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## A decade of change

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*Becky Bellamy reports*

**How do you think the market has changed since joining the industry? And what are the biggest drivers behind those changes?**

There have been a lot of different changes over the years and various different factors, such as technology, driving that change. The biggest change in the industry is the way business is being done—as an example, 15 years ago a service provider or vendor would typically bring its products together to create a solution for a client. That whole concept is now completely changing to looking at outcomes. If you're going to be in the asset servicing industry, the most important questions that you should be thinking about are: who are the clients that I serve, what are the outcomes that are important to them and how can I enable my clients to achieve those outcomes? This transformation is the biggest change that I am seeing in the industry.

The second thing that is changing is the interaction between the client and the service provider. The client and user experience is significantly more important now than it ever was; people are now really fighting to get their mind space through that client experience. Beyond this, there are of course cost pressures on the industry and I think that will continue, as well as regulatory change—both are important factors driving change.

In addition to technology and the client experience, business models are also changing depending on what type of business you are. As an example, if you are a very large asset servicer you will be competing on scale and technology; if you're a small asset servicer you will likely have a niche strategy and focus on one or two specific types of solution which will be your differentiating factor. The firms that are in the middle—that are not big enough to compete with the scale players but not small enough to be in the entrepreneurial space—are the ones that really have to think about what their future strategy is, and how they're going to be part of the changing industry.

Samir Pandiri joined Broadridge in June as president of Broadridge International. At Broadridge, he is responsible for the firm's post trade technology, global proxy, and asset management data and technology businesses outside of North America with a special focus on Europe and Asia.

Prior to his role at Broadridge, Pandiri was global CEO of BNY's asset servicing division and a member of BNY Mellon's senior leadership team. He also served as CEO of BNY's shareowner services division where he was responsible for the turnaround and sale of the equity administration services business.

Pandiri has also worked 11 years at JPMorgan Chase, where he lived in both Hong Kong and London for extensive periods.

His early career was spent with Bankers Trust in New York City, US.

### What are the biggest challenges firms are currently facing and how do these compare to the challenges firms were facing over the last 10 years?

The biggest challenge is fee compression on the asset servicing and asset management side. There is also a shift in preference, for example, a lot more going into exchange-traded funds where there are lower fees to be had. In addition, having a good data strategy is something that is also really important—there is a whole revolution around data, enabling data for your clients or for your customers.

If you are a firm in today's world you need to think about technology, specifically your legacy technology and how you integrate your legacy technology with the newest creations such as artificial intelligence, blockchain, digital or cloud. It's about figuring out the optimal combination of these and bringing them together to meet your strategic goals.

### In this current environment, what should firms in the asset servicing space be looking at/working on?

You have to start with your business strategy, and the most fundamentally important question you need to ask yourself is who you want to be when you're older. Once you have answered that question, there are two things that are going to drive what you do. The first is technology and data which are closely linked—so you need to have a comprehensive market-leading data strategy and this is critical. The second, and most important, is the client experience. In a commoditised industry, there are many people that can provide

this service, but the differentiator is the quality of service. If you can distinguish yourself on those two fronts, I think that is a powerful combination for an asset servicer.

### Do you think it is difficult for firms to plan too far ahead with their strategy because of factors such as regulation?

Every firm should have a strategy, as well as a view and a conviction around that strategy. However, great firms every year or every 18 months will go back and test their original hypothesis to see if the assumptions made a year ago remain true and valid. You need to have a strategy and a view, but you also need to have a feedback mechanism so you can continuously build and test. It needs to be agile so you can reposition yourself at any time.

### What were the hottest topics at Sibos this year?

At this year's Sibos, Broadridge's theme was 'Ready for Next'. We focused on how firms prepare for the future because the way business is done today or was done five or 10 years ago is not going to be the same in the future. If you're an asset servicer are you ready for what's next? You need to think ahead to plan where you want your business in five to 10 years and the road map to help you achieve that.

From my conversations with clients and those attending the conference, firms are thinking about what the future road maps look like and what they're doing between now and then to be successful and have good outcomes.

### How are you expecting the market to change/develop over the next 10 years? How do you think it will compare to the previous 10 years?

If you think about life before smartphones and life now with smartphones, I think someone that was there when smartphones didn't exist would have no way of predicting what the industry would be like in a decade. I feel like that; I'm not in the guessing game to know what it might look like in a decade, however things that will be steady and constant as well as universal, including people and relationships—these really matter. It mattered 10 years ago, it matters now and it will matter in the future. Having great relationships with your clients, vendors and regulators is the most important thing.

The second is that you need to have a culture where you have the ability to look at yourself, look at the market and continuously keep disrupting yourself in a constructive way. Having the ability to disrupt yourself, redefine and rethink will be important.

The third is being mindful of changing business models. The model that you have now, may or may not be the same way in 10 years' time. Meaning that you have to constantly be thinking about which other business models are available that your firm can tap into, and use to bring advantage to your clients. It is all about outcomes. I think if that's your mission, you will be in good shape in 10 years' time.