

Betriebsmodelle der  
Zukunft: Best Practice &  
Benchmarking zu einem  
neuen Modell mit  
höherer operationaler  
Effizienz



CLEARWATER  
ANALYTICS®

# Presenters



**Johannes Kollross**  
Clearwater Analytics



**Melanie Lennert**  
Clearwater Analytics



**Maxim Pertl**  
Clearwater Analytics



**Tina Wilkinson**  
Davies

# Agenda

- Begrüssung
- Marktüberblick
  - Was sind die Herausforderungen und wo soll die Reise hingehen?
  - Wir sind gespannt auf Ihre Meinung
- Clearwater at a Glance
- Interaktive Sessions
- Zusammenfassung

The Digital Promise Survey Report Findings

# What's Digital Got to Do With It?



CLEARWATER  
ANALYTICS®

# Today's Focus – Key Challenges Facing European Insurers

- Data, Data and more Data
- Cost and Complexity of the Digital Journey
- Davy vs Goliath – Does Size Matter?
- Operations vs Revenue Focus?
- What does Digital Nirvana Look Like?
  - Has anyone reached Nirvana?
- Delivery of the Digital Future – How do we get there?

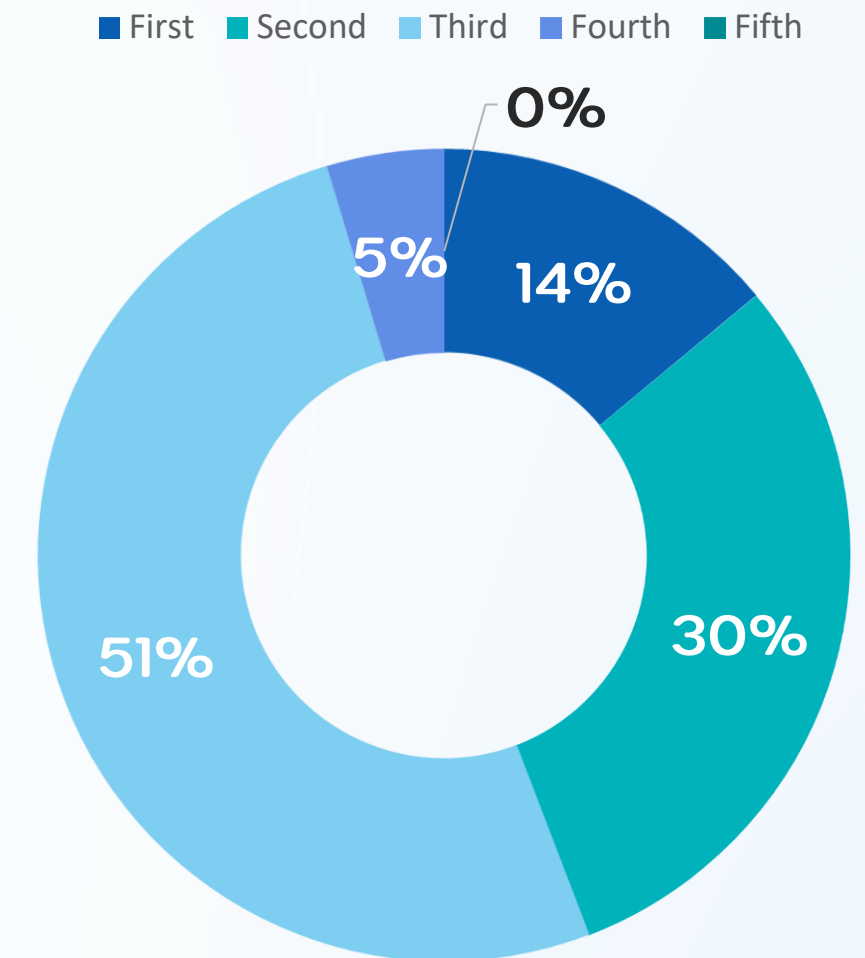
# Data, Data and More Data

What were the leading concerns cited for the next three years?

- Data access
- Cloud migration
- Cost reduction and Streamlining processes
- Regulation

*Data remains the universal challenge for insurers of all sizes*

How fit for purpose is your current operating model to accommodate these concerns?



>90% of respondents stated that Current Operating Models do not support future business needs

# Cost and Complexity of the Digital Journey

The cost of doing business continues to rise – but the benefits remain out of reach or slow to materialise

**Which areas of your operations organisation do you predict will see the most cost change?**

92%

IT / Technology

88%

Data management

58%

Reg reporting /  
Compliance

All survey respondents rated their general level of automation / STP **as less than 90%**



# Cost and Complexity of the Data Journey

100% of firms see the cost of IT and data management as increasing over the next three years

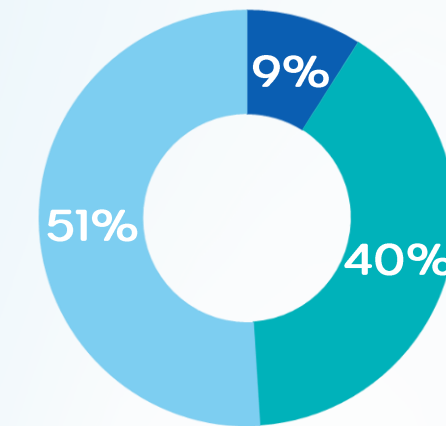
What is driving this?

- Regulation
- Streamlining processes
- Innovation
- Data

In your current operating model how easily can you:

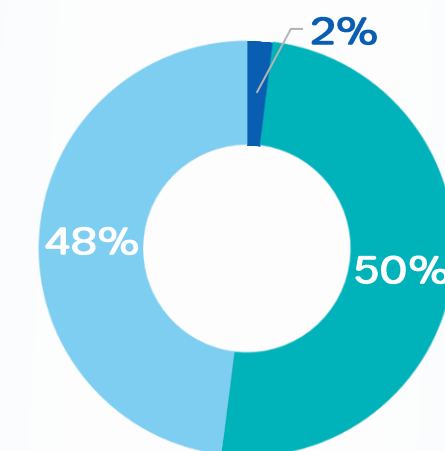
Access accurate investment, product and business analytics

■ Easy ■ Requires manual intervention ■ Difficult



Meet new regulatory reporting requirements

■ Easy ■ Requires manual intervention ■ Difficult



**How frequently do you find the business managing these common operational challenges?**

	Never	Hardly	Sometimes	Often	Always
Time spent on manual tasks	0%	2%	0%	19%	79%
Bespoke & adhoc reporting	0%	0%	9%	16%	75%
Duplicating processes across multiple systems	0%	2%	21%	28%	49%
Ability to respond to client requests quickly	0%	2%	7%	16%	75%
Internal bottlenecks across the value chain	0%	2%	19%	30%	49%

# Davy vs Goliath – Does Size Matter?

What is the challenge for larger firms?

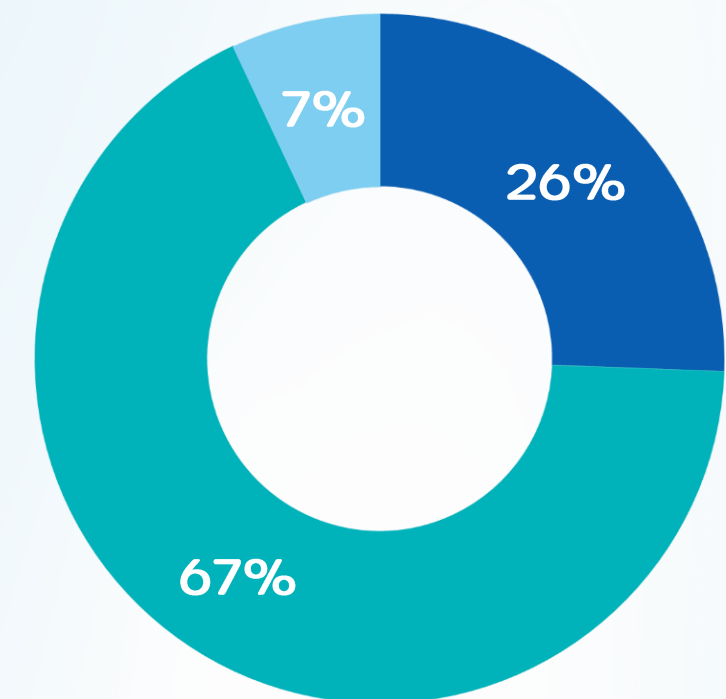
Firms from 10bn+ struggle most with legacy on-prem architecture

80% struggle with manual intervention vs 50% for firms of 0-10bn in size

Firms of 50bn+ state they are lagging in the digital race – despite having a mature digital strategy.

