

PREFACE

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Operations management is a vital component of any organisation in the financial markets. Without a highly efficient operational capacity any business would be vulnerable to competition and would find the overall cost of its business unviable. It is also the case that operations teams and the functions they perform have both altered radically in the last 5 to 10 years, illustrated by the active role in risk management that operations teams perform today. Traditionally a predominantly processing function, the changes to the structure of the industry have been significant and this has fundamentally altered the operations scope so that today its functions are both processing but also about risk control, client service, revenue or profit protection and in some cases revenue generation.

The fundamentals of operations management are still about accuracy, quality service and the ability to devise procedures to successfully clear and settle transactions. Today, the emphasis is also about effective asset and cash management, controlling risk and meeting the challenge of diverse and globalised trading and investment.

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The high levels of sophistication of the so-called end-user in the fund management and retail markets creates the need for sophisticated services to be provided by banks and brokers as well as agents, custodians, depositories and clearing houses. The result of this has been significant rationalisation and revamping in most areas associated with the operations function.

Technology plays a major role in the operations function and yet it is the personal service that is still seen as of great importance, and this is increased where technology has had the effect of standardising processes and output. The ability to differentiate firms' products and services is a crucial business factor.

Advanced operations management is about the extra responsibility of business change management, identification of skill sets, development of multi-talented product and risk-aware teams of people, responding to fluctuating business demands, regulatory change and above all being aware of and responding to the ever intensifying competition.

It is not an easy role and it certainly demands multiple skill sets in the manager concerned but it can be an immensely satisfying role with real challenges and, increasingly, rewards.

The age of the professional in operations management is undoubtedly here and, importantly, it is widely recognised.