly validates our commitment to Asia Pacific,” says Schurau.

“This is clearly a region of continuing growth opportunities and, looking beyond Singapore, we already have a

base has been the fact that a growing number of global financial institutions are starting to run pilots of their global programmes across Asia. “We have always grown our business by staying linked to our clients and focusing on their needs,” explains Ciriani.

But she adds that the belief among the firm’s senior executives is that its dif-

ferentiator is still the fact that it is very niche and focused. "We can still act like a boutique, yet leverage a global footprint," she says.

Given that most of the firm's clients are the top 20 global universal banks, servicing them across capital markets, asset management, wealth management, retail banking and also fiduciary services in Asia Pacific, is a natural extension of the strategy.

The growth target in Singapore, while premature, is 50 staff over the next 18 months, and around 100 in the next two-and-a-half years. "We believe it is possible because we will be providing implementation services, not just advisory," says Ciriani.

two-year journey is to head north, into Japan and Korea, adds Schurau.

A SWEET-SPOT FOR ITS SERVICES

Despite the growth and opportunity presenting itself for local, onshore banks across Asia, Capco still adds the most value to international institutions.

Yet Ciriani is quick to add that this doesn't mean it opts for a one-size-fits-all solution. Instead, it looks to bring some of the best practices from other regions to understand local regulations and other dynamics.

Having on-the-ground tie-ups and some local clients in markets such as Taiwan helps lend credibility to this claim. Plus, it means Capco can deliver to these

"This business is about delivering the right content, with the right client interaction, by the right talent."

It's all about having a kind of multi-regional strategy within a region, with each location catering to a particular expertise – namely, Hong Kong for capital markets, Singapore for wealth management, plus banking and payments, and Malaysia for advisory and change management.

"We have thought about these centres of competency very deliberately in terms of being close to where our clients go," says Ciriani.

Next on the master-plan is to leverage these initial footholds to extend into South-east Asia, Australia and mainland China. Another key move as part of this

clients insights into international ways of acting and behaving.

Further, while the consulting firm frequently works with various technology providers, such as core banking platforms, it wants its banking clients to be clear that it is on their side.

At the same time, adds Ciriani, and especially when it comes to onboarding, Capco's banking clients appreciate the firm's ability to work across client experience, process, legal, all the way down to data.

"We can speak the language of their developers, to act as an interpreter."

Sticking to the plan

Having already made a foray into Asia in its earlier days, and then exiting in 2006, Schurau knows better than most the importance of the bigger commitment the firm has now made to Asia.

"Previously, we felt the timing wasn't right for us, as we didn't have the scale or bandwidth to get into the market," he explains. But after a plan was put in place by the board in 2012 to be a truly global financial services consulting firm, being in Asia once again became essential.

Capco opted first for Hong Kong to service the local markets as well as mainland China. The decision was immediately justified after the firm won a mandate to take over a large number of a major global bank's staff across finance, compliance and operations. "This gave us the opportunity to have a team on the ground and add more people to it," recalls Schurau.

At the same time, he was focused on recruiting talent to broaden the offering across banking and wealth management.

Within a year, Capco had grown from zero to more than 100 people, by sticking to its strategy of servicing its global clients.

Perhaps one of the biggest stumbling blocks to Capco's bold ambition is attracting talent – getting people with the right skills to work on the projects it is delivering to clients. "This business is about delivering the right content, with the right client interaction, by the right talent," confirms Schurau. ■