## Describe your technology infrastructure.

- 100% on prem (in-house)
- Mixed model: on prem with a/some managed service support functions
- 100% SAAS



# If on prem, what are the top 3 issues the business has experienced in the last 3 years?

72%

Inadequate infrastructure

63%

Scalability

40%

Cost inefficiencies

40%

Data transparency

# Davy vs Goliath – Does Size Matter?

## How are smaller firms managing?

Some advantage to being smaller:

- Early SaaS adopters
- Fewer legacy constraints means more focus on revenue generation – new products and client satisfaction

Every little bit of commercial, product and client focus counts in gaining the edge.

## Top Benefits of a Digitally-enabled Operating Model

1. 70% – Speed to market with new products
2. 50% – Improved reporting (Institutional Investor, Regulatory and Internal)
3. 40% – Targeted and Informed Product Innovation
4. 40% – Improved Investment Lifecycle Mgt

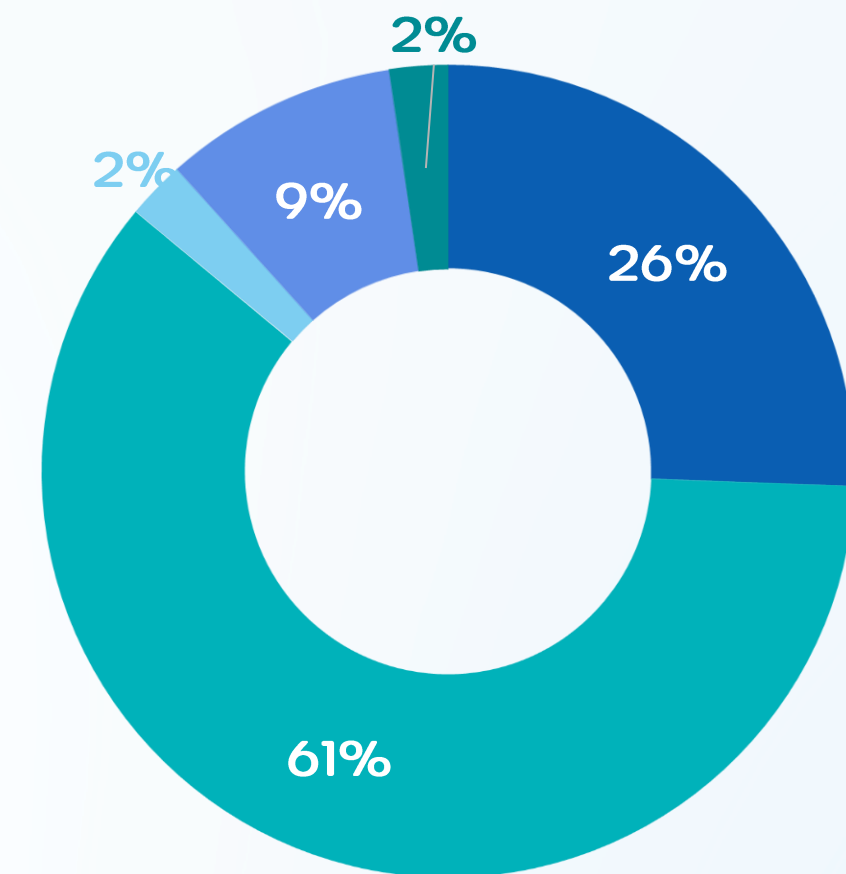
# Operations vs Revenue Focus

Gaining the edge commercially and improving efficiency are 2 of the key drivers behind digitalization.

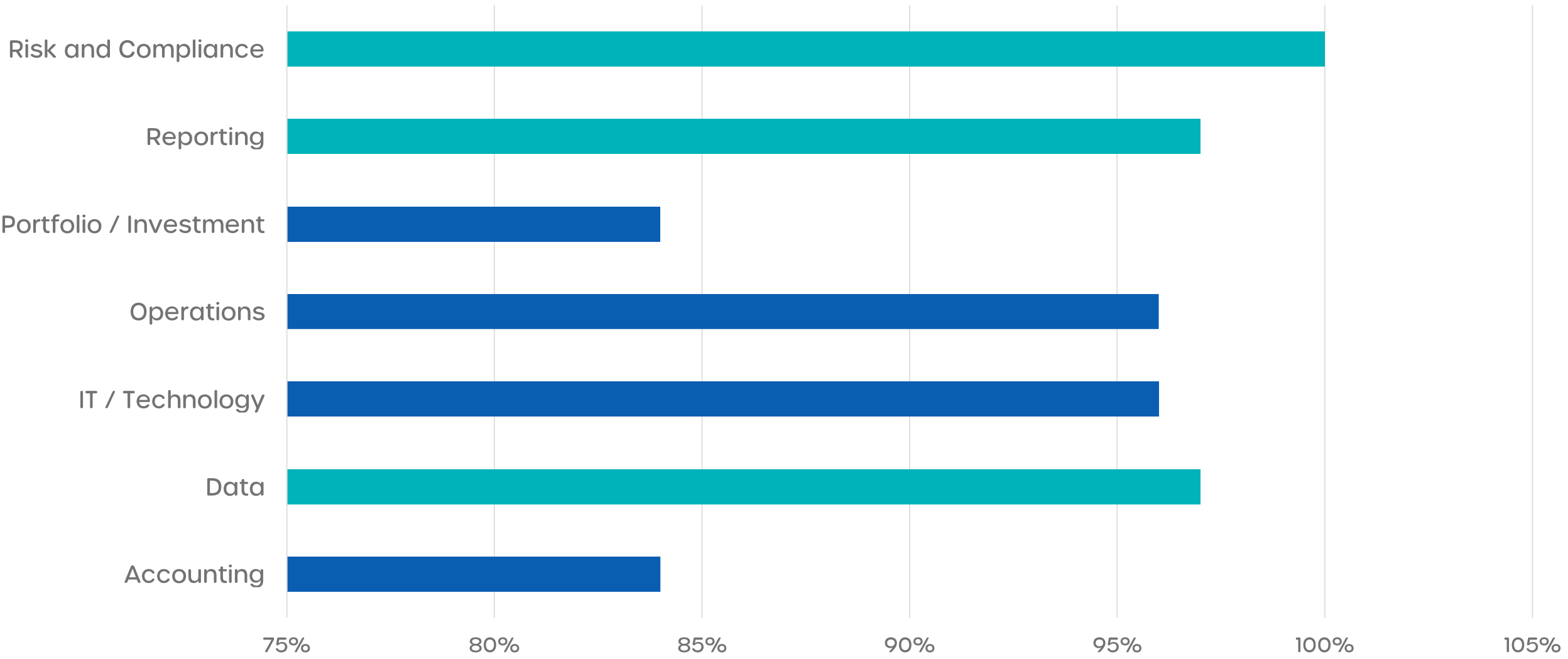
The market is shifting rapidly and focusing on product innovations such as **ESG, LTIF and other alternative investment products.**

In the next 3 years, do you think the cost of running your operations org as it is today, will increase or decrease?

