

FOCUS ON INTERIM AND CONTRACT RESOURCES

ENABLING A FUTURE COMPONENT OF ENTERPRISE DEVELOPMENT

2021 ALFASEC RESEARCH REPORT

AlfaSec Advisors Pte. Ltd.
20 Collyer Quay #09-01
Singapore, 049319
M (+65) 9738 7590
Marketing@alfa-sec.com

INTRODUCTION

In line with our focus on transformation, in this report we look at the continued necessary evolution of human resources in the financial service sector. We look at the greater scope of human resources for company inauguration, business development, business growth, in the execution of projects and initiatives that may require an overhaul in corporate policy and mindset. Increasing competitive pressure, market changes and product speed to market are changing the traditional “big department” approach where proprietary resources are employed and retained.

A new pool of resource is arising to borrow or retain contract resources or interim executives dedicated to projects or made available as required over an agreed period, as highly qualified expertise. The stigma of titles such as ‘temp staff’, ‘day staff’ or ‘contract workers’ takes on new meaning when enterprise can effectively build on these resources and retain huge competitive advantages in flexibility knowledge and scale. With some focus within the organization these resources can be deployed swiftly and effectively to drive critical business initiatives on a timely basis.

USE OF EXTERNAL RESOURCES IN FINANCIAL SERVICES

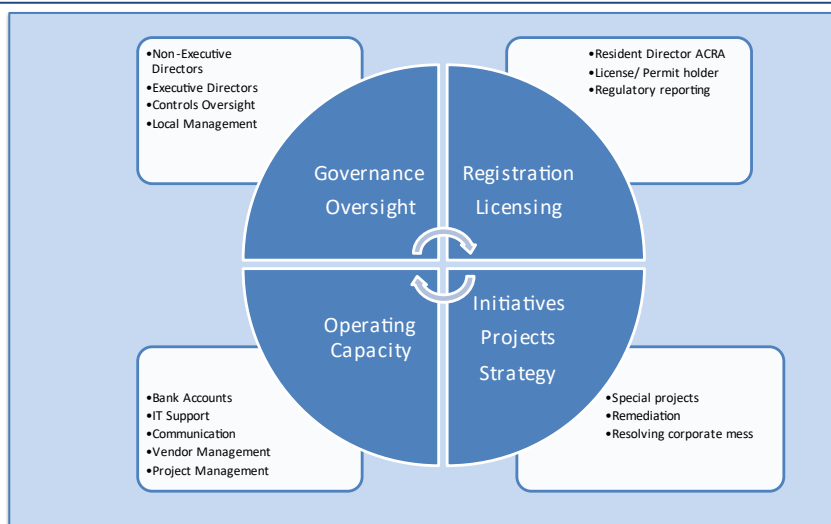
Financial Industry employment dislocation has created a large pool of highly qualified and capable individuals who are available for work assignments. The changes that Financial Services are undergoing is also changing the face of past employment practices. Many of the resources released from Financial Services become part of a pool of expertise that is available for contract or Interim work. Likewise, the idea of lifetime employment in Financial Services may fade in favor of more individuals prepared to embrace contract work and interim assignment. The talent pool will become more flexible, knowledgeable, and experienced from assignments in multi-corporate entities. What was once hired, trained, and nurtured inhouse will become an Industry rather than a pure company resource.

Many of these resources are subject matter experts or talented executives who will get used to working on a more flexible basis and will have the time and focus to dedicate to specific areas of responsibility. The impact of these individuals, especially if they have had prior senior management exposure, is often superior. Engaged executives, freed from the burdens of prior corporate administration, focus purely on the project or initiative at hand. The impact allows greater focus and bearing of prior expertise on current initiatives. This can be highly complementary to the enterprise and enable a fast-track progress toward corporate goals.

The use of external resources is growing out of its infancy and today temporary staff as an example are widely used in Financial Service in many areas such as Credit, Operations, IT, BPO and KPOs. In addition, external resources such as

Consultants are often used in major strategy changes and for ‘special’ projects.

Interim Resources..



The chart shows 4 key areas where interim executive resources and contract staff are increasingly in demand.

Most companies operating in Financial Services are both resource rich and expertise constrained.

The need to remain nimble and scale human resource capability will remain strategic.

FINANCIAL SERVICES – CURRENT USE OF ALTERNATIVE RESOURCES

Financial Services are a big employer of human resources and this will, relative to other industries, likely remain unchanged in the years to come. We believe the way in which those resources are deployed will continue to evolve, driven by factors such as technology, speed to market, ability to scale operations and by individual working practices and lifestyle options.

