

UK financial technology survey reveals key sources of competitive advantage

Technology is the critical focus area for financiers for 2010, according to a new independent research study commissioned by Vision Critical, software provider to the commercial finance industry.

The UK financial technology survey conducted in November 2009, reveals that 83% of firms see technology solutions as a major source of competitive advantage. Furthermore, half of those surveyed said that technology produces better returns than other investments.

Respondents span a wide range of financial sectors, ranging from asset-based lending, supply chain management, risk and compliance to e-invoicing and payments.

CEO of Vision Critical, Oliver Chadwick, comments: "It is encouraging to note that so many successful organisations attribute technology as a major source of competitive advantage. There is no doubt that technology solutions are enabling

firms to add value to their clients as well as dramatically improve business integration and process delivery."

When asked: "In which areas do you believe technology investments have the greatest positive impact on your organisation," 91% stated that better integration of existing applications was paramount, followed by better alignment with strategic goals (55%).

According to the survey, the main reasons that financiers are now investing in technology solutions are: streamlining business processes, analysing business information and enhancing the service provision to clients. Of respondents 90% ranked these reasons as important to very important in terms of weighting. These were followed closely by minimising human error (80%), minimising risk exposure and knowledge capture/management (77%). Reducing headcount was also cited by 70% of respondents.

Lenders measure their return on IT investments mainly by cost savings (81%) and staff productivity (75%), followed by speed of process (72%) and revenue generated (65%).

The technologies that firms are investing in are concerned primarily with visibility and transparency, evidenced by unprompted responses such as business integration, data integration and data quality, and better access to clients' data. Unsurprisingly, risk management and fraud also top the IT agenda of financiers today, with automation of processing.

Electronic extraction and transfer of data from clients' systems to funders, the creation of a true single view of the client, including their exposures and their products, mass automated collection of data from clients and iDeal from Close Invoice Finance, all of which have been driven by Vision Critical's OSMO product, now powering over eight million transactions in the UK alone.