■ Significant increase ■ Increase ■ Stay the same ■ Decrease ■ Significant decrease



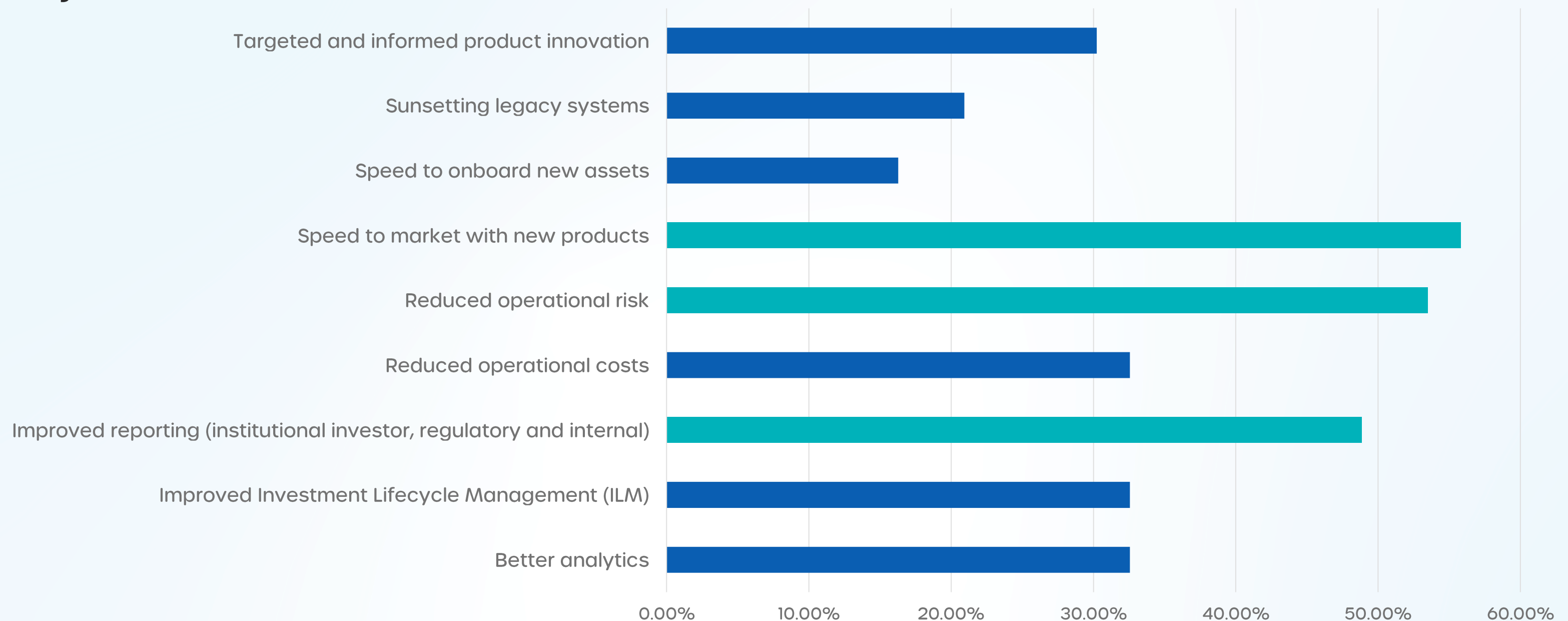
# How challenging has it been to source talent in the following operational roles:



# What does Digital Nirvana look like?

What is the light at the end of tunnel in the quest for Digital and Operational Nirvana?

The major benefits are seen as:





# Has anyone reached Nirvana?

**Digitalisation** – being digitally native – or a master of the metaverse – is essential to build and maintain a competitive advantage (75%)

Small to medium-sized insurers see digitalisation as an essential route to distribution and differentiation.



# The Digital Future - How do we get there?

We know what we need to do and why...

1. Automate manual processes
2. Integrate systems to improve efficiency, system simplification/reduction, and cloud implementation

**Three improvement areas that would help increase the likelihood of winning more business.**

**88%**

Centralised operating system (single pane of glass)

**84%**

Improved analytics

**72%**

Data access / Governance

# The Digital Future - How do we get there?

What does the future operational system look like?

- Utopia looks like a unified platform that consolidates, aggregates, reconciles and reports data in single place.

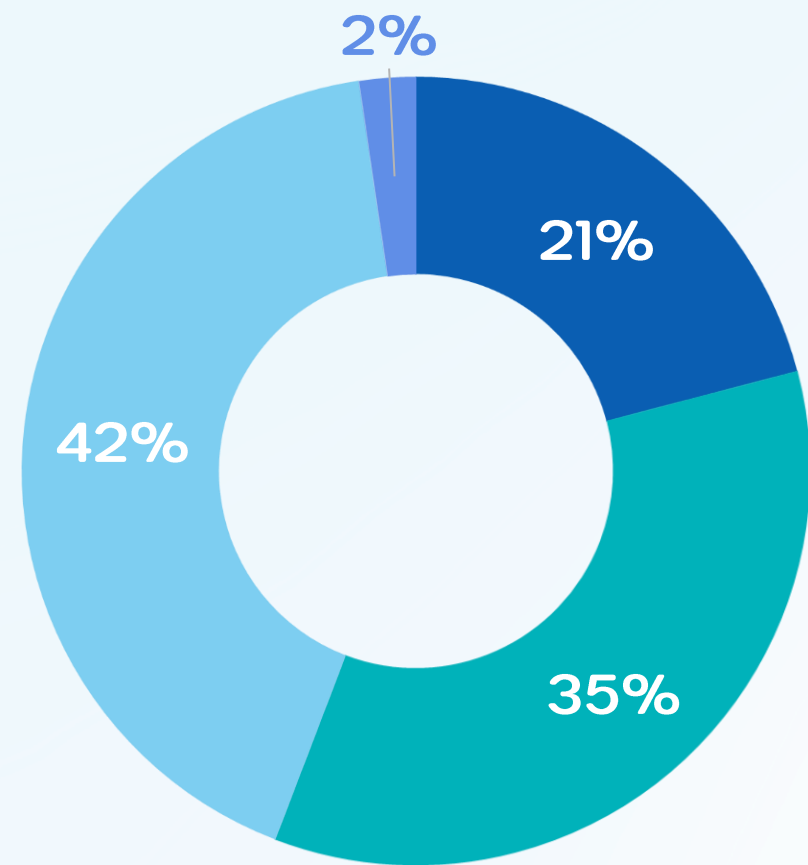
Is there an opportunity to explore further managed services to relieve the operational burden... and focus on innovation.



# The Digital Future - How do we get there?

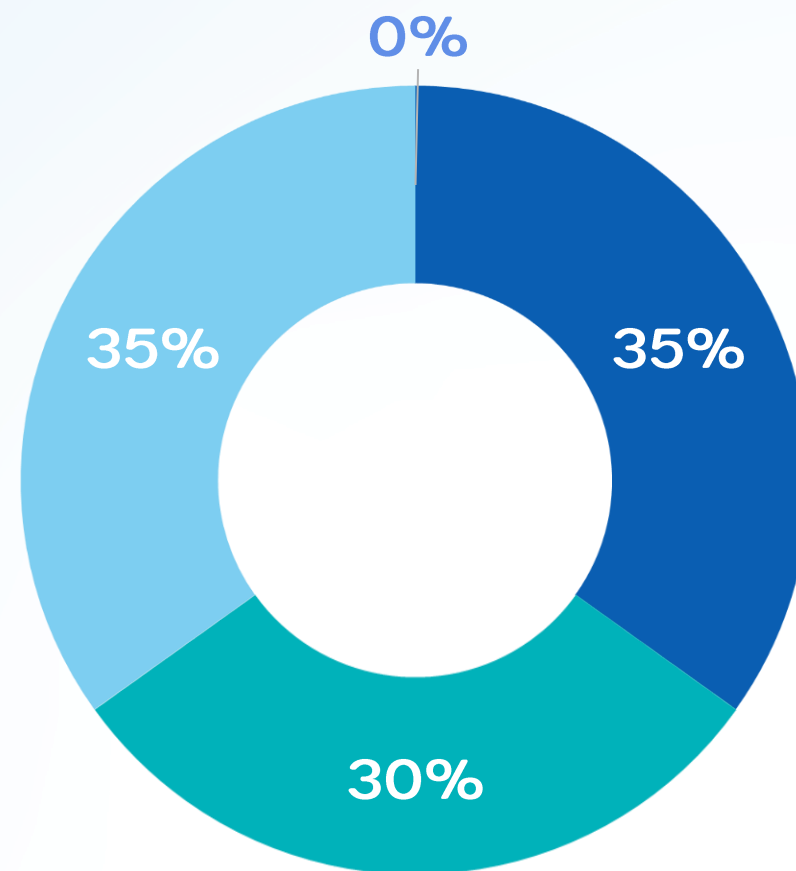
What % of middle office is managed via internal systems vs. external providers?

