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Press Release

SimCorp StrategyLab publishes book “Operational control in asset management: processes and costs”

“Operational control in asset management: processes and costs” is a new 220-page book published by SimCorp StrategyLab with contributions from a wide range of senior practitioners from prominent financial institutions and senior scholars from world leading business schools and universities. The book addresses the challenges faced by asset managers, focusing primarily on the operational aspects of the global asset management industry; its costs and its productivity.

Following on the heels of the most turbulent period in modern financial history, the asset management industry is facing an array of unprecedented challenges going forward. Clients have been profoundly shocked by increases in volatility and losses in wealth that they had never experienced before. Now, for the first time in many years the asset management industry is forced to develop a much more careful discipline around costs.

“Operational control in asset management: processes and costs” is an anthology reflecting experience, research and thought leadership from experts, specialists and practitioners within various disciplines including finance, economics, mathematics, risk, governance, compliance, IT and regulation among others.

Featured expert contributors

There is a total of 11 chapters, which includes the works of ten professors from around the world including:

- Michael Pinedo, Ph.D. and professor, Stern School of Business, New York University
- Ümit Alptuna, Manos Hatzakis and Reha Tutuncu, Vice Presidents at Goldman Sachs
- Adam Schneider, principal at Deloitte Consulting LPP
- John Biggs, Chairman Emeritus TIAA-Cref
- Marcelo Cruz, adjunct professor at Stern School of Business, New York University
- Dennis Campbell, associate professor at Harvard Business School
- Frances Frei, professor at Harvard Business School

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- Yakov Amihud, professor at Stern School of Business, New York University
- Haim Mendelson, professor at Stanford University
- Anitesh Baruah, professor at McCombs School of Business, The University of Texas
- Deepa Mani, assistant professor at the Indian School of Business
- Andrew Whinston, professor at McCombs School of Business, The University of Texas
- Kosrow Dehnad, adjunct professor at Columbia University and assistant general manager at the Samba Financial Group
- Kjell Johan Nordgard , Senior Vice President at SimCorp
- Lars Falkenberg, assistant director of SimCorp StrategyLab
- Klaus Søren Arfelt, Vice President at SimCorp

Among many other things the book discusses best practices frameworks for cost control and suggests that, in reality, very few actually adhere to such practices causing many firms to operate far below their potential. The book then presents a framework for an analysis that allows firms to compare their cost performance with others in an effective manner.

Established and structured approaches to cost control are then discussed, examining the possibility of applying the Lean Six Sigma method known from the manufacturing industry to an environment dominated by IT applications.

In the area of organisational structure, the book explores why risk management systems failed to protect companies during the recent crisis and suggests to decentralise not only risk management, but also technology and expense control, to line managers in an ‘accountability management’ model. It is further suggested that large financial institutions have promoted unqualified people to the position of chief risk officer, resulting partially in the recent financial failures.

“Operational control in asset management: processes and costs” is the second volume in a series of three, to be published by SimCorp StrategyLab, resulting from its research programmes within the investment management industry. It is available from amazon.com.

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SimCorp StrategyLab

SimCorp StrategyLab is a private research institution, headed by Mr Ingo Walter, Seymour Milstein Professor of Finance, Corporate Governance and Ethics at Stern School of Business, New York University. SimCorp Strategy Lab’s research work focuses on identifying, understanding and suggesting solutions to issues pertaining to mitigating risk, reducing cost and enabling growth in the investment management industry. www.simcorpstrategylab.com