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> Altersvorsorge – Chance für Finanzdienstleister

> IT Business Alignment and Credit Process Performance: Empirical Results and Practical Implications

> Order Channel Management

> Deutschland im Wettbewerb der Finanzplätze

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Altersvorsorge – Chance für Finanzdienstleister

Angesichts der bevorstehenden demographischen Verschiebungen in Deutschland werden die öffentlichen Sozialsysteme ihr gegenwärtiges Leistungsniveau nicht halten können. Immer mehr ältere Leistungsempfänger bei immer weniger nachrückenden Beitragszahlern zeigen die Grenzen der umlagefinanzierten Sozialsysteme auf. Am deutlichsten wird dies bislang bei der Rente; hier hat man bereits, der Not gehorchend, drastische Einschnitte vorgenommen. Bei der Krankenversicherung und der Pflegeversicherung sind vergleichbare Einschnitte nur noch eine Frage des Wann und des Wie. Zwar wird der Sozialstaat auch weiterhin Lebensrisiken absichern helfen, doch in niedrigerem Umfang als heute. Umfragen zu den erwarteten zukünftigen Leistungen der gesetzlichen Rentenversicherung, aber auch das konkrete Abschlussverhalten bei Vorsorgeprodukten wie zum Beispiel der Riester-Rente (siehe Grafik 1) zeigen, dass viele Bürger die Zeichen der Zeit sehr wohl erkannt haben.

In dem Maße, wie die Bedeutung der staatlichen Sozialsysteme für die Sicherung des Lebensstandards zurückgeht, nimmt der Stellenwert der privaten Vorsorge zu. Wer in zwanzig oder dreißig Jahren nach dem Ausscheiden aus dem Erwerbsleben ähnlich gut leben möchte wie heutige Rentner, muss in erheblichem Umfang privat vorsorgen. Dann nämlich wird die Kaufkraft der Bruttorenten

um rund 15 Prozent niedriger sein als heute; hinzu kommt, dass Renten dann deutlich stärker besteuert werden als heute. Mit einer Sparquote von knapp 11 Prozent liegen die Deutschen international gut im Mittelfeld. Wichtig ist aber nicht nur, dass man spart, sondern auch, wie man spart.

Ein Blick auf das Geldvermögen der Deutschen zeigt über Jahre einen Trend weg von Bankeinlagen hin zu renditestärkeren Anlageformen. Dennoch ist der Anteil kürzerfristiger Anlagen mit niedrigeren Renditen nach wie vor relativ hoch, und in 2006 haben die Geldmarktanlagen in Relation zu Aktien wieder an Bedeutung gewonnen. Die Gesamtrendite der Geldvermögen in Deutschland ist geringer als in vielen anderen Industrieländern. Wenn sich das Vermögen weniger verzinst, ist entsprechend mehr Ersparnis – Konsumverzicht – notwendig, um die Altersvorsorge zu sichern.

In diesem Umfeld sind die Kreditinstitute und Versicherungen gefordert. Es geht um eine ausgewogene Balance von Ertrag und Risiko, dabei sind die Konsequenzen der längeren Lebenserwartung zu berücksichtigen sowie Lebensrisiken wie Arbeitsunfähigkeit und Hinterbliebenenversorgung abzudecken. Hinzu kommt die unterschiedliche steuerliche Behandlung einzelner Produkte, die maßgeschneiderte Lösungen erforderlich macht. Mit anderen Worten werden mit der zuneh-

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menden Privatisierung der Altersvorsorge und anderer Vorsorgebereiche neue Aufgaben auf die Bürger und damit auch auf ihre Finanzberater zukommen.

Der Vorsorgemarkt ist in Bewegung geraten. Doch dies ist erst der Anfang. In den kommenden Jahren werden Kapitalanlagen in die betriebliche Altersvorsorge, in Lebensversicherungen und andere Vorsorgeprodukte deutlich stärker wachsen als das übrige Geldvermögen. Der demographische Wandel wird den Finanzmärkten seinen eigenen Stempel aufdrücken und neue spezifische Anforderungen an die Produktentwicklung und die Beratungskompetenz von Banken, Versicherungen und anderen Finanzdienstleistungsunternehmen stellen. Dies ist eine große Chance für Wachstum.

