



## **JPSA Consulting Mitigating Operational Risk in 2008**

### **Introduction**

Over the last 15 years at JPSA Consulting we have been assisting our Clients to reduce and manage a variety of their operational risks. Our support to Clients in this area has included working to ensure appropriately skilled resources are deployed, establishing leading edge process automation, and giving assistance with downsizing or outsourcing initiatives to ensure organisations are able to meet the demands of cost controls and market change. Latterly we have been heavily involved in integrating regulatory compliance with procedural changes to support the MiFID directive and also delivering industry standard, effective Business Continuity Management (BCM) procedures to minimise the effects of major operational disruptions.

In 2008 we see an interesting demand for genuine experience, proven advice and robust support being sought in the market. With the changes in regulatory controls and the volatility of many of the markets, clients are asking us to continue to assist in the process improvement and find creative ways to increase productivity, and at the same time reduce costs and increase profitability.

With these requirements in mind we have been looking to ways in which we can work closely with our clients to improve the services we provide through the most effective use of our resources.

This paper provides you with an overview of our strategy for 2008 to improve our levels of service and excellence of provision.

### **Risk Mitigation is our theme for 2008**

We will address risk mitigation through a number of work streams this year. We believe these following four areas will provide our clients with tangible improvements in operations that demonstrate a real difference.

**Project Management** - this is a core skill of JPSA, and through a combination of effective procedures and experience we have demonstrated how we can take leadership of projects and where necessary reshape them to ensure successful delivery. Whether it is by the provision of appropriately experienced Project / Programme managers, or independent control and reporting through a controlled project office, we are able to help improve project focus, manage budget and deliver to established expectations.

**Operational Procedures** – our varied experience in financial and back office operations means we are able to identify immediate improvements and the associated benefits. Our consultants draw from and share experience covering a wide range of operational disciplines covering Financial, Operational and Technical Risk as well as day to day trading and settlement requirements of the most complex instruments.

**Cost Management** – The work we have done in cost transparency, particularly in technology has demonstrated that we can bring a fresh view and understanding of what costs are relevant and why. By understanding the component costs of an operation and relating them proportionately to the services received by its customers, we are able to have informed discussions that shape realistic services for the organisation going forward. This in turn enables management to structure the operations and growth plans around an accurate understanding of the costs for execution.



**Regulatory Control** – This area in Financial Markets will continue to play an important role with the amount of change that is required for the foreseeable future. With the extending boundaries of the MiFID directive, Capital adequacy of Basle and ICAP and the SIAC payments systems changes there is still a lot to do. The ongoing expectations of BCM to address outages created by fire and power failure complicated by the continued risks of pandemics and terrorism, present a real focus for the operation risks officers. We therefore see that supporting Compliance departments will continue to form a key part of our resource strategy.

### **Summary**

Our goal is to provide the best resources and the most practical solutions to meet our client's requirements in 2008. By reducing the operational risks faced by our clients, our belief is that we will help them improve productivity, reduce costs and in doing so increase profitability.

In the last few years our health checks into particular aspects of operation have proved to be extremely effective in focusing attention into the areas that matter. We will continue to provide these as a key starting point and check process to ensure that resource is correctly prioritised. In addition to this we are now providing facilitation services to the small to medium size client's where we can oversee some activities such as BCP plans and regularly review and test them to meet client and regulatory expectations, allowing the clients to concentrate on their core activities.

We would welcome the opportunity to talk to you to see how we can work together in this exciting time ahead.