Nick's Corner

We are very excited to now have the facility for a client to both send and receive all components of a trade cycle from a single profile; transactions, prices and confirmations (currently you have to have a Product and ManCo sign in separately). This is particularly useful for Multi Managers, Life and EB clients. Please don't hesitate to contact Client Services for more information.

Learning from the Digital Leaders and the behavior that sets them apart.

Edited from the article written by Nate Anderson, Dunigan O'Keeffe and Ouriel Lancry August 07, 2019, Bain & Company's Digital practice

Summary

- Executing a digital transformation is a top priority for many companies, yet success remains elusive for most.
- Digital leaders are fast, particularly at decision making and execution, enabling them to experiment and pivot when necessary. They identify and organize around the technology trends that matter most. And they're adept at orchestration, moving effectively from experimentation to full-scale transformation.
- They define digital at the right level, organizing around a small number of trends that really matter in their industry.
- They excel at orchestration, getting the right processes and assets in place to successfully scale digital transformation across their enterprise.

Fast decision making and execution

Our research confirms that speed is critical: Three of the top five differences between leaders and laggards relate to speed, and speed leaders are six times more likely to be digital leaders.

Fast companies are nearly six times more likely to be digital leaders. Speed has the most impact in three specific situations:

- making decisions fast enough,
- executing plans at the required speed and
- having an IT organization that can operate as quickly as needed

Fast companies make a decision and then get started, understanding that they may have to launch based on imperfect information and pivot multiple times along the way. At Amazon, CEO and founder Jeff Bezos encourages employees to think of decisions as either one-way doors—those decisions that are irreversible or nearly so—or two-way doors that can be undone. Recognizing that many, if not most, decisions are actually two-way doors encourages managers to take calculated risks and move with speed, even without perfect information. *"If you're good at course correting, being wrong may be less costly than you think, whereas being slow is going to be expensive for sure,"* Bezos wrote in his 2016 letter to shareholders.

Companies looking to build speed can focus on breaking digital transformation into manageable pieces, testing and learning from their trials. Corporate leaders can accelerate the pace of their transformation and increase its chance of success by concurrently executing multiple micro-battles, discrete time-boxed initiatives that rapidly bring strategic choices to action. For this to work, leaders need to focus on:

- empowering individuals;
- spotting patterns;
- sharing lessons across teams;
- shifting resources to support winners as their success becomes clear through data and experience;
- skipping ahead when better versions of a given unit test successfully; and
- pivoting or shutting down trials when they fail.

By breaking initiatives into small, incremental steps, micro-battles foster innovation by reducing risk and making it easy to test and learn.

Organize around a limited number of important trends

Too often the term "digital" is amorphous and ill-defined. As a result, it has become almost meaningless. For them, digital is about individual technologies like cybersecurity software or 3-D printing, so tightly focused on individual technologies that they fail to connect the dots into a coherent customer proposition with impact. Others think of digital at such a high level that it becomes disconnected from their product, value proposition and front line. *Defining digital at the right level—neither too high nor too low—is a matter of hitting the right altitude between these extremes.*

A digital strategy so fine-tuned that it can be explained in three to five words is a worthy goal.

Mastering orchestration

The single most important aspect of digital transformation isn't great strategy or even great technology, but orchestration. Orchestration is what you need to scale from experimentation to full digital transformation, and when it comes to digital success it is twice as important as strategy and three times as important as systems and technology, according to our survey.

Companies that do orchestration well consistently display certain skills. First, they are able to scale change. As mentioned earlier, micro-battles are a critical tool for helping organizations scale innovation with speed. They break initiatives down into component parts and create well-structured teams to take charge of change, speeding up decision making and execution, the crucial skills of digital leaders. Leaders in orchestration also centrally set direction or at least establish guardrails within which to operate, but simultaneously empower the front line to innovate. *These companies have leaders who align the enterprise on a clear vision, and who build critical engagement by cultivating a better understanding of technology and the "art of the possible" at all levels.* And their leaders successfully make the case externally for their digital investment, communicating how the company can compete against digital natives and others.

Another important area that consistently differentiates champions of orchestration is their ability to find new and better ways of evaluating performance. Return on investment (ROI) has long been the measure determining any corporate initiative's success, but digital progress is not always best evaluated by ROI, particularly short-term ROI. Other measures, such as future net asset value, or operational metrics that better reflect how well an effort is working, are often better. And it's not always about playing offense, where investments are geared toward new sources of revenue or profit growth. Digital investments are often about playing defense—protecting the business against cannibalization or obsolescence—and companies need a way to account for those defensive measures as well.

Finding smart alternatives to ROI can be key to solving one of the stickiest orchestration puzzles: ensuring that internal funds shift from old businesses to new digital activities and managing the implications of those changes.

Looking ahead

Companies can improve their odds of success in digital transformation by taking three concrete steps toward becoming digital leaders:

- Identify where you stand relative to peers, particularly related to speed.
- Where are you on your digital journey? How fast are you moving? Which gaps are critical to fill?
- Clarify the role of digital for your industry today and envision the impact it will have in the future.
- Where will digital truly transform your industry? How will your company play to win in that digital future? What are the steps you need to take today to begin the journey, even if the future isn't entirely clear?
- Tackle orchestration issues from day one.
- How do you successfully move from experimentation to transformation? Are you sequencing and measuring progress against clear indicators of digital transformation? Is your executive team aligned behind a common digital ambition? Have you engaged the broader company in that vision? Are you building a critical mass of digital practitioners? How do you fund digital bets?

Digital leaders know they have embarked on an ongoing journey and must consistently merge strategy with more tactical considerations. They don't have time for complacency. Their digital transformation has only begun.

Client Services

Multi Transaction Processing (MTP) Functionality

FinSwitch went live with the MTP functionality on Monday, 26th August 2019.

Traditionally our clients would need two separate profiles for the different services that FinSwitch offer, i.e. one profile that hosts funds (download trades) and one that hosts products (upload trades). The MTP functionality now allows a single company to perform the fund host and product host functions under one company profile.

Multi Managers that invest in other products can now use FinSwitch to receive trades as well as send trades.
FinSwitch will now be able to take on companies that could not join before because they did not fit into the traditional ManCo/Bulk Investor model.

New clients may come onboard as an MTP company or existing profiles can be migrated to an MTP company. If an existing client is migrated it does not involve any recapture of existing data and will not impact its current FinSwitch trading, allowing a quick and easy transition.

MTP clients would have the functionality of both ManCo and LISP/Bulk Investor, which is:
- Loading products
- Loading funds
- Fund linking
- Sending and receiving trades
- Sending and receiving confirmations
- Sending and receiving prices

Chat to us if you are interested in migrating your company profile!

Operations Committee Meeting

Our next Operations Committee meeting will take place in October 2019. Kaylin is currently on maternity leave, so please keep an eye out, as the invite will be sent from Marlene Van Blerk (our temporary Office Administrator).

Looking forward to seeing you all there!

Best Wishes
Tasneem Gydien
Manager: Client Relations

Application Desk

The MTP release went live on the 26th August.
MTP introduces a new company category (see overview under Clients Services). Additional functionality included in this release focused on streamlining the Fund

Linking management: ManCos are now able to **delete fund links** and we have added additional downloads on the My Fund Accounts page where the data is pre-populated for the user in the Fund Link template layout.

Our last release for 2019 is due for the end of October and development is currently underway. This release completes the system enhancements planned for 2019.

Best Wishes
Dawn Cooper
Manager: Application & Development

B-BBEE Certificate

You can download our certificate by clicking **here**