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Quelle: Bundesministerium für Arbeit und Soziales, eigene Berechnungen
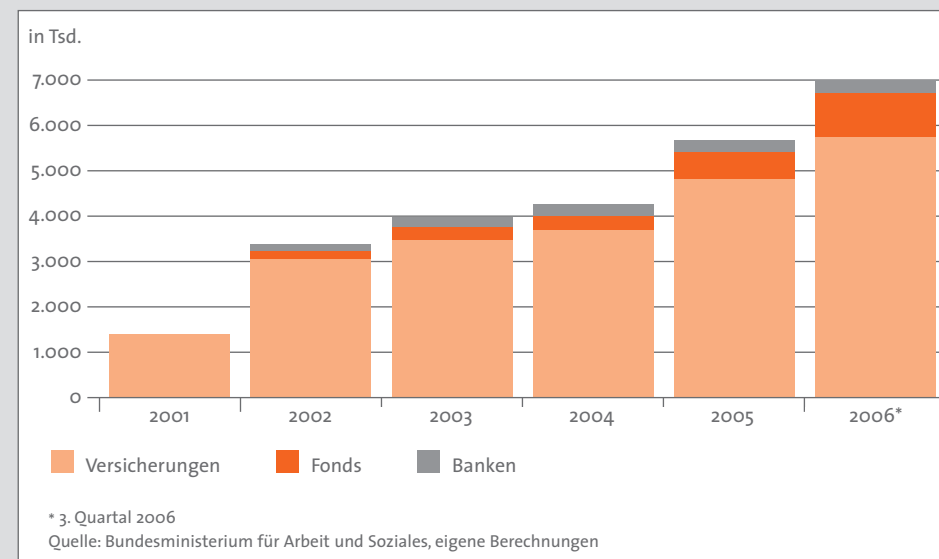
Grafik 1: Entwicklung der abgeschlossenen Riester-Verträge

IT Business Alignment and Credit Process Performance: Empirical Results and Practical Implications

OPERATIONAL IT BUSINESS ALIGNMENT AS A PREREQUISITE FOR BUSINESS PROCESS PERFORMANCE

HEINZ-THEO WAGNER

Introduction

For decades, IS research has tried to contribute to our understanding of how IT is linked to organizational performance. In this contribution conforming to recent Information Systems research literature and based on existing literature on the Resource-based View and IT business alignment we propose that the interplay between the IT and the business domain is an important argument in explaining the value contribution of IT. We employ a process-level perspective to avoid aggregation problems. The basic premise of this paper is that IT only creates value through business activities whereas business resources are able to directly contribute to value. Thus, we take a business-centric view to understand IT resources in relation to and from the viewpoint of the business domain and not as IT resources per se, thereby identifying a firm's organizational IT capital as the relationship between the IT and the business domain.

Theoretical Grounding

We integrate key findings from the Resource-based View of the firm (RBV) (e. g. Barney 1991) and alignment literature (e. g. Henderson and Venkatraman 1993) to understand both the linkage between the business domain and the IT domain through a process of alignment as well as the sustainability of this process under environmental changes. The alignment model is depicted in Figure 1.

Study Composition

Our theoretical considerations were validated using five qualitative studies and one quantitative survey. The qualitative studies are case studies in banks designed to get a deep understanding of the interplay between IT and business resources in the context of business process. The quantitative field survey was carried out on the top 1,000 German banks and focuses on the credit process for small and mid-size enterprises (SME), emphasizing the operational interaction. Addressees of both the qualitative studies and the quantitative survey were the chief credit officers of each bank. Overall, 136 analyzable questionnaires were returned (response ratio of 13.6%) covering about 21% of the total assets of these banks.

Results

The results (see: Wagner and Weitzel 2006) show that operational IT business alignment is a key prerequisite of both IS usage and IT flexibility that are key mediating variables in the relationship between operational IT business alignment and business process performance.

Exemplarily, Figure 2 represents descriptive statistics for two indicators. The left figure depicts whether the IT unit is seen as an equal partner to the business unit. This corresponds to one dimension of operational IT business alignment. The right figure shows the assessment of the business unit regarding the timely reaction to business requirements by the IT unit which in turn affects process performance. Summarized, the results of the study indicate that there is a substantial lack in the operational IT business alignment and that it has a major impact on business process performance.

But how can IT business alignment be achieved in practice?

