



STP SCAN

Straight-Through Processing (STP)

['strāt 'thrü 'prä-,ses-in]

An automated process done purely through electronic transfers with no manual intervention involved.

Introduction

Asset managers and servicers face constant cost pressure, price competition and strategic questions regarding what services to offer.

Matchinglink is a digital native organization that offers both consultancy and technology services & solutions. To help you cutting costs from a strategic perspective. With our knowledge from both asset management and automation we have developed the STP-SCAN to provide strategic insight.

We believe that asset management is largely an information processing factory. All main processes can be straight through, with manual intervention an exception instead of the rule.

Only the cost advantage of full focus on automation can deliver a financially sustainable business model, without compromising quality and service.

The STP-SCAN helps you set up an executable list of improvements, enabling a step-by-step realization of benefits.



STP-SCAN: Overview

The objective of the STP-SCAN is to understand the functional business model and improve it step-by-step, while keeping a clear overview.

The STP-SCAN has a five-step approach:

1. Analyze the current value chain
2. Construct the mirror STP Value chain
3. Analyze the gaps
4. Create the improvement opportunities for each process
5. Execute improvements step-by-step and monitor progress

The STP-SCAN combines asset management and business knowledge to give a view that is recognizable from both the portfolio management perspective and a business management perspective. The focus is not so much on general ideas about the direction of the business as on specific steps that can be implemented straight away.

The STP-SCAN helps you set up an executable list of improvements, their cost/benefit and the way to realize them. With each improvement bringing you closer to the strategic optimum.



1. Analyze the current value chain

2. Construct the mirror STP Value Chain

3. Analyze the gaps

4. Create improvements

5. Execute Improvements

The first step is to examine the main functional processes in your current business. On the process side we describe for each functional business process:

- Function that is performed (input-processing-output)
- Complexity of the process execution;
- The level of standardization for clients and products
- How it-systems are used
- How end user computing is used
- How many people are involved
- The existing quality of the processes (output vs expectation)
- The flexibility of the process

On the proposition/commercial side we connect information about:

- Relative importance of the products/proposition and trend
- Market share end trend
- Synergies between products
- Profitability and pricing trend

The result of this step is a clear view on how the business is functioning and developing.



1. Analyze the current value chain

2. Construct the Mirror STP Value Chain

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5. Execute Improvements

Based on the Value chain analysis we know where your business is right now. For the processes in scope, we can then create an optimal STP model. This model basically answers the following questions:

- If we could start all over and use the latest technology and learnings, how would we organize the process into sub-steps?
- What would the fully optimized process look like and how much would it cost to run?

The optimal STP Value Chain is the best-in-class equivalent of the current business functions.

Because Matchinglink has a comprehensive IT platform and asset management knowledge, we can construct an achievable model, where your key-systems are combined with additional data- and workflow software.





With both the existing and best possible models complete, we can look at the difference in terms of cost, flexibility, personnel needed.

For each functional process we start with the cost per item and include estimates (both qualitative and quantitative) of flexibility, competitiveness and process quality.

In the gap analysis we take into account that a number of basic systems will not change because they are fundamental and very expensive to transition.





With the gap analysis we can now construct an overview for improvement.

This phase will be to calculate for each functional process:

- How many steps the total transition takes
- What each steps costs, up front and structurally
- How long each step will take to realize
- What the cost savings and other benefits of each step are

With this result a choice can then be made where to start improving and what the benefits will be. The business case will also provide a basis from which to communicate throughout the business about the need to change and the planning of the change.





The last step is to execute on the available improvements. For many businesses focus will be on eliminating costs because ultimately you need to raise efficiency to stay in the game, not just flexibility and quality.

Cost elimination is not easy on an individual process/proposition level because most of the time costs are shared between processes and products. In addition, if one process will save 0,2 fte you cannot eliminate these costs.

However, when you optimize process by process excess cost will emerge which can more easily be eliminated.

Matchinglink can execute software changes as well as providing this analysis as a basis for doing so. Our advice is not just a report. It is a fully operational execution of cost savings and other benefits.

Wherever you take the business next, you will do so from a best-in-class starting point.



Want to know more?

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