■ 0% - 50% in-house ■ 50% - 80% in-house  
■ 80%+ in-house ■ Don't know

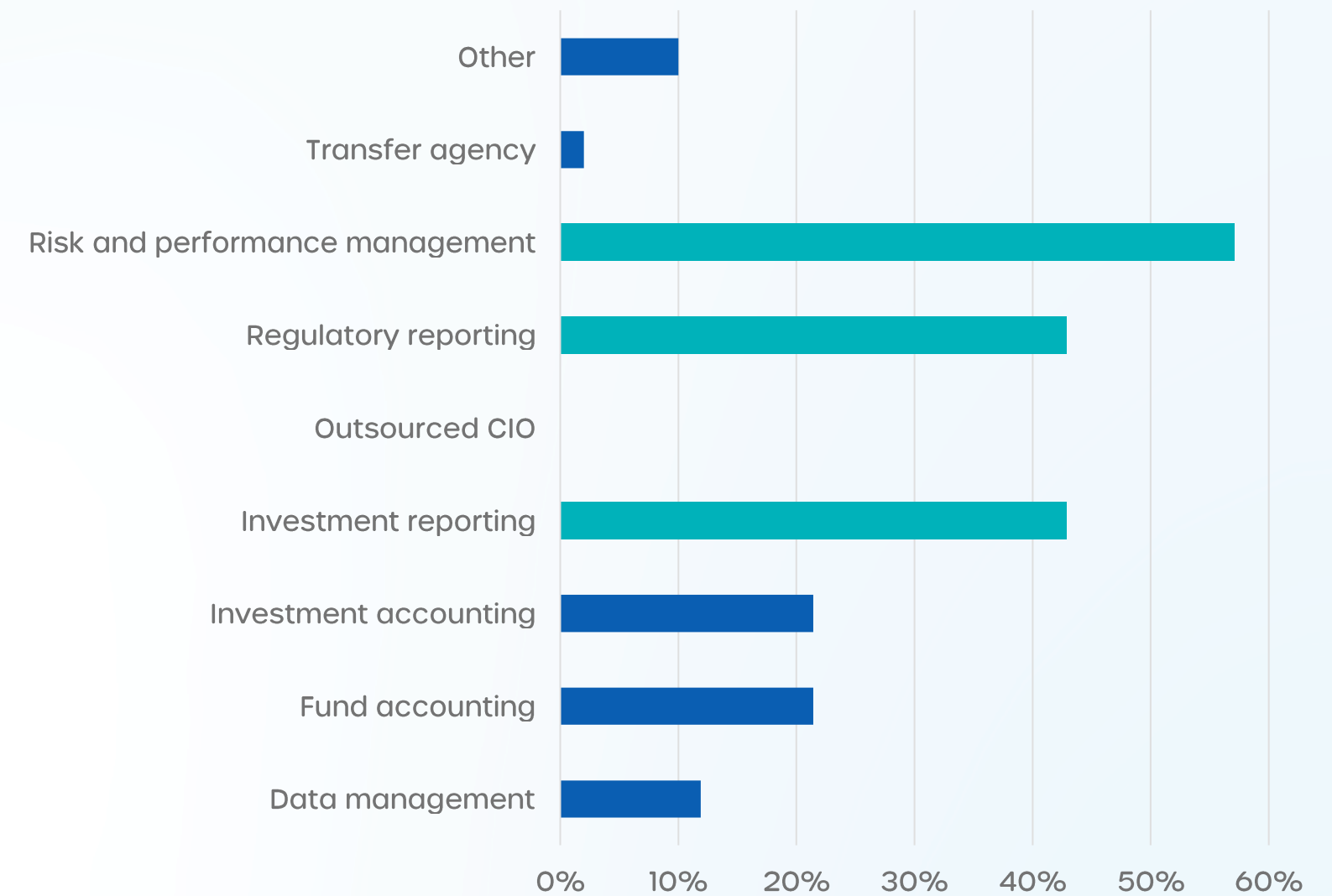


What % of back office is managed via internal systems vs. external providers?

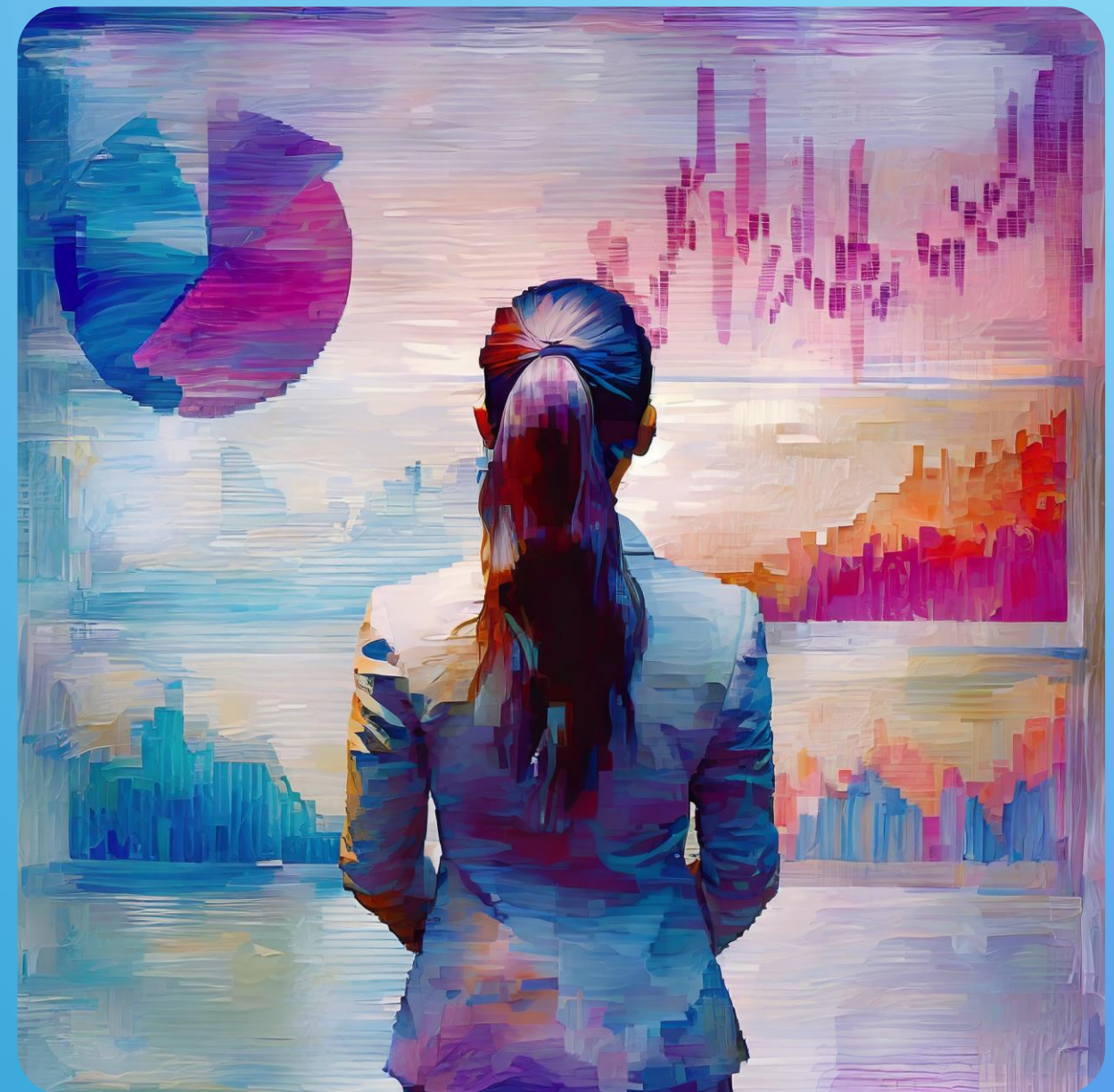
■ 0% - 50% in-house ■ 50% - 80% in-house  
■ 80%+ in-house ■ Don't know



In which areas are you considering a move to managed services / SaaS in the next 3 years?



