

The Investment Management Department of one of The Largest Banks in Europe

Client

The client is the Investment Management department of one of the largest banks in Europe. They manage the Government Petroleum Fund on behalf of the Ministry of Finance, in addition to the bulk of the home country's foreign exchange reserves, with more than \$450 bn in total assets under management. The fund is rapidly growing and receives inflow from revenues that the government receives from petroleum activities.

Business Context

Client's Equity Business Line was considering to outsourcing/offshoring a good portion of their IT functions and responsibilities (system management, system maintenance, system development, and programming) and some of their business processes (data management). They wished to leverage globalization to provide scalability, flexibility, standardization, quality and cost savings to their services delivery including IT operations and Data Management. The client approached us to help them through the globalization process.

They had successfully outsourced many of the back office functions associated with investment management (since 1999). There were many drivers for their desire to increase their use of outsourcing, not the least of which is the rapid increase of personal to support along with their move from an 18 hour operation to 24 hours.

Project Objectives

- To determine the suitability of functions and processes for outsourcing/offshoring
- To specify the optimal model for globalization, implement the same

Tholons Approach and Role

Globalization Strategy recommendations

- Portfolio assessment for IT and Business Processes to determine globalization potential
- Globalization roadmap and model formulation
- Financial impact assessment

Sourcing Exercise

- RFP creation
- Management of the bid process, including communication with vendors
- Bid evaluation – both technical and commercial
- Due diligence of suppliers
- Final supplier selection
- Contract Negotiation & Contracting

Business Benefits

The engagement was successfully concluded, and the client was able to outsource both their IT and Business Processes, with a solution that was tailored to their risk profile and stringent SLA requirements. Despite a relatively small volume of work, Tholons helped the client elicit interest from the top service providers in the services market, and through a competitive process, helped them get the best in class scalable solution at a considerable cost saving to their as is state.