First of all providing a reliable basic IT service to bank's business units is important for getting a good reputation which is the basis of increased interaction between business units and IT unit. The basic IT service has to be invisible to the users. Typical services of this kind are network services, data center operations, and desktop services. Whether the basic IT services are provided by the firm's own IT personnel or whether these are outsourced is not important for the users as long as the service is reliable and has sufficient quality.

Moreover, fostering IT business alignment mostly affects the IT personnel at the business interface. In particular, for this group of IT personnel management should consider the following issues to increase the IT business alignment:

• First, the business should have the primacy where IT is concerned. Our study suggests that IT can only be of value through business activities and revealed IT business alignment to be an important concept,

Figure 1: Alignment Model

In the figure:

- Business Strategy ↔ IT Strategy: Strategic Integration (Strategic Alignment)
- Business Structure ↔ IT Structure: Operational Integration (Structural Alignment)
- Business Strategy ↔ Business Structure: Strategic Fit (Alignment Within the Business „silo")
- IT Strategy ↔ IT Structure: Strategic Fit (Alignment within the IT „silo")
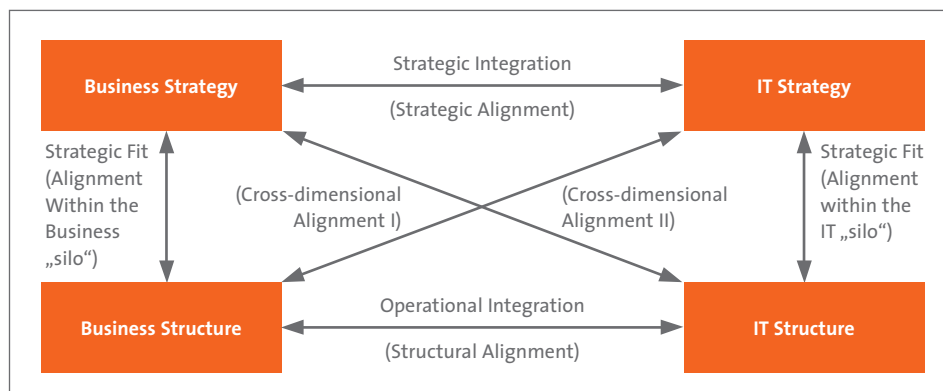- (Cross-dimensional Alignment I)
- (Cross-dimensional Alignment II)

including, for example, shared domain knowledge regarding the business as a strong component. Therefore, it is preferable that IT is managed by a business mana-ger, at least a business-literate manager, instead of a solely technologically literate one. Similarly, in a study by Gordon and Gordon (2000) it was shown that IT could not succeed unless the IT processes were owned by the business units.

• Second, a strategy implementation process should be employed to ensure the clear deduction of plans and procedures from the strategy. A strategy implementation process requires for example, the follo-wing steps plus corresponding feedback loops: Creating a business strategy and articulating what the major issues are (e.g. growth by mergers); deducing strate-gic IT topics and explaining how these topics support the business strategy; de-ducing IT plans from these topics and ex-

plaining how these plans support the topics, deducing an IT portfolio from the topics; assigning projects to the portfolio, implementing the projects. Each step re-quires a process of alignment with the business to ensure the correct deduction and the detection of changes in business priorities.

• Third, IT business alignment arises not only out of formal mechanisms but predomi-nantly out of informal ones. Formal mecha-nisms influence the development of infor-mal mechanisms unless there are organi-zational inhibitors. These impediments such as insufficient management support must be remedied to foster the development of informal mechanisms.

• Fourth, at the service delivery side of IT, another managerial recommendation is to create internal service level agreements (SLA). The reason is to foster communica-tion and the flow of knowledge that is

important for alignment. In addition to providing the foundation for quality mea-sures of IT services, the process of SLA development itself can be a substantial step towards understanding business necessities and the role of IT and thereby reducing complexity and mitigating risks.

• Fifth, the relationship with the business should be fostered by an increase of shared domain knowledge. This item has several aspects.

a) CIO-level: Business executives should ask how IT could support them and IT should be involved in business planning.

b) Mixed work bios: Another way to promote business knowledge in IT is to increase the proportion of IT personnel who have pre-viously worked in business units. Addi-tionally, these employees might have a business education background.

c) Organizational function: It might be necessary to create special organizatio-nal units (e.g. liaison role) to foster infor-mation flow.

d) Organizational design: In particular the creation of communities of practice is also considered an important catalyst for know-ledge creation and knowledge sharing.

e) Formal contacts: One step to improve knowledge flows could be regular mee-tings as a platform for communication about business and IT items; not only at top level.

