

Media Release

31 July 2014

FSC-DST CEO Survey reveals technology plays major role in delivering innovation

Sydney, Australia: New research has revealed that technology is essential to driving innovation in the financial services sector to meet changing customer needs and improve customer service, according to the 2014 FSC-DST CEO Survey.

The report found that 73% of financial services CEOs believe technology is a key enabler to deliver innovation in financial services and 62% believe technology plays a major role in strategic planning. Top innovation projects identified by CEOs include developing new ways of servicing customers, developing new products and developing new internal back-office processes.

Martin Spedding, CEO, DST Bluedoor said, "The changing operational environment and client demands in financial services are driving firms to innovate and implement technology to develop new products and improve customer service.

"Technology innovations such as implementing mobile applications or web portals and improving internal and back-office processes are essential to better communicate with customers and help firms to maintain or lift market share," Mr Spedding said.

However, despite technology playing a major role in developing innovation within the financial services sector, over half (55%) of Australian CEOs are spending IT budgets on Business As Usual (BUA) projects as they struggle to comply with regulatory changes.

The survey found that over 50% of those interviewed were spending less than 25% of their IT budgets on innovation projects, 31% were spending between 26-50%, and as few as 14% were devoting over 50% to innovation-focused activity.

While many CEOs said they wish they had more resources to direct to innovation projects, nearly three quarters (73%) believe their technology spend represented value for money, and over half thought their IT spend was about right.

"The continuing need for financial services firms to address regulatory requirements is leaving Australian businesses in a difficult position," Mr Spedding said. "Many CEOs wish they had more resources to direct to innovative projects to ensure future growth and market efficiencies, but ongoing regulatory changes are absorbing crucial IT spend."

Looking ahead, the survey revealed 75% of CEOs believe the use of client data will improve products, increase customer service and contribute to strategic thinking.

John Brodgen, CEO of the Financial Services Council said:

“Consumers are driving new developments in technology which will play an important role in the future of financial services.”

Technology will be critical for delivering new products and processes and in helping businesses better understand customer behaviours and goals.”

“The challenge for financial services will be to keep abreast of customer needs,” Mr Brogden said.

About the Survey

The Financial Services Council conducts an annual survey of its member CEOs on the key issues affecting their businesses, the financial services sector more broadly, and the Australian economy. This year’s survey focused on the place and importance of innovation in meeting Australia’s changing regulatory environment.

This year, 50 of the FSC’s 73 member CEOs participated in the 2014 FSC-DST CEO Survey that captured their views on innovation within the financial services industry and the role the sector plays in supporting innovation. These views are collected via a member survey, a series of roundtables and, one-on-one interviews. The 2014 survey was undertaken in conjunction with DST.

-Ends-

For further information please contact:

Financial Services Council (FSC)

FSC Director of Communication, Robyn Tolhurst on +61 (2) 9299 3022 or +61 (0) 411 177 773

DST

Erin Taylor, FCR Communications, +62 (2) 8264 1007 or +61 (0) 416 366 703

About the Financial Services Council-DST CEO Report

The Financial Services Council conducts an annual survey of its 73 member CEOs on the key issues affecting their businesses, the financial services sector more broadly and the Australian economy. These views are collected via a member survey, a series of roundtables and one-on-one interviews.

The 14th FSC-DST CEO Survey was conducted in conjunction with DST and focused on Innovation. The survey provides insights into the key drivers of innovation for financial services and how the industry is responding and the role the sector plays in supporting innovation in other businesses in the economy. The survey includes direct input from CEOs on their experiences, their views on opportunities and their knowledge of factors that will meet the needs of consumers into the future.

About DST

DST Systems, Inc. is a leading provider of sophisticated information processing and servicing solutions to companies around the world. Through its global enterprise, DST delivers strategically unified data management, business processing and customer communications solutions to the asset management, brokerage, retirement, and healthcare markets. Headquartered in Kansas City, MO., DST is a publicly-traded company on the New York Stock Exchange. For more information, visit www.dstsystems.com.

About DST Bluedoor

DST Bluedoor, a wholly-owned subsidiary of DST Systems, Inc., is a leading software company delivering specialised tools designed to transform the front and back office for companies offering products to the funds management and retirement savings markets. Established in 2005, Australia-based DST Bluedoor’s wealth management solutions include Bluedoor, the market’s leading superannuation and investment platform, and Opendoor, an e-commerce portal that provides a single customer view across multiple registry systems, orchestrates transactions and reporting, content management, and data warehousing, and delivers digital strategies to advisers and investors. For more information on DST Bluedoor, visit <http://dstsystems.com/bluedoor> or http://twitter.com/dst_bluedoor

About DST Global Solutions

DST Global Solutions, a wholly-owned subsidiary of DST Systems, Inc., is a leading software and technology solutions provider to financial and utilities organizations across the globe. Serving more than 300 client companies from 12 offices internationally, DST Global Solutions helps power the data-driven investment industry with award-winning asset servicing solutions like HiPortfolio® and Anova. Through its Customer Management Solutions division, DST Global Solutions provides robust, reliable, and feature-rich customer management and billing applications worldwide. For more information about DST Global Solutions, visit <http://dstgs.com> or http://twitter.com/dst_gs