# Clearwater at a Glance

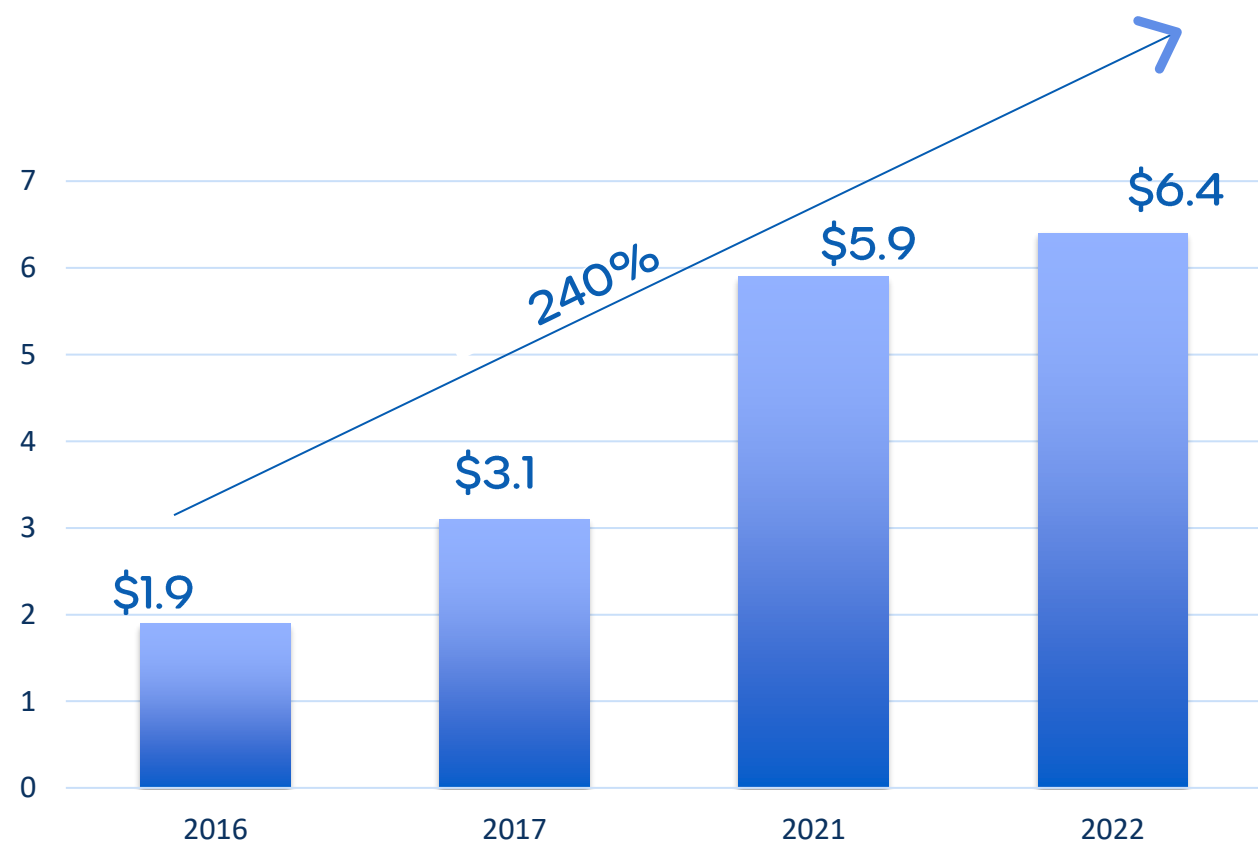


CLEARWATER  
ANALYTICS®

# Clearwater at a Glance

**Mission:** Be the world's most **trusted** and comprehensive technology platform for **investment accounting and analytics** and eventually revolutionize the world of investing

## Assets Under Management



## Durable & Reliable Growth

## Powerful business model



**100% SaaS\***  
Revenue model



**24%**  
Revenue reinvested in R&D



**50%**  
Staff dedicated to development

## Clients love us



**83.15**  
NPS



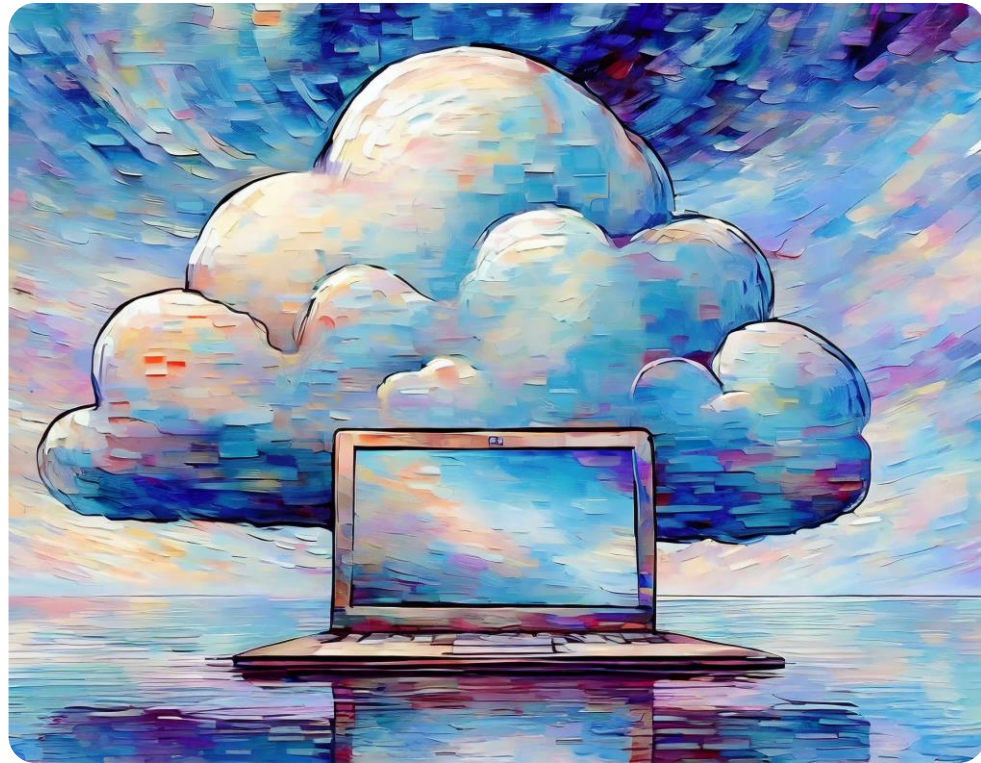
**98%**  
Client Retention Rate



**1,262**  
Clients

Note: Except for NPS and otherwise indicated, all metrics as of December 31, 2022.  
\*Not including JUMP Technology acquisition that closed on November 30, 2022.

# Single Instance - Multi Tenant



## Cloud Native

SaaS software is fundamentally different from on-premise software because it's cloud-based and all information is accessed via the web - requiring no installation. Some software vendors make superficial changes to their legacy products and sell them as "SaaS". However, though these "hosted" solutions are sometimes accessed via the web and maintained off-premises. They're incapable of providing the core benefits of SaaS, such as multi-tenancy and frequent updates.



## Secure, Confidential, and Private

- SaaS solutions surpass security capabilities of traditional, on-premise IT departments
- Dedicated focus to protecting client data - Encrypted incoming and outgoing data
- Regularly audited through ISO 27001 certifications and other reports



## Frequently Updated

- Respond quickly to change
- Releases and enhancements available to all clients



## Multi-Tenant

- All users have access to same interface and features
- Ability to load and work on multiple reports and dashboards at once
- Solutions for one are a solution for all



## Accessible

- Log in remotely with no additional installation required
- Available from any web browser



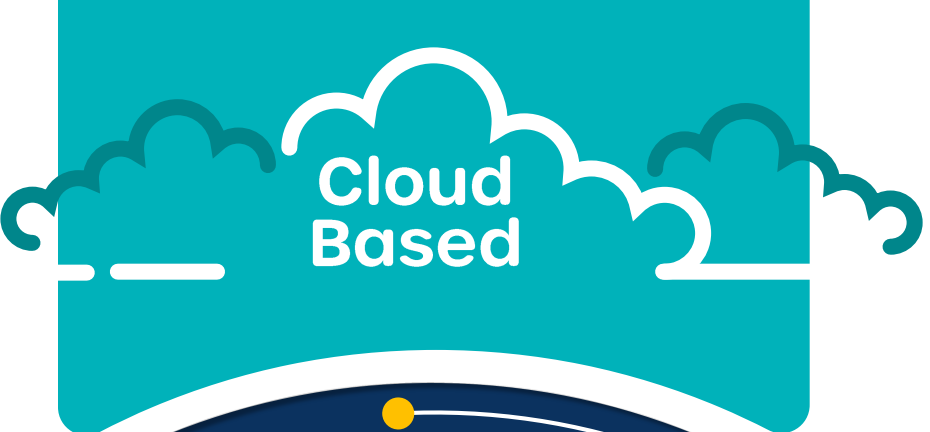
## Aligned with Client Success

- SaaS solutions are billed for shorter terms - no burden of a long-term contract
- Flexibility means it's in Clearwater's best interest clients are both satisfied and successful



