

CIBC MELLON

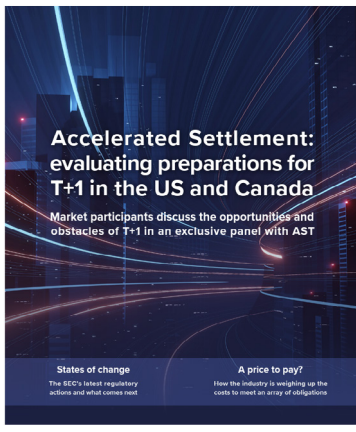
INDUSTRY COSTS: A PRICE TO PAY?

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RICHARD ANTON
Chief Operations Officer

Richard Anton is Chief Operations Officer at CIBC Mellon. Richard oversees the company's client service delivery functions, including custody services, accounting, fund administration, investor services and plan member services. In addition to driving resiliency, service excellence and strong governance across operational functions, Richard has a key focus on advancing investment operations innovation. Richard leads CIBC Mellon's Operational Excellence and Innovation program, sits on the BNY Mellon global asset servicing operations leadership and works collaboratively with Canada's largest institutional investors to help them advance their investment operations strategies. He has more than 30 years of experience in financial services.

Market dynamics are shifting, compounded by the impact of macroeconomic factors such as rising interest rates, geopolitical events and regulatory shifts that have become significant drivers of increased operational expenses.

While there was a surge in investment during the COVID-19 pandemic to digitize processes rapidly, businesses now face the challenge of resetting their expectations. As the pace of change intensifies, companies are recalibrating their technology strategies to align with the changing landscape.

To mitigate these challenges, it is imperative for industry participants to prioritize innovation, invest in robust technology solutions, and foster closer collaborations across the ecosystem. Additionally, a proactive approach to risk management and compliance will be essential in navigating this evolving landscape while maintaining operational efficiency.

By investing in streamlining operations, simplifying models, and providing real time information, the industry can deliver superior client service and identify new opportunities that were previously out of reach.



EXPLORE WITH US

We would be pleased to discuss these themes further, including exploring them in the context of our ongoing Canadian and global research efforts. Please don't hesitate to contact your relationship manager to arrange a discussion.



A LEGACY OF OPPORTUNITY

In recent years, the confluence of broader macroeconomic factors has indeed prompted a reevaluation of technology spending and investment strategies.

Industry stakeholders, including our clients are experiencing a paradigm shift. The prospect of rising interest rates has prompted a more deliberate consideration of technology investments across the board. Clients are seeking solutions that optimize operational processes, enhance agility, and drive cost-effectiveness, thereby ensuring their ability to navigate a potentially more challenging economic environment.

The automation and standardization of core services and processes will deliver greater visibility, operational efficiencies and cost savings to clients, boosting service quality and enabling custodians to respond quickly to future needs. This becomes imperative as Canadian and U.S. market stakeholders prepare to shorten the settlement cycle to T+1.

For example, as we continue to bring BNY Mellon's global custody technology advancements to Canada, we are unlocking possibilities and enabling opportunities such as predictive trade analytics. Our global enterprise settles upwards of 100 million trades a year. Despite best efforts, trades sometimes end up settling late. Late settlement causes problems not only for our clients but for the market as a whole: the seller's funding of securities is inefficient, buyers don't have the securities they expected to be able to utilize, and market participants can face higher costs. With billions of dollars of capital locked up per day in late settling trades, our challenge was to predict the probability of a trade settling late so we could help increase market efficiency and enable our clients to save themselves time and extra expenses.

We trained our predictive AI engine to uncover patterns and settlement predictions 24 hours before the intended settlement date, so our clients have the necessary time to resolve any issues.

By determining which trades are at risk, this patent-pending technology prevents loss of time and revenue and holds the potential to unlock billions of dollars of capital daily.



BRIDGING THE GAP



The evolution of the post-trade industry demands a continual influx of fresh talent and perspectives. Investing in the development and education of young professionals through comprehensive graduate schemes and mentorship programs is not only advisable but crucial for the sustained growth and innovation of our sector.



A well-structured graduate scheme can provide a foundational understanding of the intricacies involved, allowing them to grasp the nuances of settlement, clearing, and related activities. This initial exposure lays the groundwork for future specialization and leadership within the field.

Mentorship, in tandem with formal training, plays a pivotal role in bridging the gap between theoretical knowledge and practical application. Seasoned professionals can offer invaluable insights, share experiences, and provide guidance on navigating the complexities of the post-trade landscape. This mentorship fosters a culture of continuous learning and bolsters the professional growth of young talents.



INVESTING IN TALENT



CIBC Mellon has invested in building our newcomer talent pipeline – bringing on very experienced and talented individuals into the organization who are looking to extend their careers in Canada. Millions of people from all over the world have chosen and continue to choose Canada as their new home. According to data from Statistics Canada, immigrants make up the largest share of Canada’s population, with one in five Canadians identifying as an immigrant – the largest proportion among G7 countries.



We have a very diverse team, including many newcomers who are excited to use their networks to sponsor and recruit global talent. Our business is well suited to this, since we have strong training programs to help new employees learn the ropes of the industry. CIBC Mellon even increased its co-op program, onboarding more than 50 students across various business lines.



The imperative to offer robust graduate schemes and mentorships to young professionals in the post-trade industry is clear. By investing in their education and providing a supportive learning environment, we not only empower the next generation of leaders but also ensure the resilience and adaptability of our industry in the face of evolving challenges.

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FOR MORE INFORMATION

CIBC Mellon is pleased to engage with clients on this front and continue the conversation. Please contact your Relationship Manager if you would like more information.



➤ A BNY MELLON AND CIBC JOINT VENTURE COMPANYSM

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