



## THE OUTLOOK FOR 2015

### Operations & Change Management



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## Operations

The Operations Team at Michael Page covers all business as usual and change management initiatives across operations in both sell-side and buy-side financial services companies.

### Overview 2014

The operations market has remained relatively flat in 2014 with the majority of hiring being based around replacements or restructuring. Financial services companies are now offering better internal mobility and subsequently, vanilla operations roles that remain in London, can be covered without additional external sources.

### Key Trends

We have seen a gradual decline in the appetite to hire core operations candidates externally with a number of areas such as settlements, confirmations, MI reporting and reconciliations being near-shored and off-shored for cost and efficiency purposes. There is no suggestion that any of these business areas will be moved back to higher cost locations so the complexity of operations roles will continue to increase.

There are a number of operational initiatives that have been busy and running in 2014 – these have included;

- Dodd Frank, FATCA and EMIR regulations
- OTC Clearing Projects
- On-boarding
- Operational control

Regulatory requirements are still a pressing issue for most financial services clients – implementing Dodd Frank and EMIR in particular. We don't expect to see much change in the technical regulations, just continued review and imbedding of them, especially around recent trade reporting processes. Regulation around OTC clearing and processing has put some demand on operational headcount. We have seen a number of clearing specialists hired to help re-define process and imbed regulation in to the banks. The majority of these candidates have been subject matter experts within general OTC operations or from futures clearing functions.

There has been a real cross over between operations and core compliance functions with organisations putting more controls around client and counterparty on-boarding. Clients have tended to hire a broad range of candidates to fulfil these vacancies – but preference is for people with good operational controls, risk & regulatory knowledge. In addition to the subject experts there have been a number of process change initiatives in the on-boarding space with the re-engineering and enhancement of internal client platforms and systems.

In the lending Operations space, we have seen an increase in demand for Trade Finance specialists again within the On-boarding and documentation space. As the international market continues to strengthen we anticipate further and rapid growth across Trade Finance operations and middle office functions. Additionally there has been several opportunities arise within commercial real estate from client services to documentation.

Outside of core banking, within buy-side clients, there have been some positive signs around hiring. These clients have been looking to take advantage of more positive financial markets and as a consequence have started to add headcount to their operational workforce.

A number of companies have been building from the junior level up and hiring analyst and senior associates to cover core operational roles – including fund operations, operational accounting and performance analysis. These roles often include shift patterns allowing companies to cover the Asian and US markets.

A number of candidates have shown interest in the buy-side firms with the opportunity to secure a broader role and accelerate their careers quickly.

### 2015 Outlook

We expect to see operations roles in London become more and more specialist as 2015 goes on. This continues the trend of the last three years.

Regulatory influenced roles will take preference when clients hire – and these will be supported by increased headcount in controls functions helping to manage lines of defence, KRIs and adding rigour to operations businesses. We are also confident we will see continued hiring in client on-boarding and trade processing.

With a smaller number of roles being recruited externally, the impact is a candidate short market. Subsequently we are sure to see candidate salaries and rates increase during 2015 based on specific demands.

## Operations (cont/d)

### Trade support

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	35,000-55,000	0-5	0-10
Assistant vice president	55,000-70,000	0-5	0-10
Vice president	70,000-105,000	0-10	0-20
Director/executive director	105,000+	0-10	0-30

### Settlements

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	30,000-50,000	0-5	0-10
Assistant vice president	50,000-70,000	0-5	0-15
Vice president	70,000-90,000	0-10	0-15
Director/executive director	90,000+	0-10	0-20

### Operations control

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	35,000-55,000	0-2	0-10
Assistant vice president	55,000-75,000	0-5	0-10
Vice president	75,000-100,000	0-10	0-20
Director/executive director	100,000+	0-10	0-20

### Asset servicing

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	35,000-50,000	0-5	0-10
Assistant vice president	50,000-70,000	0-5	0-15
Vice president	70,000-95,000	0-10	0-15
Director/executive director	95,000+	0-10	0-20

### Collateral/stock lending

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	35,000-50,000	0-5	0-10
Assistant vice president	50,000-70,000	0-5	0-10
Vice president	70,000-100,000	0-10	0-20
Director/executive director	100,000+	0-10	0-20

### Performance analysis fund operations

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst	30,000-45,000	0-5	0-20
Associate	45,000-55,000	0-5	10-30
Manager	55,000-75,000	0-10	10-40
Senior manager	75,000+	0-10	20-50

Cont/d...

