



IF YOUR COMPANY NEEDS BACK-OFFICE HELP, SEVERAL SUPPLIERS ARE AVAILABLE. BUT WHAT IF YOU WANT TO OUTSOURCE YOUR FRONT-OFFICE TOO? AT FINSOURCE, YOU CAN. RICHARD FREEMAN'S FIRM CAN PROVIDE IT ALL – AND FOR THE SEAMLESS IT BEHIND A SEAMLESS SERVICE, THEY WENT FRONT-TO-BACK WITH SUNGARD



"WE TRY TO BE YOUNG AND DYNAMIC, AVOID THE TYPICAL CORPORATE CULTURE OF RED TAPE AND HIERARCHY, AND WE TRY TO KEEP THE MANAGEMENT STRUCTURE AS FLAT AS POSSIBLE"



**T**echnology outsourcing is becoming a defining trend in the fund management industry – so much so that people are beginning to talk of the day when fund managers begin to outsource not only their back-office operations, but their trading capability as well.

Whether we return to the days of the 1920s, when a fund management firm consisted of two people in a room coming up with investment strategies, remains to be seen – but this emerging idea explains the existence of South African business process outsourcing company Maitland Fund Services (formerly FinSource), which set up in 1998 specifically to offer outsourcing services to the investment management industry.

For the company's chief information officer, Richard Freeman, who has been with Maitland since its inception, it has meant many years of rapid growth that has seen the company branch out from South Africa to Europe, and more recently to offshore locations such as the Isle of Man.

As the man "responsible for all the technology within the company", Richard holds a pivotal role. "We provide the IT and staff to capture and maintain the data, sort out the settlement details and provide clients access to this data via some front-office applications. Our client maintains the personal contact with their client base, while we cover the back-office side of operations," he explains.

Running a back-office in the fund management industry is becoming increasingly expensive, says Richard. The technology requirements for regulatory compliance and straight-through processing are onerous and expensive. By using an outside supplier, clients can outsource the technology risk, and some of the business risk as well. But, Richard explains, it is not a case of abdication: "It is more about partnership than anything else."

#### CORE COMPETENCY

And it is not just cost savings that prompt the decision to outsource; client businesses are also freed up to concentrate on their core competency – improving the performance of their funds and managing their relationships with their clients.

#### HOME LIFE

**HOME:** "I live in a fishing village 15 km from Cape Town, called Hout Bay. It is surrounded by mountains and can only be accessed by three mountain passes. It is often called the 'Republic of Hout Bay' because there is a very separate culture there."

**BIRTHPLACE:** "I was born in Zimbabwe, where I got married. We emigrated to South Africa over 20 years ago – two years after independence in Zimbabwe."

**PASTIMES:** "I like a lot of outdoor activity – canoeing, surf-skiing, cycling and horse-riding. They all involve sitting down, so it is a lot easier on the joints."

**VACATION:** "We love to travel; we both have itchy feet. We enjoy going around the game reserves of South Africa but we have been abroad a lot – we have been to every continent except Antarctica and the Arctic."

**ALTERNATIVE CAREER:** "I have never regretted working in computers – despite the long hours – and when I retire I still want to be involved in the industry, either through speaking at conferences or consulting. As a child I wanted to be a pilot, but being near-sighted unfortunately put paid to that."

Whereas most of the providers of third-party administration services are concentrating on back-office systems, Maitland provides services for both the front- and back-office, which is where its partnership with SunGard has been very useful. "We use Investment Accounting (edition InvestOne) in the back-office and Trader, Manager and Compliance in the front-office, and we offer them both in an integrated way. There are a lot of companies that struggle to invest in best-of-breed products, and that's where our market is," says Richard.

Because Maitland offers an integrated service between front- and back-office tools, it helps if it is able to turn to one supplier for both – a factor that influenced the decision to adopt SunGard systems. "In an earlier project, we purchased Trader, Manager and Compliance for the front-office, which was becoming a *de facto* standard for front-office tools," explains Richard. "We had been looking at another system for the back-office, but decided on Asset Arena Investment Accounting, in part because of our experience with Asset Arena's Trader, Manager and Compliance components."

"A further factor was that SunGard is a global organization with numerous global clients using INVEST ONE, and we wanted a tool that we could use internationally as we targeted more regions outside South Africa."

#### YOUNG AND DYNAMIC

Richard describes the corporate culture at Maitland as "professional but relaxed". "We try to be young and dynamic, avoid the typical corporate culture of red tape and hierarchy, and we try to keep the management structure as flat as possible."

The company has grown from an original staff of 20 to over 120 employees, so some additional levels of management have had to

#### WORK LIFE

**BUSINESS HOURS:** "I normally get to the office between 7:30 and 7:45 a.m. I generally leave at 7:30 p.m. – except on Tuesdays, when I leave at five to do a canoeing time-trial at my club. It is quite a long day, but I would rather do the work at the office than take work home with me or work at the weekend."

**CORPORATE CULTURE:** "We are young and dynamic and we try to reflect that in the decor – so many people that come to the office think we are an advertising agency! It is very open-plan with glass partitions. It's a really nice working environment."

**DESK HYGIENE:** "My desk is reasonably tidy. There are some piles at one end and some piles at the other end, with some clear space in the middle. We have a general 'clean desk' policy, so I feel some duty to set an example."

be introduced. The task of maintaining a well-managed company and a first-class service in an ever more complex environment is what Richard sees as FinSource's greatest challenge. "It is also the most enjoyable part of the job," he says.

Technology such as INVEST ONE and Decalog has played a major part in meeting this challenge. "We don't want to grow and grow in terms of staff numbers, so we try to automate. But we make sure that we use technology appropriately – we will look for state-of-the-market technology rather than 'bleeding edge'," says Richard.

Ultimately, the technology exists to support the business – and it is Richard's main responsibility to ensure it does. "The key quality for the job is communication between the IT department and the business – it is my job to knit the two together and make sure it is all done in a cost-effective way. We don't have bottomless pockets; we have to achieve robust and world-class service within certain constraints."

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