## Configurable

- All users utilise the same version of Clearwater but each user can customise their own:
  - » Specific reports, compliance policies, user-defined datapoints, dashboards, and more



 Instant Software Updates

 Constantly Update Regulations



 Scalable to Any Size Business

 Navigates Vague Regulations

**SINGLE INSTANCE & MULTI-TENANT SOFTWARE**  
that serves every single client

  
**Single Security Master**  
Improving Accuracy and Speed





# Insurance & Insurance Asset Manager Case Studies

## Drivers

## Results

1

EUR 190B  
EMEA



- › Asset Management Arm of Aéma Groupe
- › liquid, illiquid, alternative, complex and emerging assets
- › Replacement of legacy systems & platforms
- › Strong growth of insurance segregated mandate business
- › Best of Breed with IBOR
- › Multi-Asset requirement “data centric”

- › Full automation of multi-GAAP accounting
- › Enable growth across Europe (multi-asset)
- › Enhanced End client Experience
- › Faster onboarding of mandates (<1mt)

Onboarding Timeframe

Phase 1 (8bn)  
– 6 months

2

EUR 80B  
EMEA



- › Entities in 6 European locations
- › Funds, Mortgages, Real Estate
- › 5 GAAPs, IFRS, Solvency, BMA, Local Reg.
- › Replacement of SimCorp
- › Better support for all asset classes
- › Future proofing Operating Model

- › Centralise and standardize group investment operations
- › Shared investment operations model supporting group and local needs
- › Simple transparent commercial structure

Onboarding Timeframe

12 Months

3

EUR 299B  
US, EMEA



- › Pensions, Public Funds, Insurance
- › Fixed Income, Real Assets, Equities, and Multi-Asset Solutions
- › Digital Portal
- › Scalability & future-proofing Client Reporting Process
- › Support of massive alternative asset growth
- › No reporting tools for non-technical users

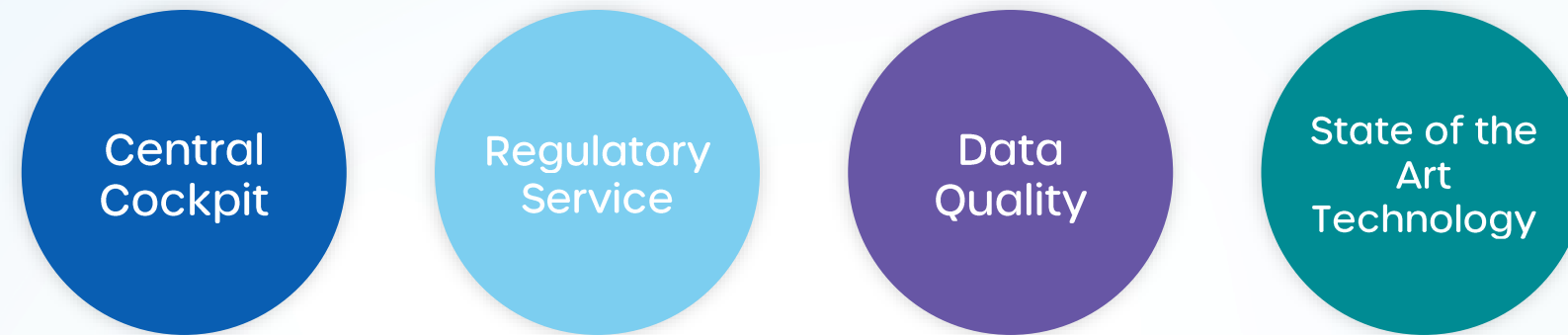
- › Implementation Ongoing
- › Full automation of all monthly & quarterly reports (21,000)
- › 75% less time compiling and reconciling data
- › 3+ hours saved per report created

Onboarding Timeframe

5 Months (Phase 1)

55 clients onboarded in 2023  
Average < 6 months

# Portal Demo



**CLEARWATER**  
ANALYTICS®

# Roundtables

CLEARWATER  
ANALYTICS®

Table #1

# Future-proof your operating model



CLEARWATER  
ANALYTICS®

Where are your leading concerns?

What have you selected?



# Industry Drivers to Transform for Insurance/Insur AMs



## Scalability

- Demand for **efficiency and scalability** due to rising costs associated with **manual processes and legacy on-premise platforms** and growth targets.
- On prem/in-house managed operating models are **costly and resource intensive**
- Trend to differentiate what is core versus what is non-core



## Growth

- **Strategic differentiation** to become a trustful partner for Third Party Business without growing operations team
- Clients are looking for an improved experience throughout the investment process with reporting as **sales enabler** and differentiator to competitor



## Complexity

- Strong move into alternatives in the search of yield
- On prem system/spaghetti landscape does not cater for a consolidated view across all asset classes
- **Consolidation becomes a burden**, often with **manual intervention**



## Speed of Change

- Long change processes create **extensive project backlogs**
- Semi-automated processes are inefficient and not at scale
- Reduced opportunity for growth



## Talent

- Increased difficulty to **find/retain talents**
- **Retirement wave** increases the challenge and supports the **strategy towards standardisation**
- Demand increases for a more dynamic working environment

# Anwendungsfall: Peter möchte digitalisieren....

- Peter ist Leiter Controlling bei einem großen Versicherer
- Sitz in DACH
- Derzeitiges Betriebsmodell für Investitionen: "on prem" – personalintensiv, mit manuellen Interaktionen
- Ziele:
  - Mehr in "Alternativen" investieren, was die Komplexität und den Aufwand erhöht
  - Schaffung eines zukunftssicheren Betriebsmodells, das Skalierung und Effizienz ermöglicht und den TOC um 30 % reduziert
  - ESG-Berichterstattung einbeziehen
- Teammitglieder erwarten:
  - Der Leiter von AM möchte das Drittkundengeschäft bis 2026 um 20 % steigern
  - Der CFO hat darum gebeten, die Effizienz zu überprüfen, da er die Kosten um 20 % senken möchte und 20 % der Belegschaft innerhalb der nächsten 7 Jahre in den Ruhestand gehen sollen
  - Der CRO möchte das fondsgebundene Geschäft ausbauen



# Do you resonate with Peter?

Questions for discussion:

- What is your experience? What do you see in the market?
- What is your strategy?
- How can a true SaaS approach support your business?



# How CWAN helps - What differentiates us

Growth /  
Sales  
Enabler



## Cloud Native, Single Platform

- Leading Edge SaaS Technology supporting growth strategies
- True Multi-Tenant
- Network-Effect – do once for all
- Scale for faster time to market
- Standard is enriched daily
- Reduced Costs due to automation

Speed of  
Change



## Faster Innovations & Change

- Heavy invest in R&D (+25% of Revenue)
- 60%+ of R&D team is dedicated to **growth initiatives**
- CWAN Labs with accelerated developments (AI / GenAI)
- AI shortens timelines
- CWAN CWIC GPT-roll out for faster client query management
- A proprietary platform that supports fast changes

Multi-  
Assets /  
Regional



## Multi-Asset

- Multi-Asset on one data-centric platform – liquid, illiquid with complete look through on public and private assets
- Leveraging AI / GenAI to drive efficiency and increase quality
- Network effect fosters fast onboarding of new asset classes and connectivity's (av. 2-3 weeks)

Scalability  
/ Costs



## True Managed Service

- World Class Servicing
- NPS +80%
- Global Experts with local coverage (Reg/Market Watch)
- **Managed Service** since inception
- Accelerated Onboarding (average 6mt)

Table #2 – Cloud Native vs SaaS:

**Millions of EUR  
question & difference?**

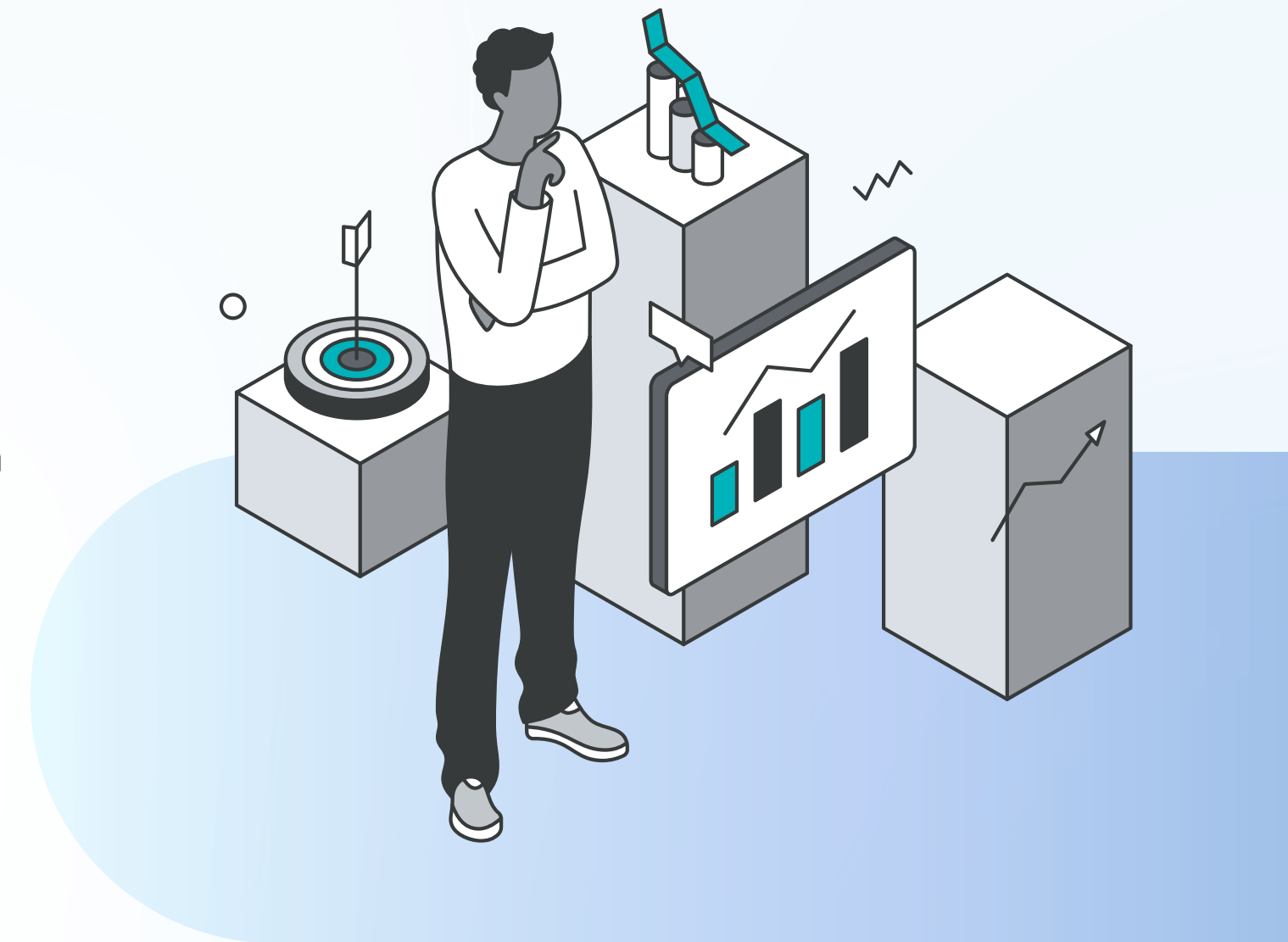
**Maxim Pertl  
Partner Asset Owners & Managers  
DACH**



**CLEARWATER**  
ANALYTICS®

# Anwendungsfall: Petra möchte digitalisieren....

- Petra ist Head Operations bei einem mittelgroßem Versicherer
- Sitz in Dt, 100% Tochterges. in CH
- Derzeitiges Betriebsmodell für Kapitalanlagen: "on prem" – personalintensiv, mit manuellen Interaktionen, insb. im Alternatives Segment, PE und Immobilien
- Ziele:
  - "Alts Exposure" steigern, was Komplexität und Aufwand erhöht
  - Schaffung eines zukunftssicheren Betriebsmodells, mit besserer Skalierbarkeit und Effizienz
  - ESG-Berichterstattung einbeziehen
  - Nebenbuch Kapitalanlage – Jahresabschluss binnen 3 Tagen generieren
- Exec Teammitglieder beantragen desweiteren:
  - Der Leiter von AM möchte das Drittkundengeschäft bis 2026 um 20 % steigern, ggf auch neue Mandate im Ausland gewinnen
  - Der CFO hat darum gebeten, die Effizienz zu überprüfen, da er die Kosten um 30 % senken möchte und 20 % der Belegschaft innerhalb der nächsten 7 Jahre in den Ruhestand gehen sollen
  - Der CRO möchte das fondsgebundene LV Geschäft ausbauen

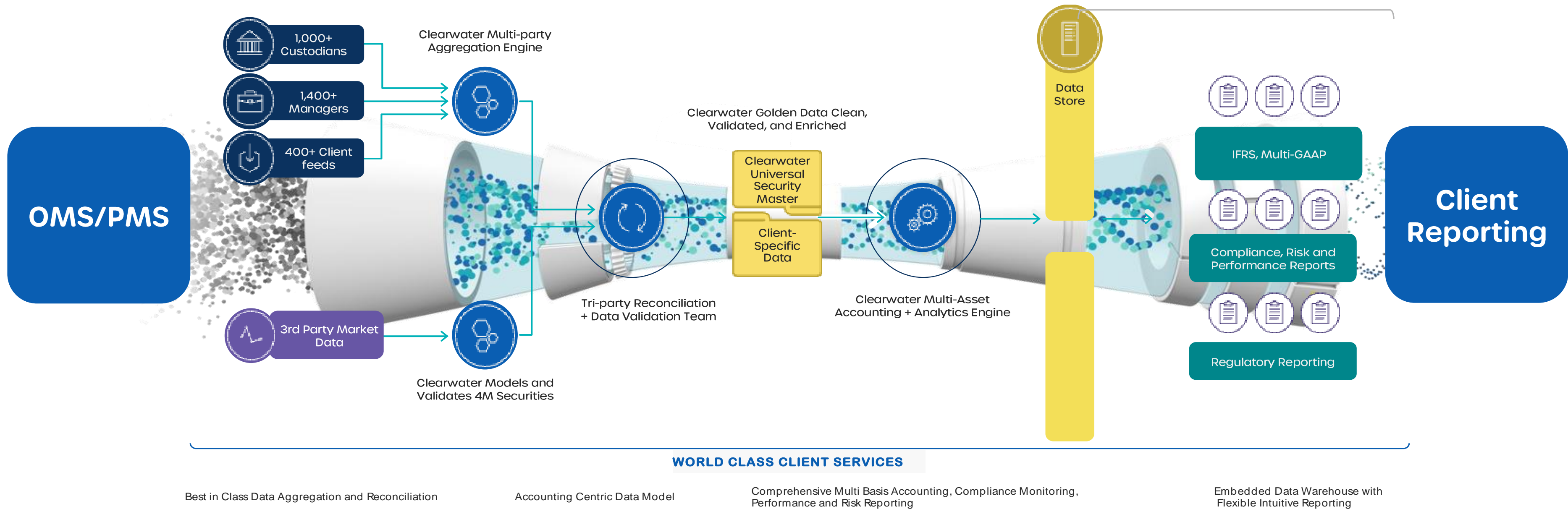


# New Operating Model Offering – for current & new Mandates

Self Service

Fully Managed Service

Self Service



# Key differences between True Cloud Native SaaS vs Legacy BPaaS

## Legacy SaaS

## Cloud native Platform

### Technology stack

- › Legacy Software
- › often 15-20+ years old code, historically grown into FTB, x-asset
- › Nearthime, with focus on eo day, quarter
- › Legacy tech stack in the cloud, "dinosaurs" in the cloud

- › SW built for the Cloud on purpose
- › Higher granularity of data, modules, services
- › Realtime, always on
- › High performance, near linear scalability

### Software coverage

- › Often cross-asset, but siloed, asset class linked
- › Multiple views requiring aggregation for full view (e.g. Listed + Alts + RE)
- › Often Parallel systems for Listed securities, listed derivs, OTC, Real Estate, Alternative Investments (PE, PD, Infrastructure)
- › Calculation intensive new processes are exported & reimported (new modules added for addtl costs). New modules live outside of core stack.