• Sixth, despite all alignment efforts a suffi-cient budget for IT is also necessary, because it signals the commitment of the business to IT and enables innovations.

Conclusion
The importance of the operational IT business alignment is well supported by the data that we gathered from banks – and it proved very influential to the business process performance. Results of this study show that it is important to integrate knowledge across the business domain and the IT domain to gain a performan-ce impact. IT business alignment focuses on the ability to extract knowledge from the IT domain and apply it within the business domain to fully exploit IT and to take advan-tage from IT opportunities – and vice versa.

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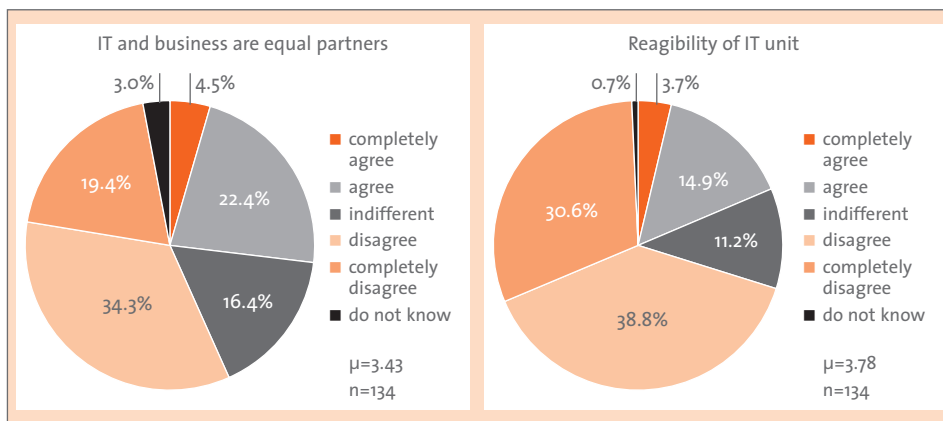
Figure 2: IT unit as an equal partner to the business unit – assessment of the business unit regarding the timely reaction to business requirements by the IT unit

Order Channel Management

INSTITUTIONAL INVESTORS, I.E. HEDGE FUNDS OR TRADITIONAL FUNDS, FACE ON THE ONE HAND NEW TECHNOLOGY-ENABLED TRADING CHOICES AND ON THE OTHER HAND INCREASED PERFORMANCE PRESSURE FROM THEIR CUSTOMERS. TO BALANCE THESE OPPORTUNITIES AND CHALLENGES, NEW APPROACHES TO MANAGE THEIR TRADING DESKS AND ORDER DECISIONS ARE REQUIRED.

BARTHOLOMÄUS ENDE
ADRIAN WRANIK

PETER GOMBER

New business dynamics

With the evolution of new *execution opportunities*, the securities trading industry has undergone massive changes in recent years. This especially holds for trading processes of Institutional Investors, be it hedge funds or traditional fund management companies (the "buy-side"), where electronic order execution has transformed trading desks. Order Management Systems not only support internal STP by automating the order processing from portfolio management to execution and settlement. Moreover, they enable to connect buy-side trading desks via electronic means (e.g. the FIX protocol) to external brokers and execution venues substituting the traditional order routing via telephone, email or fax.

On the other hand, buy-side firms are under *pressure* by their customers to realize returns that are outperforming or at least matching the communicated benchmarks. Therefore, they have to minimize their trading fees (explicit costs) and the costs that result from the price impact of their own trading

(implicit costs). As various empirical studies show, these costs reduce returns by up to two fifth if one compares the performance of real portfolios to the returns of "paper portfolios", i.e. the gross returns without trading costs.

The reduction of explicit costs can be achieved by managing order execution at the buy-side desks instead of outsourcing the full order execution responsibility to sell-side intermediaries, i.e. to brokers. For the reduction of implicit costs, new trading channels like Algorithmic Trading enable for a cautious execution by order splitting and order timing. Already 30% of the overall Xetra trading volume is executed by Algorithmic Trading (Deutsche Börse data), a channel that is successively also offered by brokers to their buy-side customers.

