



AT FREE-THINKING RAIFFEISEN CAPITAL MANAGEMENT IN VIENNA, THINGS HAPPEN FAST: INNOVATION IS ENCOURAGED, STRATEGIES EVOLVE AT SPEED, AND THE HEAD OF THE MIDDLE-OFFICE ARRIVES EVERY DAY ON A MOTORCYCLE. IT'S A GOOD THING HARALD FRODL HAS THE COOL HEAD OF AN EXPERIENCED BIKER – AND THAT ASSET ARENA TRADER AND MANAGER CAN KEEP UP WITH HIM



“I'D RATHER TAKE A REMAINING RISK OF 10% THAN WAIT THREE MONTHS TO BE 99.9% RISK-FREE. BUT THE RISK HAS TO BE QUANTIFIABLE”



When a man walks into a bank wearing leathers and a helmet, it's normally a sight that would induce panic among staff, fearful that a robbery might be about to take place. But for Harald Frodl – head of middle-office at Austrian fund manager Raiffeisen Capital Management and motorcycle enthusiast – the unusual officewear is just part of his daily routine. “Taking off my helmet is the first thing I do every morning,” says Harald. “Then I check my e-mails and prepare myself for the first meeting of the day.”

A motorbike may seem a rather reckless mode of transport for a risk manager – but then Harald believes the job is about assuming risk as much as avoiding it. “I am always taking calculated risks,” he says. “For example, I would accept a remaining risk of 10%, do a release change and take that risk, rather than wait three months for it to be 99.9% risk-free. However, the 10% risk has to be quantifiable.”

#### AT WORK

Harald's responsibilities include operational risk management, monitoring all cashflows, compliance checks, transaction reconciliation and

matching, overseeing pricing and valuations and keeping in touch with the firm's custodians and any supervisory or regulatory authorities. “I am responsible for data management within the company, cleaning the market data for risk analysis and then distributing this analysis throughout the company,” he explains. “About 50% of my job is troubleshooting – dealing with any compliance breaches, correcting any transaction errors and generally answering questions. It is this 50% that puts the sweat on my forehead.”

But while the troubleshooting may keep his blood pressure up, it is the remaining 50% of the job that Harald finds more interesting: “I get more enjoyment from developing future strategies,” he says. And, as he points out, the more successful the future strategies, the less troubleshooting he will have to do.

Harald has been with the company for seven years, and worked for an affiliate before taking up his current role in the middle-office.

#### HOME LIFE

**HOME:** “I live in suburban Vienna.”

**FAMILY:** “I am not married and do not have kids, but I have been with my girlfriend for 13 years now.”

**EDUCATION:** Master's degree in economics from the University of Vienna.

**PASTIMES:** “I like to play sports and enjoy fitness training. I also like going to the cinema (the last good film I saw was *Amélie*) and to restaurants. With the rest of my spare time I like to play video games – I am an Xbox fan.”

**VACATION:** “I try to go away every second year for a three-week holiday. Recently I went to Canada and the south of France. This year I'm hoping to go to the U.S. – to New York and Boston. Once a year I go to Tuscany, for the food and the wine.”

**DREAM JOB:** “There is no other area I would like to work in. I like this one – and I think that's why I am good at it.”

He describes the culture at RCM as open and self-motivating. “There are 14 people within my department and 200 people in total, and we are all given the freedom to develop our own ideas,” he says. “With enough freedom, we can develop some very interesting solutions. But freedom also creates a lot of speed. Looking at how to keep track and manage the speed of development is one of my tasks.”

Much of Harald's role involves understanding the specifics of the business as well as the principles of risk management. “I need to have a deep understanding of how the asset manager is working. I need to know how to evaluate all the financial instruments, as well as all the technical and operational details,” he says.

#### STP STRATEGY

Harald also believes it is important to understand how technology fits in with the business – and during his time in the financial services industry he has developed a keen interest in the IT side of operations. “I believe that the relationship between the business and the IT side is the most challenging part of the job,” he says. “Before I started here I had some basic programming skills, but most of what I have learned I have picked up on the job.”

He now works closely with the IT team on a number of projects, such as the development of the firm's straight-through processing strategy, within which Asset Arena Trader and Manager – SunGard's front- and middle-office STP solution for investment managers – will play a central part.

“In our industry speed is everything, so we need a flexible solution – and we think that Asset Arena is a best-of-breed product in this area,” says Harald. “We have a very open system and we are able to integrate Asset Arena with a lot of our other systems – particularly in the back-office, where they are always implementing

#### WORK LIFE

**HOURS:** “I start at 8:00 a.m. and usually finish around 7:00 p.m.”

**WEEKEND WORK:** “I tend not to.”

**LOCATION:** “Our office is 10 minutes from the cathedral in the center of Vienna.”

**DESK HYGIENE:** “My desk is organized chaos. I clean it twice a year – once at the end of the year, and again if a SunGard photographer is coming.”

**OFFICE:** “It is a fairly modern office building and there are 14 of us in one room. From my window I can see the white walls of the local cinema. I can see inside to the foyer but unfortunately not any of the movie theaters.”

**PERSONAL ORGANIZATION:** “I don't have a secretary, so I do all of my own administration.”

new legal and tax rules and where we also use another SunGard system, Asset Arena solution, Investor Account Management. This is very important because it means that SunGard is able to take care of a lot of the integration.”

#### SELLING THE JOB

Although a sales ability is rarely cited as an important trait for a middle-office head – attention to detail and an analytical mind are usually regarded as ample – Harald believes that he and his fellow risk managers need to constantly sell the importance of their role to their colleagues. “We have to convince people that we are working on exciting things, even if we are not always contributing returns,” he says. “A lot of our tasks may seem very dry, but they can be exciting – and you need the ability to relate this excitement to people not really involved in that side of the business.”