Currently the common usage of external expertise is in the forms of consultants and larger temp staff agencies that form an important resource pool that Corporations can easily accept and contractually engage at short notice. These commonly used pools of external resources are used for corporate strategy, market entry analysis, competitive positioning, benchmarking, and solving audit or regulatory challenges. Consultants are often found in the Executive suites helping with Corporate strategy and in the IT world to support transformation. Many temp agencies provide resources for Operations, Credit, Compliance, in Offshore and onshore processing centers.

When these needs arise in organizations Executives reach for the phone and call the larger consultants and temp agencies to staff the initiatives. Often these calls go to the larger firms who are deemed to have the expertise, and importantly, the contractual capability and reputation to undertake these assignments. This is not a panacea as often external resources are drawn from large pools of staff who may not be subject matter experts. They tend to be individuals who have made careers in strategy rather than through practical, on the job experience. Most Consultants or temporary agencies have incentives that encourage the placement of additional resources with each client. In addition, many subject matter experts in Consultancy firms are not proprietary but subcontracted from external sources.

We believe business departments, supported by HR, should focus on this large resource pool of expertise that is available for contract work and identify subject matter experts and Executives who can join organizations at relatively short notice to execute on key projects. Reaching out to individuals and smaller firms who have expertise in specific fields provides a powerful resource to execute quickly when demand calls.

To identify and keep this pool of contract workers, a new process needs to be established to undertake initial background checks so that the final checks can be undertaken once the resource is contracted. Contract staff are contracted to the organization and become closely aligned with the existing workforce. They are contractually the responsibility of the organization unlike temporary staff who remain contractually the responsibility of the agency. Contract staff have contracts that look and feel like full time employees with clauses covering confidentiality, trade secrets and restrictions on extracting customers and employees when they leave. In some jurisdictions the long-term use of contract staff can by law default to conditions that equal that of a full-time employee.

Many firms are re-engineering product and process, downsizing, repositioning and or/ or undergoing substantial transformation. Never has the time been better to have a pool of external expertise to support all these cycles. Externals can take the pressure off Management and actively execute on change especially when change means going against vested employee interests. Interim Managers and contract Subject Matter Experts tend to be focused on mandate execution and in doing so are not beholden to any corporate legacy or need to show loyalty to process or other individuals.

FINANCIAL SERVICES – FUTURE USE OF CONTRACTORS AND INTERIM STAFF

Nimble financial services firms, especially those in the new economy or far down the line when it comes to full automation of tasks, have adopted flexible Human Resource policies that allow resources to be sourced to expedite a specific goal or to leverage industry expertise through interim assignments. These firms are re-defining the way we look at and employ human resources, many of whom will need to find their way into the established larger firms.

These industries are driven by staff who have clear objectives and are motivated by mission and strategic goals. As such they do not look at proprietary full-time headcount as the only way to build a business -they use all resources that are available to them using motivation and clear assignments as a key business enabler.

The use of contract and specifically Interim resources can be a powerful enterprise enabler – as it provides another channel to dedicated expertise and flexibility. External assignments are of particular importance to more senior people who can be contracted for different time periods within an agreed working week. They become an integral part of the operational delivery and organization without the additional obligations that larger firms need to provide for full time permanent staff. An Interim Executive is expected to deliver immediate results to enable an organization to move rapidly forward.

The current Pandemic has again shone a light on Interim resources. Where travel restrictions are widely in use, projects, and initiatives along with governance activities become more complex. The inability to be on the ground to commence a project or build a business can substantially impact future revenue and potentially corporate existence.

Enter the use of Interim Executive and Contract subject matter expertise. Interim Directors both, Executive and Non-Executive, can support business startup and product launches, engage in Fund Management companies and act as key project leaders in global organizations. Contract subject matter expertise resources can go further by sighting physical assets and gauging corporate enterprise presence on the ground which is not possible in conference calls and Zoom meetings.

The evolution of the use of contract workers and interim executives is further ahead in new economy firms. The use of an interim executive that has no prior baggage and no political agenda can bring huge refreshing benefits to organizations that need new perspectives. If properly cultivated and valued, it can also be a path towards accelerated market entry and organizational development. As the term suggests it is an “Interim” Executive so upon completion of the mission the Executives can move on to another assignment.

Some larger firms are starting to frame job offers in terms of a time-limited contract. Other larger firms are starting to hire resources to focus on building pools of external expertise that can be called upon to resource initiatives and projects. Others are actively speaking to smaller firms who possess organized expertise in specific financial services sectors. We now also see a growing number of contract positions advertised in credit, compliance, and other key operating areas of larger firms.

We forecast these types of external assignments will continue to be a growing part of head count. Likewise, we believe that Interim Management providing senior resources will also become a bigger focus with more financial service firms starting to embrace greater competitive access to human resources.

