

# Solutions runway

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## Another one...

*"Goldman Sachs, the Wall Street powerhouse, was accused of securities fraud in a civil lawsuit filed Friday by the Securities and Exchange Commission, which claims the bank created and sold a mortgage investment that was secretly intended to fail"*

Published: April 16, 2010 by LOUISE STORY and GRETCHEN MORGENSON | New York Times

I couldn't believe what I was reading. Not that I had my savings at Goldman Sachs, but because it was another one after The Lehmann Brothers and AIG which, in this last case, we couldn't afford to let go. Saving AIG resulted in payments of 11.9 billions US\$ and 11.8 billions US\$ to Société Générale [France] and Deutsche Bank [Germany] respectively. *"In effect, the U.S. Treasury and Fed have been bailing out the rest of the world"*. [Source: Michael Mandel on March 15, 2009 – Business Week].

The UN Conference on Trade and Development issued a report<sup>1</sup> which includes among others, their perspective of the actions and remedies to be taken in order to avoid a crisis similar to the one we faced in 2009. The statements below are found on page 27 of that report:

*"Financial markets can provide many different products, and they can do a decent job at evaluating all available information. However, if they do not contribute to long-run economic growth, they do not provide any social return."*

*"A standard assumption underlying most regulatory systems is that all financial products can potentially increase social welfare and that the only problem to be dealt with is that some products may increase risk and reduce transparency."*

*"Policymakers should not prevent and stunt financial innovation as a rule. However, they should be aware that some types of financial instruments are created with the sole objective of eluding regulation, increasing leverage and maximizing investor's profits and bankers' bonuses. Financial regulation should aim at limiting the proliferation of such dubious instruments."*

*"In some cases it will be easy to identify products, which provide no real service besides the ability to gamble and increase leverage."*

Here is another expert's opinion

*"(...) le contrôle de la commercialisation des produits financiers ne peut pas demeurer en l'état. (...) Il est nécessaire d'alerter le grand public des risques, des limites, des dangers de tels produits<sup>2</sup>." Jean Pierre Jouyet | President of AMF<sup>3</sup>*

<sup>1</sup> *The Global Economic Crisis: Systemic Failures and Multilateral Remedies -*

<sup>2</sup> Regulation of financial products sales and trade cannot be left as it is now. We need to be able to notify the public about the risks and the danger of (such) products. [meaning high risk products]

<sup>3</sup> *Autorité des Marchés Financiers* – Equivalent of the SEC in Quebec, Canada

### CATEGORY

System integration, Web Application development, Strategic management, Project Management

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Most reports and analysis from various experts are consistent about the fact ignorance was a key factor in last year's financial crisis: Ignorance of the implications of the financial products being sold, ignorance of their historical behaviours and ignorance of their nuances. They also suggest that clients be empowered with the ability to conduct their own "reference checks" on the products, the service providers and their promises before any commitment. This is an essential ingredient for the sustainment of the financial system. Finally, such empowerment needs to be implemented by the financial institutions [*ref. the same report from the AMF*] in the best interests of both the client and those institutions. I like to conceive IT as a business enabler; therefore, it is ours to move from this idea to its representation on a technology platform. I strongly believe that Business Intelligence [BI] technology is today's response to a call for the implementation of such complex and multidirectional decision making systems.



In fact, we are just unaware of the amount of data available to us, hence missing a huge potential hidden within. BI allows for connecting to multiple data sources, performing real time analysis and processing key elements and displaying custom reports on demand. It makes friendly "*...evaluating all available information...*" in real time. Also, since "*...some products may increase risk and reduce transparency...*" BI allows to capture and to render different perspectives and analysis of that same product, from its characteristics, to its behaviour when interacting with its environment, to the identifiable trends since its inception. Such performances are made possible only if we can collect and categorize real time data about such products. Then, as the decision making process embedded in "*Financial regulation should aim at limiting the proliferation of (such) dubious instruments*" BI solutions empower financial industry professionals as well as clients with tool that make it "*...easy to identify products, which provide no real service besides the ability to gamble and increase leverage*". All those attributes are found in today's BI products but we still need to build solutions. Clickom is among the leading companies that have chosen to go beyond product specifications and built real solutions for the real world. It is our responsibility to use those products and build reliable solutions for the industry.

A BI enabled solution is an Information System [IS] that allows for meaningful interaction and innovative reporting to support a responsible decision making process. This is a real challenge that requires understanding and adhering to the renewed vision, standards and values of the financial industry. A solution that also meets the needs of the clients to attain a much better understanding and a much better control over their decisions. I am proud to know that Clickom has entrenched this vision into its operations and management standards and processes. The IT industry was once confined into developing products and applications for specific needs. Today's challenge is to respond to global challenges and we believe only those who build solutions will sustain.

Clickom has chosen to build BI enabled solutions because it is not about what you see, but IT is about what you want. We empower our clients and their end users with made to measure decision making solutions.

*...by POMfils* | [myblog.clicklom.ca](http://myblog.clicklom.ca) | [www.clickom.ca](http://www.clickom.ca)