

Coverage report



Publication: MIS Asia
Date: 13 March 2009
Page: P.55

Headline: Managing Chinese Wealth

Case study | Bank of China International

Six years ago, Alex Liu returned to China after a rich experience working with foreign investment banks in New York. He joined the Bank of China International (BOCI) in March 2008 as executive director of information technology (IT) and finds the IT environment in a China-based company “very different” from that of one in the United States.

Asian banks such as BOCI are “very reactive to the market, and it depends on how well you do in the market for the moment,” he says.

“They’ll decide what they want to do in the next two to three months, rather than in a global investment bank where you’ve already set up your targets no matter what

the market conditions are, because that’s what they have forecast and planned to do.”

The Bank of China International (BOCI), a wholly-owned Bank of China (BOC) subsidiary, provides investment banking services including securities products and wealth management.

Implementation work

Liu is responsible for managing all application development and IT support at the bank, and serves as deputy to Robin Leung, the head of global IT. Leung is the mastermind behind BOCI’s 95-strong IT team, which manages 1,400 computers in Hong Kong and China.

“For a global or foreign company in Asia, it’s pretty much more implementation and co-ordination type of work for IT, as

most of the development work is done in Europe and the US,” says Liu. “In Asia, we pretty much take that application and implement it.”

Coming over from foreign banks to work with BOCI, Liu finds the investment bank “a very Chinese local-based company”.

“Since the business scope, budget and forecast are very different, we definitely lag behind in adopting new technologies when compared with global investment banks.”

On the upside, Liu appreciates the flexibility of working with a local bank, where the IT department reacts more quickly to market changes and is more flexible with changes in requirements than its global counterparts.

“It’s different in terms of the technological environment here. [At the BOCI], it’s pretty



MANAGING CHINESE WEALTH

Asian banks such as the Bank of China International are very reactive to the market, unlike foreign banks.

CAROL KO has the story.

Case study | Bank of China International

much I and my boss, Robin [Leung]. We are the decision-makers on how we want to see the technology progress. We define the IT direction and work very closely with the businesses," says Liu.

Automating processes

BOCI started its wealth management business in November 2007. In June 2008, the private wealth management department launched a platform to automate asset management processes for its frontline securities brokers.

Offered by Hong Kong-based WealthCraft, a developer of technology platforms for wealth management services for financial institutions, the suite comprises WealthCraft Advisor Workbench 4.0 (AWB) and ATOMS Order Management 4.0. The Web-based solutions will initially be used by 100 frontline client management users at the BOCI.

Deployment of the platform is currently localised in Hong Kong, says Liu. And as BOCI expands its wealth management business in mainland China, and establishes a relationship management system, the IT division may consider extending the deployment to the mainland.

AWB is a 'customisable' client-focused platform comprising a set of interchangeable modules for market data research, financial planning, risk analysis, portfolio management and customer relationship management. The system enables financial institutions to manage their clients' assets and compliance requirements and reporting through a single platform.

Trading system

The ATOMS Order Management 4.0 is a trading system that automates transaction procedures including order processing and management of clients' investments. It enables straight-through processing with other parties by generation and processing of SWIFTNet Funds messaging orders. These include subscription, redemption and switching of orders, dividend

reinvestments and payments, and fee deductions and adjustments.

The solution enables BOCI to differentiate its wealth management services for capital growth and preservation in the increasingly competitive wealth management market. It enables BOCI's wealth management team to maximise clients' investment, by delivering market information, financial analysis and risk assessment, advisory service on personal portfolio and investment strategy, while simplifying and speeding up funds and other transactions via straight-through processing and automation.


User-friendliness

WealthCraft's solution was chosen because of its user-friendliness, says Liu. "When the user looks at it, they probably look at the presentation: user friendliness and the functionality. These are the two major things they look at because the whole product was started from the business side and IT didn't get involved till the later stage."

Liu sees obvious benefits from the WealthCraft solutions. He recalls that "when BOCI started [the wealth management business], they started with a piece of blank paper—nothing. No system, nothing else. Everything was on paper."

After deploying the wealth management platform, "all the RMs [relationship managers] could serve their clients better because they look at their portfolio summary and they can understand their requirements and are able to answer clients' queries on their accounts. It gives them much better control of client information and for follow-up as well," says Liu.

Liu considers BOCI's IT division a partner of the business. In practice, this calls for the IT division to demonstrate its added value to the business, by giving advice, and occasionally, by challenging the business to ensure the best operation flow.



"I always tell my staff 'you need to step up, bring value to the business'."

—Alex Liu, executive director of IT division, Bank of China International

"To build a partnership, you need to be able to show your value. To show your value, give advice. One way or other, people will take your advice. Not every time, but they do and they listen. You can bring in the value," he says. "Robin and I are very good at that and that's why we're far away from the technical end now."

Business meetings

Liu says: "That's why when I sit in the business meeting, I really need to understand what the business direction and strategies are. So upfront I know this is their plan, this is what they want to do and what we need to do to meet their needs, rather than wait until they say 'guys we have a new business proposal, this is ready, go do it and implement it for us.'"

He adds: "Other people may think I'm an alien and don't belong in the IT business. I always tell my staff 'you need to step up, bring value to the business and make sure that when you meet the business users, you don't go in with your head down and just listen to what they want."

"You go in with your head up and tell them what you think they should be doing." ■