According to the 2005 FIX Protocol Ltd. survey among its members, institutions believe that electronic trading will change the process of trading securities. However, changing standard operating procedures causes costs that

are said to be the biggest obstacles to achieve greater benefits from electronic execution. The *balancing* of these new technology-enabled but resource-intensive opportunities on the one hand and their cost saving potential on the other hand requires a structured approach to manage the trading decisions of buy-side firms.

Order Channel Management

By identifying and analyzing the key considerations and decision parameters of buy-side trading desks and based on a literature review as well as interviews with industry representatives, we developed Order Channel Management (OCM) as a new concept to deal with these requirements.

In this environment, the setup and operations of the trading-desk are addressed on two levels:

First, on a strategic level, the interaction with the investment strategy of the portfolio management, the selection of execution venues, their connectivity, infrastructure in terms of people and technology, and the necessary policies have to be established. Second, on an operational level, the processes have to be implemented in order to route orders to available venues according to specific order characteristics.

An overview of the (OCM) Framework is depicted in Figure 1. Institutional Investors can utilize the presented structural approach for implementing an individual OCM strategy.

Strategic Order Channel Management

The overall investment strategy and the investment universe of the portfolio management is a key factor influencing the handling of trades and the execution costs and thus
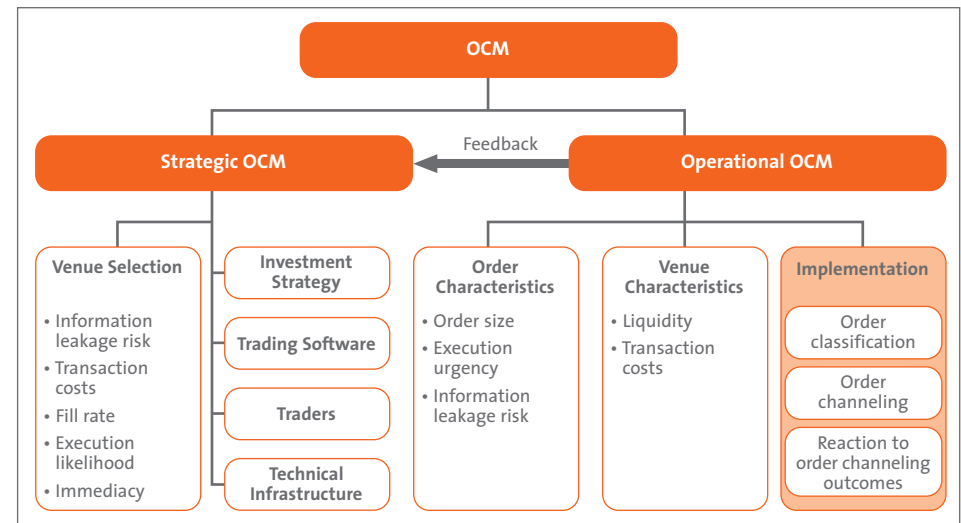

Figure 1: Key Topics in Strategic and Operational Order Channel Management (OCM)

has to be reflected in strategic OCM decisions. The main task of a buy-side trading desk is the prevention of loosing excess returns (alpha) that were generated in portfolio management during the strategy implementation and actual order execution.

A tight coordination between fund portfolio management and the trading desk enables an integrated optimization and thus helps to achieve higher trading success. This increases the traders' insight into the motivation of investment decisions.

The key layers of an Order Channeling Framework concerning the trading software of the institutional desk, the connectivity to brokers and execution venues and the technical infrastructure are depicted in Figure 2 and are elaborated briefly in the following:

Institutional Desk

A key strategic issue concerning the setup of the institutional trading desk is the choice of a suitable Order Management System. Both sophisticated standard software suits and internally developed solutions represent an investment with significant total costs of ownership, but support the trading process of securities, e.g. by the integration of analytical tools, and enable for the reduction of inhouse costs through automatization and Straight Through Processing (STP). Additionally, advanced software provides the possibility to aggregate and disaggregate orders internally and to electronically allocate executions to the respective funds and accounts.

Broker Desk

Traditionally, the infrastructure setup of Institutional Investors for the implementation of their investment decisions referred primarily to their business relationships to brokers. The buy-side traders were responsible for order specifications and order releases to brokers, while brokers executed these orders at exchanges or over the counter (OTC).

