

CASE Kammarkollegiet

Kammarkollegiet increases asset management efficiency by over 97 percent with TradeChannel TradeseC



The Challenge

Kammarkollegiet wanted to improve the efficiency of its asset management services and minimise business risks for its clients by ensuring the quality of financial data. To achieve these goals, the department needed a secure position management solution that would eliminate client data siloes.



The Solution

Kammarkollegiet worked with TradeChannel to implement TradeseC – a secure, web-based transaction hub. TradeseC was integrated with Kammarkollegiet's in-house asset management software, facilitating full straight through processing (STP) of fund transfer requests.

Kammarkollegiet employs 300 people with a team of 26 dedicated to asset and fund management on behalf of government organisations and the Church of Sweden. Kammarkollegiet has a total of 140 billion SEK under management, including asset types such as pension, not-for profit foundation and fixed-income funds.

As a government agency with a strict mandate, Kammarkollegiet only offers its services to other Swedish government departments. Robert Sahlberg, Director of Back Office Services at Kammarkollegiet, comments: “Nevertheless, we have a wide range of clients – from small foundations to large government organisations. While our smaller clients typically have a few million Swedish kronor under management, the larger ones – for example, a nuclear waste management fund – have up to 45 billion.

“Our services are completely flexible, and based on the individual needs of our clients. For our largest clients, we provide strategic advice on investment opportunities, but, ultimately, the decision on whether to invest or not falls to executives in the organisations themselves. By contrast, for smaller local government agencies, we offer comprehensive back and middle office services, including accounting, reporting and asset management, either individually or as a total package.”

THE NEED FOR A SOLUTION

As its client base was expanding, Kammarkollegiet wanted to improve the efficiency of its asset management process to continue to offer a high level of service to all of its clients. However, the department's legacy fund administration system proved a hindrance.



The Benefits

- Increased asset management efficiency by over 97 percent thanks to automation of manual processes.
- Automatic data checking reduces the risk of erroneous financial data entering the asset management system.
- Total solution will offer a consolidated view of all positions, trades and funds – empowering Kammarkollegiet’s clients to make better-informed investment decisions.

“In the past, asset management was essentially a manual process,” says Robert Sahlberg. “Clients would make a trade and send a notice of the transaction to a Kammarkollegiet fund manager, who would enter the information into our electronic system. Manual data input for just one client used to take 20 work hours per week for one Kammarkollegiet employee.”

The department’s manual process also made it difficult to guarantee the accuracy of data, as information on trades was siloed in client systems.

“Manual trade management was inefficient, and it also created potential business risks,” continues Robert Sahlberg. “In many cases, our clients stored their position data in static spreadsheets that we had no access to.”

“It never actually happened, but, because our visibility was low, there was a potential risk: if a client forgot to send us notification of a transaction, we wouldn’t have been able to make the relevant securities account transfer – meaning that they might have incurred a financial penalty.”

Kammarkollegiet wanted to automate its trade management process to increase workflow efficiency and reduce business risks for its clients. To achieve this, the department needed to integrate a secure, user-friendly solution to communicate client transactions with its existing portfolio management system.

CHOOSING THE RIGHT SOFTWARE

“We considered building an application from scratch, but we concluded that it would have involved the investment of excessive time, energy, and resources,” says Robert Sahlberg. “We did some more research to determine which products were on the market, and we were excited to discover that TradeChannel had a turnkey solution that was perfectly aligned with our business goals.”

Kammarkollegiet worked with TradeChannel to implement and customise TradeseC – a secure, web-based transaction hub. Using only a web browser and an internet connection, Kammarkollegiet’s asset management clients can log in to a white-labelled TradeseC portal and report trades in real time. The software was also integrated with the department’s asset management software, facilitating full straight through processing (STP).

BREAKING DOWN DATA SILOS WITH TRADESEC

Since integrating TradeseC software with its in-house asset management application, Kammarkollegiet has achieved its goal of improving asset management efficiency. Management tasks that previously took 20 hours of work per week for one Kammarkollegiet employee can now be completed in half an hour – an improvement of over 97 percent.

“We’ve already switched over one of our asset management clients to TradeseC, and the response has been very positive,” says Robert Sahlberg. “Today, they input all their trades directly into TradeseC. Because TradeseC is connected into our in-house asset management software, all client-submitted data drops into the STP flow. There’s no manual processing required, and internal fund transfers go through instantly.

“What’s more, TradeseC automatically validates the inputted data – so if a client accidentally tries to enter data into the wrong field, TradeseC will catch the error and ensure that the user corrects it before the transaction is submitted.”

PLANNING FOR THE FUTURE

Following the success of its initial TradeseC implementation, Kammarkollegiet has plans to expand its functionalities to other service areas.

“We are in the process of configuring TradeseC to act as a fund order module for our small- and medium-sized clients,” says Robert Sahlberg. “Previously, this process was completely manual – clients would send us an order to sell or buy a stake in one of our assets by fax or email. The process of verifying that the trader was authorised took our managers at least 15 minutes per trade, and we had to perform the necessary calculations in a spreadsheet before we entered the order into our in-house asset management application.

“When the TradeseC fund order module is complete, our clients will be able to enter their requests into a secure web application, which will check the quality of the data in the same way that our TradeseC asset management solution does today. Because only authorised customers will have passwords to the system, there will be no need for manual security checks, which will save us a great deal of administrative effort. There’ll also be a big benefit for our clients – when the system goes live, they’ll be able to see a consolidated view of all their positions, trades and funds in TradeseC – empowering them to make better-informed investment decisions.



“TradeseC has undoubtedly helped us to minimise the business risk involved in our trading and asset management processes,” concludes Robert Sahlberg.

“By continuing our close collaboration with TradeChannel going forward, I am confident that we will be able to further improve our class-leading outsourcing services, and deliver greater value to our clients.”

Robert Sahlberg, Director of Back office service at Kammarkollegiet

ABOUT TradeChannel

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TradeChannel is the answer to the financial community's need for transfer of financial transaction through firewall to/from external parties.

TradeChannel is the first software company to standardize a unique scalable transaction hub with build in validation for financial transactions.

TradeChannel was founded in Stockholm in 2000. TradeChannel has clients in continental Europe and the Nordic region and end users world wide. More information www.tradechannel.se

ABOUT TRADESEC

Tradesec is a highly flexible Internet based transaction communication platform that connects external data submitters with the clients portfolio applications.

Tradesec adds value to the clients by making the transaction processes efficient, thereby reducing cost, operational risk and increasing data quality.

Regardless of portfolio application, instruments or protocol, Tradesec is capable of supporting current and future set-ups of Investment management organizations.

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