

# Experts in the news

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## Citi Wins Kudos For Managed Account Outsourcing

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Citigroup Global Transaction Services has only announced one deal since it entered the separately managed account (SMA) outsourcing business with Citigroup Asset Manager Solutions at the end of last year. But it can now boast of a different sort of win.

*The Banker*, a Financial Times Group publication, presented Citigroup Asset Manager Solutions for SMAs with its award for Back-Office Solution of the Year for 2005, the third year the British pub has given out the award.

Citigroup supplants two-time winner Calypso Technology at the top.

"The judges were primarily concerned with innovation in these awards and that is what they found here," says Dan Barnes, financial systems editor at *The Banker* and one of the judges. "In using a component-based architecture and XML technologies we felt the system not only reduced the significant administrative burdens faced by asset managers but was also a flexible and easily integrated system."

Barnes could not disclose other firms up for consideration due to the publication's assurance of confidentiality. He could only say that the judges looked at a handful of firms in the back-office category and that the award was open to back-office service providers across the broad financial services industry. Whether that included direct competitors in the SMA outsourcing space, Barnes could not say.

Citigroup's competitors in the SMA outsourcing space are Bank of New York, BISYS, JPMorgan Chase, Mellon Financial, PFPC, SEI Investments and State Street Corp.

Alois Pirker, analyst with Celent Communications, says the award could be a "key selling differentiator" for Citigroup in a very competitive business. Managers, he explains, will increasingly need to outsource their back-office in order to make their business more scaleable and cost-efficient, and recognition like this gives Citigroup a boost.

In *The Banker's* announcement of the award it explains that because Citigroup uses XML technology its system allows for "greater customisation creating greater convenience for clients and genuinely assisting their business."

XML, which stands for extensible mark-up language, "is easier to write than older program language," says John Shields, a director with Navigant Consulting. "It provides for better security and is more susceptible to integration."

Chandresh Iyer, Managing Director of securities and fund services for North America for Citigroup Global Transaction Services, explains that Citigroup sought to create a solution from an asset manager's perspective and what it came up with is, in effect, an open architecture back-office system.

"We develop a solution based on what is relevant for each investment manager," he says.

Though Citigroup has only announced one deal on the retail SMA side with Vontobel Asset Management back in March, it has multiple clients on the institutional and retail side of the business, says a Citigroup spokesman, who declines to disclose other client names.

The award "validates what we've done in bringing a new generation of technology to the industry," says Andrew Clipper, director and product manager of Asset Manager Solutions for Citigroup Global Transaction Services.

Clipper adds that due to the continued in-flow of assets into the SMA space, newer technology will keep the industry from "collapsing under the weight of the growth."

Along with Barnes, the financial systems editor at *The Banker*, the panel of judges that determined the winner included P.J. Digiammarino, head of global IT customer services at Barclays Capital, Bob Fuller, head of IT strategy at Dresdner Kleinwort Wasserstein, Roberto Rivero with IntelligentBenchmark, Ralph Silva, senior analyst with consulting firm Tower Group, and Chris Skinner, chief executive of Balatro.

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