- › One platform across all asset classes (100+)
- › One view across all products
- › One platform
- › Hundreds of analytics available on the same platform across all AC
- › ML & genAI empowered

### Operating Efforts, Run and Change costs

- › **One instance per client, sometimes even multiple instances per large / intl. client**
- › Standard software, but requires heavy customization
- › Complex & expensive implementation projects
- › 2-3 year impl. projects, often over T&B
- › Major Upgrade testing takes 2 months every year or 2
- › Each client runs own securities master, 5 to 100k securities
- › New Product Process done per client
- › Month end, Q and Year end processes
- › Onboarding of new KVG, New clients, mandates takes weeks - months
- › Cloud costs double to triple vs SW Fees only !
- › Exploding data costs

- › **Single instance for all clients, thousands of clients worldwide**
- › Single securities master for all clients
- › 7+ M securities, 7T \$ assets on platform
- › NPP done once for all
- › Daily soft close
- › Enter new market/ country /mandate in days
- › 30+ % cost savings on RTB
- › Approach to data cost saving

# Evaluating Total Cost of Ownership of Investment Accounting and Operations Systems and Processes

## Legacy Tech

## Cloud native SaaS

### Data basis & new data sources

- › Single client view only
- › Lookthroughs often limited to 2 or 3 levels
- › Every data source needs to be connected and tested by the client

- › Single client view
- › Lookthrough up to 8 levels given highest granularity
- › **4500+ interfaces in place, owned, tested and maintained by CW**

### True new Insights

- › None, clients specific only
- › AI value limited to own data set

- › **ML and gen AI** across complete (opt/in) data pool
- › Enough highest quality data and history to **train models and generate insights**
- › **Persona based AI copilots**
- › CWIC GPT is powerful

### War for talent

- › Difficult to replace colleagues retiring, resp acquiring new talent

- › Talent loves speed of innovation, hands on ML, genAI & copilot support
- › **700+ experts on the platform every day**

Table #3

How easy can you  
access and get  
insights on your  
investment data ?



CLEARWATER  
ANALYTICS®

# Anwendungsfall: Elizabeth möchte digitalisieren....

- Elisabeth ist COO bei einem großen Versicherer
- Sitz in DACH
- Derzeitiges Betriebsmodell für Investitionen: "on prem" - personalintensiv, mit manuellen Interaktionen
- Ziele:
  - Mehr in "Alternativen" investieren, was die Komplexität und den Aufwand erhöht
  - Schaffung eines zukunftssicheren Betriebsmodells, das Skalierung und Effizienz ermöglicht und den TOC um 30 % reduziert
  - ESG-Berichterstattung einbeziehen
- Teammitglieder erwarten:
  - Der Leiter von AM möchte das Drittkundengeschäft bis 2026 um 20 % steigern
  - Der CFO hat darum gebeten, die Effizienz zu überprüfen, da er die Kosten um 20 % senken möchte und 20 % der Belegschaft innerhalb der nächsten 7 Jahre in den Ruhestand gehen sollen
  - Der CRO möchte das fondsgebundene Geschäft ausbauen





# Stimmen Sie mit Elizabeth überein?

Fragen zur Diskussion:

- Welche Technologien haben sie derzeit für "Alternativen" im Einsatz?
- Insights & Benchmarking
- Finden Sie dass ihr derzeitiges Setup das antizipierte Wachstum unterstützen kann?
- Datentiefe, Qualität ein Anliegen? (Durchsicht etc.?)



# Summary & Closing

**CLEARWATER**  
ANALYTICS®

# Generating Value Through Hyperscaling

Grow your business by delighting your clients:  
Optimized client communication  
through 3rd generation Client Portal & Reporting.

Cloud-native tech stack incl. ML, Gen AI enables  
unmatched scalability & growth support. New insights for business

Connectivity & coverage in place.

4500+ data sources and interfaces managed by CW  
7 T+ USD AUM processed daily  
7+M securities across  
100+ asset classes

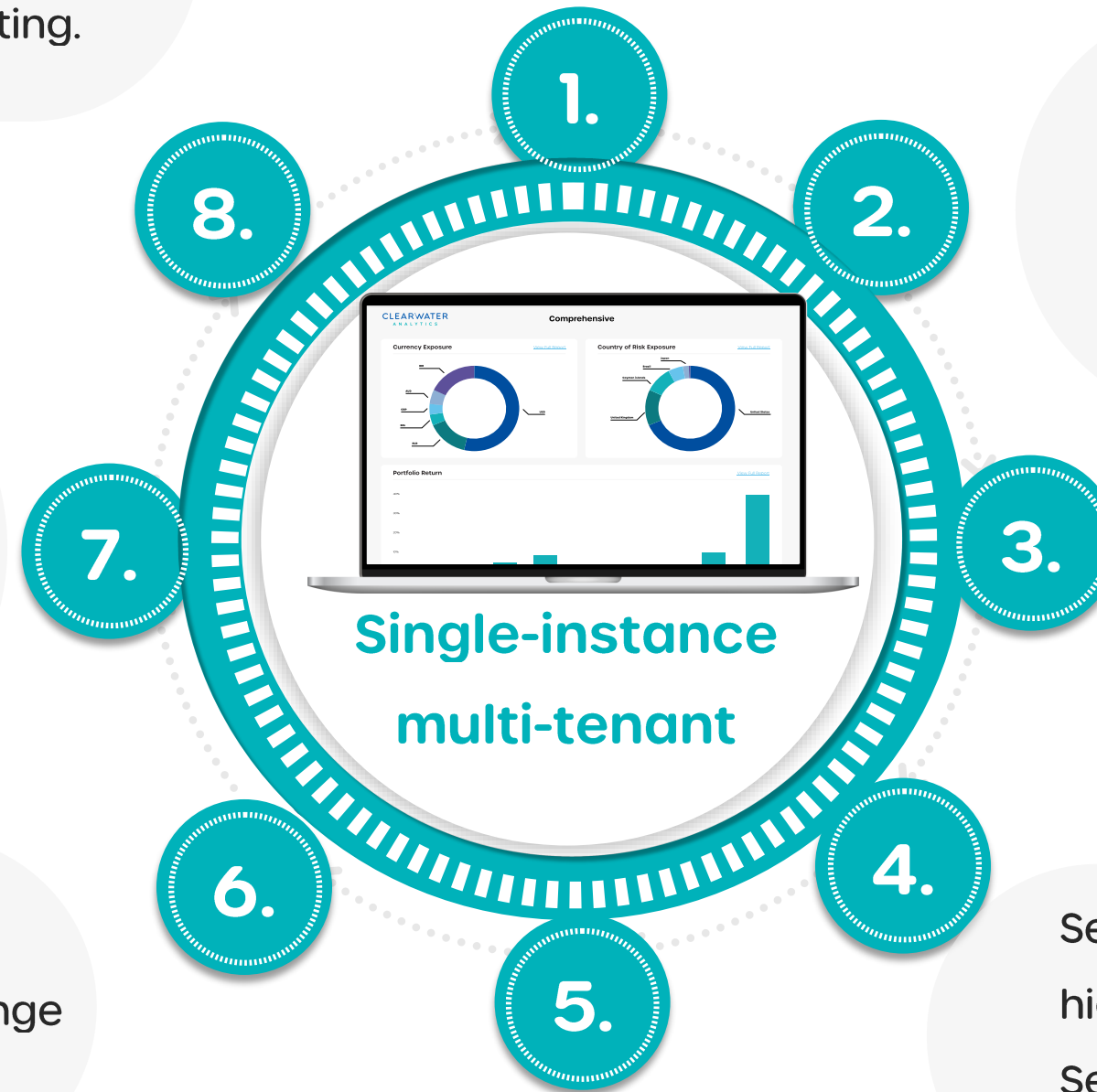
Reduction of RTB costs  
through scale effects of centralized platform,  
100+ M USD invest in R&D p.a.  
Ops, Reg. Watch for 1300+ clients,  
200+ countries

Reducing fight for talent pain:  
Over 700+ experts in Operations in place.  
Focus on core business value add, use  
standardized services for commodity tasks

Realtime & always up-to-date:  
1200+ upgrades per year, constant seamless change  
without consuming client time

Tech enabled business services  
supporting agility, enabling change  
& future optionality

Security & Efficiency  
highest STP & automation, 90+ % auto recon.  
Secure follow the sun SOC 1&2 setup. EU  
Datacenter.



CLEAR:WATER  
ANALYTICS®

[clearwateranalytics.com](http://clearwateranalytics.com)