

Technology Investments in the Financial services industry during Slowdown

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There is Never a Perfect Time to Implement Technology Solutions

Brexit, plunging Oil prices and China slowdown inspired fear of slowdown has turned the financial markets in bear territories worldwide. Although the fear of another global recession might just be overstated and things are getting stabilized, investment in technology may still seem like the last thing amid such tough economic situation.

During a tough economic period when the companies are struggling to survive, all spending comes under scrutiny right from overheads to staff. Technology Investments too takes a hit as companies of all sizes find it difficult to stand committed to technology as a strategic tool for all the business objectives. Experts believe that suspending any technology investments can prove to be short-sighted and may well worsen an organization's struggle. With our experience of implementing Wealth & Asset Management solutions globally, we too have learned that there is never a perfect time to implement technology solutions, though a downturn has some added advantages. Here are some interesting facts and rationale behind many technology decisions happened earlier during economic uncertainty.

A right Investment Management system makes operations more efficient with less overheads and make better use of current resources.

Operational Efficiencies

The slowdown in the economy poses an opportunity for Investment Management companies looking to improve their competitive advantage and explore technology options that not only helps in better investment decisions, but also takes care of operational issues that may be hindering efficiencies in the organization. In the short term, spending money wisely now will help you streamline current operations and cut costs. A right Investment Management system makes operations more efficient with less overheads and make better use of current resources. It is essential in difficult times when profitability is low, the technology could serve as a cost-effective solution to support existing customers.

Suspending technology investments can prove to be short-sighted and may well worsen an organization's struggle

Keep your best people busy with implementation during slowdown which not only keeps them occupied but also ensures selection of right solution

Leverage an opportunity of innovative pricing models which offers less upfront investments to maintain a lean balance sheet

Optimum use of Human Resource

Make an effective use of the best Human Resources available. It is difficult to manage an implementation during the boom markets as your best people are busy managing the business which may result in perfunctory participation and at times companies need to outsource some of the key implementation activities as the potential business users are often unavailable.

Hence, a slowdown is the best time to get key business resources to work on implementations which not only keeps them occupied, but also ensures the selection and effective implementation of a right solution addressing the critical requirements.

Good Bargain

The solution providers also face the heat of reduced spending by their prospective customers; this serves as a good time to bargain a better deal. The slowdown also results in various innovative pricing models. Unlike the populist perpetual model, solution providers are offering cost effective Software as a Service (SaaS) or annual subscription model which requires a less upfront investment in comparison with traditional perpetual licensing. In difficult times, many organizations are trying to preserve cash & maintain a lean balance sheet and since software implementation can be too expensive and labour intensive to implement and manage, many companies are looking for an OpEx model to start with and scale up with time.

Investing in Technology at the tail end of the downturn to stay ahead in the game.

Think for future & innovate during slowdown to be in pole position when it turns around

Forward Thinking

By investing in technology to innovate business practices during a recessionary period, these companies have placed themselves ahead of the competition not just during the current slowdown but also for the future as they would eventually find themselves in a better position for growth when business rebounds.

In every Wealth & Asset Management Company, Technology & Systems are one of the biggest cost centres and hence it is not surprising that it is even more difficult to persuade management to invest in technology in ambiguous times. Reduced operational cost & Revenue leakage, Increased income and Customer retention are a few of the good reasons to implement a technology solution, especially at the tail end of a downturn to stay ahead in the game.



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About Miles

Miles Software is a global technology specialist in Wealth, Asset and Portfolio Management space. MoneyWare®, our flagship product is ranked No.1 in the Private Banking Solution category & ranked No.4 in Islamic Core Systems Category of the prestigious IBS Sales League table 2016 (IBS intelligence UK).

Miles Software enables more than 300 financial services clients across 17 countries to stay ahead of the innovation curve. The solution caters to the complete business life cycle of the Wealth and Asset Management business.

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