



GARY COX WAS THE SUNGARD MAN IN CHARGE OF ADAPTING OMNIPLUS FOR AUSTRALIA WHEN CITISTREET MOVED DOWN UNDER TO ESTABLISH A PRESENCE IN THE COUNTRY'S ACTIVE PENSIONS MARKET. THEY LIKED THE PRODUCT SO MUCH, THEY TOOK ON HIS ENTIRE TEAM



"THE RETIREMENT SERVICES INDUSTRY IS IN A PHASE OF RAPID CHANGE AND THERE IS A CONSTANT DRIVE FROM CUSTOMERS FOR ADDED FEATURES AND ECONOMIES OF SCALE"



The Australian subsidiary of a U.S. 50:50 joint venture between Citigroup and State Street, CitiStreet Australia was launched in January 2002 as the parent company's first foray outside its home market. CitiStreet was attracted in part, says Gary Cox, by the maturity of the Australian market: "Contributing to a retirement plan is compulsory in Australia and 90% of the workforce contributes to a plan. That is extraordinarily high, particularly compared with the U.S."

Employers in Australia are required by law to pay 9% of individual employee's earnings into their retirement plans, to which the employee may also contribute. CitiStreet provides third-party administration and other services for retirement funds and their participants. The Australian subsidiary services around 80 retirement funds, comprising more than 1.1 million members.

Gary is in charge of 380 people who work in Sydney, Brisbane and Melbourne. "I travel a lot between the three cities because in my role I think it is important to be seen by the people who work here – and keep in touch with our clients. We are a young business with very driven, professional staff. Managers are open to suggestions and staff are encouraged to participate in decision-making. Career development and internal promotion is encouraged."

TEAM TAKEOVER

When it set up operations in Australia, CitiStreet acquired the back-office administration business of the Australian unit of SunGard Employee Benefit Systems, for which Gary worked. At that time, the unit was customizing OmniPlus for the Australian market. "CitiStreet liked what they saw in Australia and decided to buy our administration contracts and lease OmniPlus from SunGard. I moved over to CitiStreet with almost all of my staff."

Gary's role at CitiStreet is a far cry from his first foray into retirement services. A holiday job doing filing and being a "general dogsbody" while he was in his last year of university

introduced him to the industry. He then worked in the fund administration department of reinsurance firm Towers Perrin for four years. "That is where I learnt my trade. In the mid-1980s, computer technology was nothing like it is now. A lot more was done manually, with calculators and pen and paper. It was a very good grounding."

From Towers Perrin, Gary moved to Prudential for three years and then on to Deutsche Bank, where he ran the back-office for the bank's retirement fund. "This was good experience, because Deutsche Bank's products were retail with an element of financial planning and distribution. The products grew well and we had a lot of fun, mixed with hard work."

SPECIALIST ROLE

At CitiStreet, Gary has the opportunity to put this experience to work in a complex market: "Most people would say there are too many funds in Australia. A population of just 20 million holds 24 million retirement fund accounts. A lot of people have multiple accounts, some of which are tied to life insurance plans." The market is also made complex by the amount of regulation surrounding it, says Gary.

"Sometimes it seems like the rules are changed every month. These changes have to be built into systems and processes. At the same time, the industry is under greater scrutiny from the regulators, who want to ensure clients are protected."

All of these factors put pressure on retirement funds' back-office systems and staff, and require additional capital to be invested in technology. The poor investment returns of the past few years have driven cost-cutting, but there is little fat in the back-office to cut, says Gary. "If you try to do things on the cheap,

HOME LIFE

FAMILY: Married to Roslyn for 14 years. Two children (Madeleine, aged seven, and Lachlan, aged five).

HOME: Lilyfield, about four miles from the center of Sydney. "We are close to the city and only 20 minutes away from the beach. There are also numerous restaurants in nearby suburbs of Glebe, Balmain and Leichhardt."

HOMETOWN: "I was born in Cape Town in South Africa and my family moved to London in 1977, then Australia in 1982, where I finished school and university."

PASTIMES: "Golf – but there's never enough time to play as much as I would like; reading; cooking; and spending valuable time with the family."

VACATION: To Port Stephens (about two hours north of Sydney).

EDUCATION: Bachelor of economics from University of New England, and executive MBA from the Australian Graduate School of Management at the University of New South Wales.

CHILDHOOD DREAM: "My earliest recollection was wanting to play rugby for the Springboks [the South African national team] when I was seven; then goalkeeper for Liverpool football club when I was 14."

WORK LIFE

BUSINESS HOURS: 8:00 a.m. to 6:00 p.m.

LOCATION: Hunter Street, Sydney.

VIEW: "I can see up George Street, which is one of the busier roads in the city."

DESK HYGIENE: "It's mostly tidy. I usually have a clean-up every two weeks, depending on my workload."

PERSONAL ORGANIZATION: "I use a Blackberry."

DRESS CODE: Business casual; suit when meeting with clients.

CORPORATE CULTURE: "The environment is friendly and reflects a typical Australian culture, where team spirit, equality and enthusiasm are displayed."

you run the risk of generating errors, which can cause great damage to your reputation." These issues make the market ripe for a third-party administrator such as CitiStreet. "I think there will be a significant growth opportunity in outsourcing because many funds lack scale and costs will become prohibitive," says Gary. "The retirement services industry is in a phase of rapid change and there is a constant drive from customers for added features and economies of scale."

CitiStreet's services are delivered using OmniPlus, which is also used by the U.S. parent company. OmniPlus has proven to be scalable and flexible enough to help CitiStreet to pursue new opportunities with clients. As Gary says, "the system is 'open', which allows us to add in our own Web technology and interface to third-party providers, such as the mailing house."

THE SUNGARD SOLUTION: OMNIPLUS

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