## Operations (cont/d)

### Loans administration/trade finance

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	25,000-40,000	0-2	0-10
Assistant vice president	40,000-60,000	0-5	0-10
Vice president	60,000-90,000	0-10	0-20
Director/executive director	90,000+	0-10	0-20

### Operations – projects

Role	Salary (£)	2014 pay rise (%'age)	2014 bonus (%'age)
Analyst/associate	35,000-55,000	0-5	0-10
Assistant vice president	55,000-75,000	5-10	0-20
Vice president	75,000-105,000	5-15	0-20
Director/executive director	105,000+	5-15	0-30

### Operations – temporary

Role	Low (£)	Med (£)	High (£)
Trade finance/lending	150	200	250
Confirmations	175	200	300
Settlements clerk	175	225	250
Trade and sales support	175	250	350
Prime brokerage operations	175	230	300
Stock lending/collateral	175	230	300
Client services	175	225	250
Asset servicing	175	225	250
Futures/OTC clearing	175	250	350
Commodity operations	175	225	375
Regulatory operations	175	250	350
Fund admin/accounting	200	250	300
Performance analysis	200	250	300
ISDA documentation/drafting	200	250	350

### Operations projects – temporary

Role	Low (£)	Med (£)	High (£)
Data/ML analyst	200	300	350
PMO	250	400	550
Business analyst	350	450	550
Project manager	500	700	800
Programme manager	750	850	1000

For more information, please contact Jade Blackburn:

**t:** 020 7645 1443

**e:** jadeblackburn@michaelpage.com

For more information, please contact Kirsty Wilson:

**t:** 020 7645 1448

**e:** kirstywilson@michaelpage.com

## Change Management

2014 has been a good year in the change management and projects space with some obvious hiring trends to report on.

The majority of financial services companies have been focusing on hiring permanent staff rather than, in previous years, senior contractors to work within these projects. It has helped that a number of these projects are and have long term initiatives, whether it be a regulatory, process or technology focus. In addition it is perceived that these candidates could add a more general change management skill-set for future internal initiatives.

As in previous years, the volume hiring has been from the major investment and retail banks but this time spread across fewer disciplines. There is significant focus in compliance and risk with specific trends around the following areas;

- Front office trading book and risk regulation
- Credit risk and IFRS9
- Client On-boarding
- Regulation – FATCA, EMIR, OTC clearing, Basel III

These projects have required financial services companies to significantly increase headcount. In a number of instances the candidates hired have been subject matter experts (SME) rather than a formal business analyst. A good example of this are projects in the operations space – EMIR, FATCA and OTC – companies have hired VP and above level candidates to work alongside the in-house technology and process professionals.

The on-boarding initiatives have focused in hiring two types of candidates – remediation/KYC specialists or operational specialists to re-design their processes.

There continues to be a focus on streamlining processes and cost saving across financial services. Lean and six sigma professionals are in high demand on both a contract and permanent basis. The aim is to create more efficient processes as well as training staff to adopt a more efficient approach in their day to day roles. Candidates may have financial services experience but equally often come from manufacturing and industry backgrounds where these project methodologies were initiated.

### Temporary

Role type	Min (£)	Mid (£)	Max (£)
PMO support	150	225	275
PMO analyst	250	350	450
Business analyst	350	450	550
PMO manager	450	550	650
Senior business analyst	500	600	700
Six sigma black belt	550	650	800
Project manager	600	700	800
Six sigma master black belt	650	800	1000
Programme manager	700	900	1200

### Permanent

Role type	Analyst (£)	AVP (£)	VP (£)	Director (£)
Business analyst	40,000-50,000	50,000-70,000	70,000-100,000	N/A
Project manager	40,000-50,000	55,000-75,000	75,000-100,000	110,000-140,000
Programme manager	N/A	N/A	90,000-120,000	120,000-150,000
PMO	40,000-50,000	50,000-70,000	70,000-100,000	110,000-130,000
Six sigma black belt	N/A	50,000-70,000	75,000-100,000	110,000-130,000
Six sigma master black belt	N/A	N/A	75,000-110,000	120,000-150,000

## Change Management (cont/d)

### 2015 Outlook

Going into 2015 we expect to see a continued focus on regulatory changes across financial services. Major initiatives across finance, operations and compliance such as FATCA, Dodd Frank, EMIR and Basel will continue to be prevalent. In particular we are expecting to see more focus on IFRS9 changes with increased demand for specialist business analysis within this area.

Other mandatory changes will take effect in 2015 including global on boarding and ring fencing programmes. The on boarding piece will be looking for compliance specialists particularly around due diligence and fraud to standardise the process of on boarding new customers globally. This will increase demand for compliance specialists in an already saturated market. The ring fencing programme is a government led initiative to separate the retail and small corporate customers from the “Casino” element of the bank including the large corporate, asset management and investment banking areas. The aim being to effectively create two separate banks to protect the retail and small corporate customers. We expect significant recruitment in both these areas.

In the last quarter of 2014 we have seen a number of major banks looking to increase the size of their central change teams with more focus on acquisitions and system changes. We are expecting this trend to continue into 2015 with more focus on improving current infrastructure, implementing new systems and growing the business.

For more information, please contact Cameron Leather:

**t:** 020 7645 1450

**e:** [cameronleather@michaelpage.com](mailto:cameronleather@michaelpage.com)

For more information, please contact David Stansfield:

**t:** 020 7776 5959

**e:** [davidstansfield@michaelpage.com](mailto:davidstansfield@michaelpage.com)

**w:** [www.michaelpage.co.uk/bankingandfinancialservices](http://www.michaelpage.co.uk/bankingandfinancialservices)

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