

Reducing Risk and Compliance Burden

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Technology is playing a pivotal role in the BFSI industry. The demanding end-user is only a click away from obtaining just about any service. This raises both challenges as well as opportunities to the BFSI sector. While ease of transactions is the key, protection against fraud and scams is also a major concern. With over ten years of core functional experience, Mindteck has helped organizations improve business performance and information quality, and reduce costs of compliance and risk management. Anand Iyer, Vice President, IT Services interact with the Banking & Financial World to highlight the growth of the BFSI vertical in Mindteck and the importance of technology in the industry

How do you see Mindteck positioned in the IT Industry?

We have entered the BFSI space at the right time and in the right slot. GRC and Payments are integral to Banking operations and we are optimistic of taking this route to increase Mindteck's presence in the Application Software Development segment of our business. BFSI could be the right vehicle to get Mindteck in to the next Tier of the Indian Software Industry hierarchy.

What are your growth plans?

We are expecting about 15% growth in FY 12. Beyond that we believe our successful penetration of the BFSI space should get us past the \$ 100 mm mark by FY 14.

What role do you intend to play to tap the next wave of opportunities in the banking and financial services space?

At Mindteck we have carved out a BFSI offering after understanding the needs of the market. Our offerings cater to the market trends that we perceive. We have studied the requirements of different institutions and ISVs in the US and European market and our solutions focus on the three most relevant needs of the BFSI segment:

1. Managing regulatory compliance and governance
2. Payments

3. Data Management

What is the state of technology development in financial services? Are you concerned with the pace and rate of innovation?

Information technology today is viewed as an integral business function as well as an enabling tool for the financial services sector. Technology development is undergoing rapid transformation and is centred around tapping technology in an effective way to achieve business results across the organization. This is where innovation plays an important part.

What are some of the dangers if Indian BFSI companies fall behind in terms of financial innovation?

Innovation is a differentiator and a game changer, for growth for in the financial services industry. In today's environment where there is competition from new players both inside and outside the traditional banking industry BFSI companies need to differentiate themselves from competition and innovation makes that possible.

For example, in the payments space there is a demand for faster payment settlement mechanisms while financial services firms face stiff competition from newer and non traditional players. Another example is,

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today when regulatory change remains unavoidable, institutions are forced to revisit process, procedures, and systems. These are areas where forward-thinking financial institutions must embrace technology innovation to distinguish themselves from the rest.

What trends and developments should we expect in 2011-2012?

Going forward, the financial services industry will embrace growth and the 3 key themes to support growth are:

1. Customer centricity
2. Redefining the traditional business model
3. Embracing innovation as a differentiator

Information technology is a central component to these themes.

What information technology shifts are happening today in the banking industry?

As the global Banking & Financial Services sector emerges from the downturn and focuses on growth, the key business objectives are centred on the following areas:

1. Regulatory compliance
2. Risk management
3. Customer centricity and
4. Business and cost transformation

The technology shifts revolve around implementing strategies to achieve these business objectives. For example, enhanced reporting and analytical capabilities, a more integrated approach to managing governance, risk and compliance activities, adopting cloud technologies and harnessing data to provide insights.

What's the most pressing technology need in the banking sector?

There is more than one pressing technology need in the banking sector. These are, to manage data as an asset, integration to enable straight through processing and centralization and consolidation of disparate legacy systems to enable better automation. These needs are relevant across all banking business areas.

Mindteck's technology offerings in key banking business areas like GRC and

payments are centred on helping financial services firms address these needs. For example, we have a data analytics and reporting offering to integrate, correlate and use data holistically. Our vertical expertise enables us to contextualise these offerings, for example, analytics for payments or reporting for financial compliance initiatives.

Are there other factors determining where technology investment goes?

Yes, factors such as improving profit margins, increasing sales, retaining existing customers and reducing operating costs play an important role in determining where technology investments go.

How do you see Web services developing in the banking sector?

Web services or "Software as a Service" (SaaS) is an emerging mechanism that is distinguished by the fact that it can be implemented rapidly and eliminates the infrastructure and ongoing costs that traditional applications require. For banks it presents an exciting opportunity to identify applications that can be transitioned into the SaaS model. For banks, the advantage offered is the ease and speed of deployment which is critical especially when banks venture into new markets.

What about scalability and reliability?

The increase in processing power and storage capacities, combined with reductions in the cost of hardware has enabled moving bigger and better applications to the SaaS model, with the potential to serve millions of users at the bank. Scalability is further enhanced with the usage of state-of-the-art optimization methods throughout the software development lifecycle.

Is there still a technology-driven trend away from human interaction in banking?

To compete successfully in today's environment, banks must have highly reliable channels, an integrated view of data, and a reliable way to take advantage of every interaction between the customer and the bank, in order add value. To achieve this, it is imperative to automate business processes.

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