

MYRIAD Circular June 2009

We have had a busy start to 2009 with much of our activity responding to incoming enquiries about the platform, our functionality, pricing and of course, time to market.

We are often asked whether this is a difficult market, selling to Banks. It is true to say that extracting budget is a challenge at the moment, but getting meetings and responding to enquiries has never been easier or more pressing.

One of the trends we want to comment on is the growth of 'GRC' departments at the big Consultancies: GRC stands for Governance, Risk and Compliance. We believe MYRIAD addresses aspects of all three and as such the market is moving towards us in terms of needing better structure, centralised views and of course, vastly improved processes and MIS. As the heavyweight consulting operations have seen their traditional income streams with Banks dry up, they have been forced to re-focus on areas where there is growth and some prospect of fee income.

These three 'topics' – Governance, Risk and Compliance – are top of the agenda at many Banks, almost ahead of cost control. Many Banks recognise that there is a link anyway: if you can demonstrate your NetMan function is properly structured, teams will meet both internal and external demands for improved transparency in all three of these areas and, ultimately, this will only help drive costs down.

Whether Banks, Hedge Funds and Financial Institutions of all flavours like it or not, the level of scrutiny and regulation is only going to grow. A centralised platform will boost capacity, confront complexity and improve MIS across the organisation, all of which will help address these issues.

We firmly believe that whilst the good times rolled, focus was mainly on top line growth, with minimal regard for underlying costs. That has now changed in many spheres of banking activity, not least Network Management, and the wise approach is to put in place the technology which gives capacity to cope with added future complexity, additional regulatory burden and to replace lost headcount.

"Penny-wise and Pound-foolish" and "be the best or be the cheapest" are also regularly trotted out in the marketplace. We recognise that price is an issue for many people at the moment, but we would also, respectfully, point out that we would always err on the side of value for money. As a growing technology company, even in this tough environment, we categorically back our business model of licence fees based on our IPR.

Our metrics remain very simple: for less than the annual cost of 1 full time employee you get the capacity of 4 or 5 members of staff with MYRIAD, across an array of related and inter-linked functions.

Picking up on the growth of the GRC departments, much of their work will arise from issues of integration. Shotgun marriages between Banks are not merely symptomatic of the problems facing the Industry. They will become emblematic of the new world order when, with Governments as major if not majority shareholders, it will be an even higher priority to demonstrate that houses are in order. See the press for recent announcements in this area. The immediacy of well organised and better presented information, no longer masquerading as intelligence but being genuinely couched as such, is at the forefront of senior management and particularly Network Management teams' minds. Banks with a good technology platform like MYRIAD can absorb new networks speedily and efficiently. Where a network needs reviving, then the resurrection and on-boarding/integration of multiple relationships can happen in a manner that meshes instantaneously with existing standards and practices.

We received a tremendous response to the FSR article before Xmas, with over 50 people responding to the article itself or afterwards, when we e-mailed it direct to clients and prospects alike. We will therefore try and make this a slightly more regular occurrence and we hope to have more articles published in the near future.

We are doing a lot of work supporting the business case at various Banks, as teams seek budget for when volumes inevitably pick up, but when headcount often lags. Adding capacity now seems to be the route a number of Banks want to go and the old adage of 'work smarter, not harder' is often repeated to us. This is a very promising sign, with many prospects now focussing on planning for a more sensible future.

We are signing more than one NDA a month at the moment, which is always a good sign: a combination of Banks and other Institutions mixed in with two new partners, one of whom is a major force in this market place. We have also moved offices and we now have a presence in the City with new telephone numbers, so please see our web site for updated contact details. Our personal e-mail and mobile phone numbers have not changed.

We will be at NeMa next week and we will happily buy you a beer or a Dry Martini if we see you in Ljubljana.

Please watch out for interim updates during the summer.

The MYRIAD team.



www.myriadgt.com
info@myriadgt.com