

CASE STUDY

Leveraging technology in private capital: How the partnership with AssetMetrix enables BNP Paribas Securities Services to offer innovative solutions generating enhanced transparency



BNP PARIBAS

BNP Paribas Securities Services, a wholly owned subsidiary of the BNP Paribas Group, is a leading multi-asset servicing specialist and global custodian. BNP Paribas acts as a fully integrated service provider to General Partners (GPs) as well as significant Limited Partners (LPs) and Private Asset distributors in several asset classes. BNP Paribas Securities Services provides custody, fund administration and asset servicing.

Overview

As of end of December 2021, BNP Paribas Securities Services services EUR 701 billion of private capital assets across more than 2,000 structures, with local expertise across 12 locations in the private capital space. The organisation strongly believes in investing in new technologies and innovation and helps institutional clients maximise their investment opportunities globally. BNP Paribas Securities Services' goal is to be the premier asset servicing provider globally, offering comprehensive, cutting edge digital solutions to the private capital market.

Challenge

The need to deliver operational excellence and achieve economies of scale is inciting the asset servicing industry to invest in new technologies. Whilst the trend towards digitalisation to replace manual, repetitive tasks in back/middle offices is clearly visible, operational infrastructure still remains underdeveloped within private capital.

With the growing maturity of the private capital sector, BNP Paribas Securities Services had to find the right partner allowing them to tackle the main challenges they are currently facing:

01

Optimising processes to achieve scalability

With the strong growth of private market investors being serviced by BNP Paribas Securities Services, they needed to find an efficient way to optimise processes with clients to achieve scalability. The goal was to find a tech-enabled solution allowing for integrated workflows reducing effort and operational risks.

02

Enhancing decision-making

The need for best-in-class and innovative analytics is transforming private markets. BNP Paribas Securities Services had identified the requirement to deepen its analytics offering for private markets early on, striving to provide clients with cutting-edge analytical features.

03

Providing greater transparency more efficiently

BNP Paribas Securities Services has seen an evolving client need for transparency and 24/7 data access. Having identified the necessity for flexible look-through capabilities and reporting functionalities, a digital solution allowing for transparency whilst reducing the highly manual approach to custom investor reporting was required.

04

Improving investor communication

In order to simplify communication with clients and allow for more efficient communication between fund managers and their investors, BNP Paribas Securities Services needed to establish a solution, reducing the amount of emails sent and introducing a more secure way of conversing.

The partnership

In 2019 the private capital team at BNP Paribas Securities Services was tasked with identifying ways to increase the value provided to the asset servicer's clients. As the former CFO of a well-known fund manager, Karine Litou, Deputy Head of Private Capital at BNP Paribas Securities Services, was familiar with the challenge of accessing data from service providers. She knew that finding a way for clients to easily access their data could prove to be a key differentiating factor for BNP Paribas Securities Services.

Whilst considering the options of developing a digital solution directly, the team was introduced to AssetMetrix, a tech-enabled service provider originating from a German fund-of-fund-manager. BNP Paribas Securities Services particularly appreciated the in-depth understanding of the team, the ability to find solutions for the complex needs of private market participants and their agile methodology.

After intense due diligence, BNP Paribas Securities Services was convinced of the value a partnership could generate. AssetMetrix was selected to help establish the solution, giving full transparency and additional advanced analytics functionalities to BNP Paribas Securities Services' clients. Additionally a strategic stake in AssetMetrix was taken.

The following solutions have been developed:

- Best-in-class technology and an integrated, flexible digital platform
- Innovative web portals for all of BNP Paribas Securities Services' private capital clients
- Data visualisation
- Workflow and document management
- State-of-the-art online reporting tools
- Enhanced portfolio monitoring with full look-through capabilities on investee companies
- Advanced analytics including forecasting, risk analysis, stress testing and benchmarking

Key benefits for BNP Paribas Securities Services and its clients

- Enabling further growth in private capital, increasing the offering to PE fund-of-fund-managers and asset owners
- Creating a competitive advantage at an attractive cost/value by enabling BNP Paribas Securities Services to provide content and cutting-edge technology to its clients via a user-friendly, integrated platform
- Improving its ability to meet client needs fast and efficiently, yet with bespoke solutions
- Decreasing manual labour via centralised industry-leading solutions leading to elevated operational efficiency
- Supporting BNP Paribas Securities Services' complex business processes with internal and external stakeholders and increasing security through the integrated workflow engine
- Significantly reducing digital pollution by replacing email and file transmission with modern portal communication
- Empowering BNP Paribas Securities Services to offer clients best-in-breed online fund monitoring capabilities through a flexible self-service portal
- Cutting-edge reporting allows clients to gain access to automated reporting 24/7 – improving transparency, client satisfaction and the retention rate
- Advanced analytics deliver detailed insights regarding clients' investments – therefore empowering them to optimize decision-making and enhance risk monitoring
- Continuous development of new features to guarantee modern digital solutions

"With this partnership, we are able to offer our clients powerful analytics and reporting for their investors via a dedicated and interactive web portal for real-time monitoring and live scenario analysis"

Laurent Durdilly, Head of Private Capital Solutions at BNP Paribas Securities Services

"AssetMetrix was the perfect fit for us. Having a partner who clearly understands our structures and finds efficient ways to address this complexity, is key. Working as one team and not two companies has made this collaboration a success."

Karine Litou, Deputy Head of Private Capital at BNP Paribas Securities Services