

Helping private banks face tough times



NGR's Marc Chalmeigné

Photo: Steve Eastwood

As private banks face economic uncertainty and growing budgetary pressure, NGR Consulting is developing services to help them make their business run better. NGR is a fairly small firm that started out in consulting, but is increasing its focus on private banking, having developed a high level of expertise in the operational aspects of private banking in order to support its clients with "pragmatism and added value."

"What we intend ... is to develop a broad expertise and knowledge in private banking business, on the front office side, but also all the support functions, supporting the business of private banking," explained Marc Chalmeigné, associate director in charge

of NGR's private banking industry line. "We intend to reinforce our expertise through a global and local view of international group-based private banking, mostly in Europe."

A banking specialist

Chalmeigné is a former banker, working most recently as the chief operating officer of the Hub France, Belgium and Luxembourg at RBS France. Chalmeigné's role at NGR is to add expertise in banking, and to bring his knowledge to the NGR's team aiming to deliver high professional services to the firm's clients.

Private banking banks today face pressure on their margins, explained Chalmeigné, leading to a willingness to try to reduce costs. "We would like to work with them in order to think about the way in which they can reach their target." One of the approaches NRG discusses is the use of outsourcing to mutualise resources. Another, he explained, is the 'in-house' centralisation (using hubbing centers) of some functions within a banking group."

Outsourcing as solution

One of NGR's outsourcing initiatives has been the incubation of subsidiary Opexia PSF. Through this process, Chalmeigné explained that "we have developed an expertise in terms of analysing the market, and developing a platform that mutualises the operational functions such as regulatory reporting, all the accounting work and elements of IT." The experience of

having set up Opexia has been a "real added value for our consultants, bringing them concrete experience in this domain," he said.

Since starting Opexia, NGR has worked with French private bank Oddo & Cie to set up a joint venture in this country called Oddo Services Luxembourg. This entity is dedicated to offering business process outsourcing (BPO) services for cash and securities services, and is the only one of its kind in the Grand Duchy. While acknowledging that moving to the BPO is not a decision taken quickly, Chalmeigné said that the profitability pressure will certainly lead some organisations to consider it as a serious alternative.

Family office in future

NGR is also anticipating the growth of the family office sector in Luxembourg, with Chalmeigné speaking of the "fragmentation of relationship management with clients." He suggested that "the management of high net worth individuals and ultra-high net-worth individuals often imposes ad-hoc solutions that in certain occasions could be challenging to implement in industrialised models" and that this problem was part of what led to the family office phenomenon. Chalmeigné said that NGR Group has created a special service offering within Opexia to serve this market in Luxembourg, with one idea being to provide family offices with additional services that they are not able to offer without large investments, for example a web solution allowing a full range of transaction services.

NGR considers it important to be able to serve its clients in a variety of countries. "We would like to serve our clients in their different locations, giving them consistent added-value in their different locations," said Chalmeigné. Besides Luxembourg, there are NGR offices in Paris and Brussels. The firm is planning to open a branch in Geneva.

Text: Mike Gordon