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Operations is king in a changing world

By [Dawn Cowie](#) 13 October 2020

The influence of chief operating officers is at an all-time high since the coronavirus crisis propelled them up the decision-making hierarchy at asset management firms.

Not only have COOs played a key role in keeping businesses running during this year's global working-from-home experiment, they have also demonstrated that firms can move with speed and agility when they have to.

Robert Jamieson, chief data officer at Legal & General Investment Management, says operations has been at the heart of the decision-making hierarchy since the start of the Covid-19 pandemic.

"Speed and innovation [were] key to improving resilience and getting customers' outcomes [in the first stages of the crisis]," he commented on a panel at the IM Power conference last week.

"A new hierarchy stepped in and focused on what was important, and rapidly worked through those challenges."

Chris Mills, financial services expert at technology consultancy 6point6, adds: "The number one requirement for COOs was to keep the lights on through Covid-19 and on that basis their stock has risen."

Lorna Martyn, chief technology officer at Fidelity Investments Ireland, says: "Experiencing the most extreme test of business resilience has only, in my opinion, increased the confidence of our business partners in technology as an integrated element of their products and services, and indeed a differentiator for speed to market."

Between April and August, Fidelity Ireland hired 130 technologists, increasing its technology team in Ireland to 900, and it continues to hire, says Ms Martyn.

As asset management firms settle into a new normal, the increased profile and influence of COOs and CTOs are likely to grow further, say experts.

To start with, this new environment is likely to require a significant amount of cultural development that will be linked to operational and technological changes within asset management firms.

[Markus Ruetimann, chief executive officer of consultancy Hardy London, says that "operating in a Covid-19 environment for a long period of time is likely to redefine the meaning of culture".](#)

[People must be allowed more freedom to innovate if firms want to ensure the retention, acquisition and development of talent," he adds.](#)

Firms will need to work harder than ever to build a culture where people embrace change as part of the new normal, rather than viewing change as a period of disruption that must be endured.

[COOs and CTOs can play a key role in building this culture because they "have always been champions for change" with a wide remit and skillset, says Mr Ruetimann.](#)

[The people they hire and the way that operations and technology teams collaborate with different parts of the business will help to foster this culture.](#)

Ms Martyn says Fidelity Ireland looks for people who are resilient and focused on continuous learning when it hires.

"Attitude is equally as important as aptitude and we harness talent from all walks of life, not just the university educated who tick all the traditional boxes," she says.

Ms Martyn says the firm is also focused on building diverse, cross-functional business and technology teams that collaborate on what they do, how they do it and why – always questioning whether activities add value.

While helping to foster culture change, COOs face immediate threats to operational resilience as they juggle ongoing patterns of working from home and pressures to cut costs.

"Any COO will have to have a number of scenarios planned out just in case. What happens if the workforce goes down? What if we never go back to the office?" Mr Mills says.

Even assuming more people do go back to the office, it will be a phased response and there will be delays, he says.

Meanwhile the crisis has focused attention on the importance of serving clients and the need for good quality data in order to do that effectively, says Mr Mills.

"Who can provide a coherent view of what clients are asking for and whether you are delivering? Often the COO," he says.

This will drive closer relationships between distribution and operations, with distribution chiefs likely to rely more heavily on evidence from the COO to help make their business case.

"The smarter distribution guys are allying with the smarter COOs in order to present the best data-led insights into clients, distribution, products, marketing. All their external activities have got to be backed up with facts," says Mr Mills.

Rather than focusing on serving internal "clients", primarily investment teams, COOs will become increasingly focused on external clients and will become more data savvy.

But being able to push ahead with digital transformation will be dependent on first getting operational resilience right, adds Mr Mills.

"You are not going to be able to do any of this if your staff aren't effective," he says.

Whether COOs are focused on operational resilience, cost cutting or digital transformation, it will be their ability to collaborate that will help them to be most effective.

"What is important is that the teams collaborate and think critically and creatively on how to progress together," says Mr Ruetimann.

"A digital transformation of an organisation requires talent, technology, trust and, above all, teamwork in order to succeed."

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