

Profitability



Improving Revenues

Things picked up through H2 2016 and this will continue with previously out of fashion FICC businesses driving this

Costs

Cuts have been significant and there's more to come. Look to see improved process efficiency, increased automation, reduced duplication and optimisation of location strategy/offshoring

Cost/Income Ratios

Are still stubbornly high in the IB parts of leading banks, but the numbers will improve and will be better than 'rest of bank' ratios

European Banks

Had a tough year in 2016 but will narrow the gap on US banks in 2017

Strategy

Organisations need to identify what their real strengths are and play to them – hard decisions will need to be made

Regulation



Unintended Consequences

Some are already becoming all too apparent with significantly reduced market liquidity, constrained lending, and potential disincentives to hedge portfolios. Many more will surface

Roll-back

Politicians and regulators will wake up to the fact that misplaced regulation will be a huge drag on the global economy and will cause serious damage to the effectiveness of financial markets

1st Mover Advantage

It's now clear that being an 'early mover' is not advantageous and that it's better to wait for Guidelines/Regulations to evolve and for others to learn the lessons

Client Centricity



Relationships

The Client relationship will change, moving from 'product push' to a 'partnership of equals'. Banks will respond to client demands for a new type of service

Rationalisation

Client strategies will become more focused and resources will be directed towards a smaller universe of Clients. Tier 1 banks will focus on the largest players which will leave plenty of scope for Tier 2 and Tier 3 banks to concentrate their efforts on the next level down and to flourish

Measurement

Banks will get more scientific about how they assess their performance with their Clients. It has largely been about revenues and returns, but what about the client perspective? 2017 will bring assessment and understanding of this to the fore

Relationship Management

Expect more investment to ensure that CRM technology is user friendly, that it's utilised, and that cultural change is driven through – cross selling and Client collaboration will become the norm

ePlatforms

Front to back execution and fully integrated cross product capability become absolutely critical. The buy side will drive changes and platform aggregation

Data



Data Management

Now 'coming of age' and finally being recognised as both a driver of business opportunity and a core operational function. Greater ambition will see improved management and processes

Big Data/Data Science

The sales pitch is compelling and IBs will embrace the data driven concept. Data quality becomes even more important to avoid 'gigo' ('garbage in, gospel out')

CDO Role

Will become more strategic and require CDO organisations that can combine process and control, with business vision and enablement. Data Governance will move from theory to practice

Technology



Rationalisation/Streamlined Architecture

Legacy estate with large technical debt makes it hard to improve process efficiency and to meet regulatory requirements for consolidated and consistent processes. Technology rationalisation and streamlining process is becoming even more critical and IBs will commit to doing this and realise that they have to see it through

New Technology

The pace of change will continue to accelerate; FinTech, RegTech, AI/RPA and Cloud Services will all feature significantly in 2017

Commitment to Change

Investment will be required to adapt and survive. Change delivery will improve – more scrutiny, more accountability, better communication and change will be more Agile

Getting in touch

Adsatis can help you focus on your top priorities for 2017
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