In summary, Contract workers and Interim Executives are an increasingly important addition to the talent pool available to Financial Services. To make the best use of this pool of expertise, revised process is required to identify and manage these resources during the process of identification, partial on-boarding, final on boarding and contract placement. The reporting lines and responsibility for contract staff must be well defined within the organization, as does the availability of budget to pay for these resources.

ALFASEC A KEY PROVIDER OF EXPERTISE TO FINANCIAL SERVICES

At AlfaSec we provide on the ground support senior interim resources to support in Financial Service. These resources are focused on Executive positions such as Directors and on subject matter expertise in Fund and Securities Services. We only provides individuals with accomplished backgrounds, who have a deep understanding of Financial Services derived from practical experience operating in major global Financial Service firms.

These individuals work with clients closely to support them and can hit the road running with a mature understanding of financial services and a strong experience in governance and ethics. They consider themselves part of the company and always act in the best interests of the beneficial owners. They focus 100% on the task at hand providing huge input to companies that otherwise cannot dedicate the time and expertise from existing staff.

Our key intention is to facilitate a smooth processing of all activities in a transparent and ethical manner. We are easy to talk to and can move very fast where required. We like to achieve this through a close working relationship and clear responsibilities with our client and clear focus on our areas of strength.

Company Directorships - we work together with start-ups and financial services companies to support their expansion in Asia, by providing qualified individuals who can act in the capacity as a Director of a new company in Singapore. Our Directors have a strong background in financial services and can perform several roles within the company during set up and regulatory registration.

We like to work with companies where the engagement is bigger than a simple nominee director. We aim to support not only the formalities upon opening and fulfilling the requirements for necessary licencing, but also help to drive organisation set up, in terms of applications, process premises governance and seeking staff to manage and drive expansion. We effectively can support companies from initiation to operational capacity to hand over to proprietary management.

Fund Directorships – we are also able to service as Directors for funds in Singapore. Our Directors have extensive retail fund services experience thus providing them with a strong understanding of the industry. Also, as experienced Directors in Financial Services entities, we have exemplary records in governance and business conduct. They have proven ability to make strategic, ethical, and socially environmentally responsible decisions whilst fulfilling the fiduciary mandate.

Interim Management – we provide companies with interim management expertise to enable timely and accelerated change. We offer companies, the services of accomplished executives with international experience and proven ability to deliver results. This is both an expedient and cost-effective solution for companies seeking their strategic objectives when staff mobility is a problem, sourcing the right candidate is prolonged and/or the business is undergoing a transition. Critically, this allows the company to sustain momentum in achieving its objectives in these rapid and fast changing times.

Consultants – we provide qualified individuals to participate in special assignments & projects within organisations especially where we can add value to the process in terms of oversight, expertise and governance.

AlfaSec Advisors

We are pleased to talk to clients about our services and experienced resource for projects and initiatives. In the event our Directors are unable to satisfy your request, and we will be glad to assist you by referring you to our network of affiliates at The Securities Services Group (TSSAG) or Singapore Fund Directors Association (SFDA).

www.alfa-sec.com

www.TSSAG.info

www.SFDA.com.sg

RESOURCING OPTIONS

<i>Item</i>	<i>Activity</i>
Executive Director Interim Contract	<ul style="list-style-type: none"> • Attendance at statutory governance and board meetings • Attendance at entity governance meetings • Access to strategic policies and financial plan • Follow up questions and documented responses to queries. • Review and approve appropriate financial reporting. • Financial controls and balance sheet management • Administrative aspects of the company in connection with signing documentation for vendors and suppliers and those connected with running a legal entity. • Review of underlying transactions to support those vendor agreements. • Review of bank accounts to ensure funds disposal are in line with agreed contract negotiations. • Review of regular regulatory and statutory submissions/ reporting • Support the creation of appropriate banking relationships and support documentation for facilities to the legal entity. • Review of legal entity governance • Facilitate AGM/EGM meetings coordination Company Secretary. • Review of the annual financials and company report
Non-Executive Director Independent Director Interim Contract	<ul style="list-style-type: none"> • Attendance at statutory governance meetings • Follow up questions and documented responses to queries. • Advice on Governance, Controls and Oversight • Specific Oversight in accordance with mandate
Sole Resident / Local Director Interim contract	<ul style="list-style-type: none"> • Legal entity resident director
Resident Regulatory License Representative Interim Contract	<ul style="list-style-type: none"> • Registered resident representative for the License. • Administration of the license under the relevant Regulations • Review license compliance functions • Review of regular regulatory and statutory submissions/ reporting
Consultants Consultancy Agreement	<ul style="list-style-type: none"> • Strategy • Market Entry • Product development • Business Planning • Remediation