Broker service portfolios have undergone significant changes and nowadays offer various services beside agency execution (i.e. counterparty search or execution on the market) or principal bids (in a principal bid, a broker takes the execution risk by offering a fixed price for an order). These new services include e.g. Direct Market Access (DMA), Algorithmic Trading (AT) and Smart Order Routing (SOR). DMA means that the broker provides his membership at an execution venue as a portal service and does not touch the order of the buy-side customer for execution. Instead it is directly routed to the respective execution venue. This saves the costs for proprietary connectivity and shields the buy-side firm from technological (new software releases) or regulatory changes at execution venues.

Algorithmic Trading is a trading tool where software algorithms execute orders successively in one market in order to avoid market impact and thus implicit costs by slicing orders into pieces and timing the releases of the partial orders to the venues. Smart Order Routing slices an order based on price and volume information from multiple markets and thus aims at reduction of market impact when liquidity is fragmented over multiple venues.
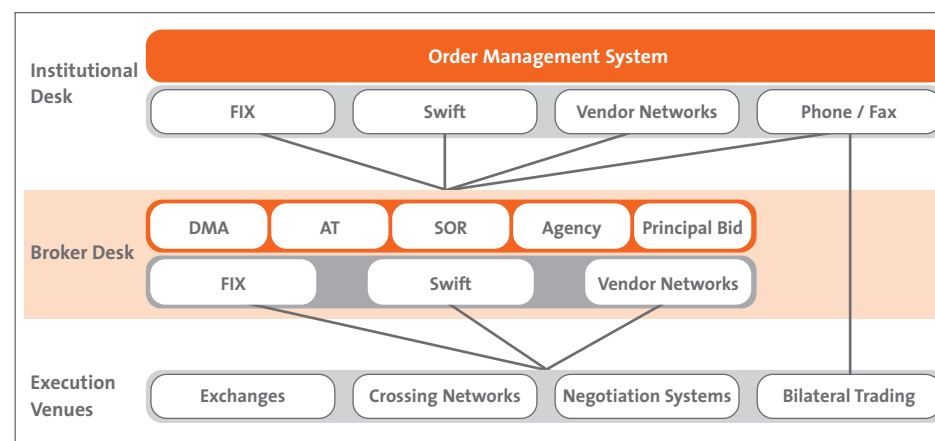

Figure 2: Layers of the Order Channel Management Framework

For the buy-side firms, these new execution services enable commission savings of up to 50% for Algorithmic Trading and even up to two-thirds when utilizing DMA instead of traditional broker execution.

Execution Venues

Beside exchanges, additional venues include crossing networks and block trading facilities – systems that match corresponding orders based on a price imported from a reference market. An extension of the crossing network approach is offered e.g. by Liquidnet following a Peer-to-Peer (P2P) concept, where liquidity is searched within a network of buy-side Order Management Systems. Once the size on the opposite side has been found, both investors are informed and can anonymously negotiate the final execution volume and price.

Access to brokers and the execution venues (if applicable) from the buy-side trading desks can be realized through proprietary connections or by standardized solutions like the financial exchange protocol (FIX) using vendor networks or via SWIFT.

Operational Order Channel Management

Based on the specified strategic setup, operational OCM (see Figure 1) uses order characteristics and the venue characteristics in order to enable a three step implementation by order classification, order channeling and reaction to order channeling outcomes.

Key Order Characteristics

Order size, the level of execution urgency, and information leakage risk are the relevant order dimensions for operational OCM.

Order size: Transaction costs, defined as the explicit and implicit costs associated with the actual implementation of the investment decision, play a crucial role in execution success. Hidden costs like market impact, timing cost,

and opportunity cost make the lion's share of overall costs, especially when it comes to large orders or block trades.

Execution urgency: One common technique to avoid market impact is to slice large orders and to trade more passively over multiple periods and venues. This slicing solution, however, leads to other problems: The enlarged trading period leads to timing risk as prices can develop in an unfavorable direction. Therefore, execution urgency is a second key order parameter.

Information leakage risk: Especially in less liquid securities, there is a risk that other market participants anticipate the order (based e.g. on ticker or order book information) and perform front-running that counteracts the strategy implementation of buy-side firms.

Order classes

With the three classification parameters at hand, we group orders in a total of six classes (see Figure 3).

In a first step small orders are separated into two subcategories: Passive low touch orders with a low level of execution urgency that can be implemented via liquidity providing means like limit orders and active low touch orders with a higher level of execution urgency implying active trading and therefore risking higher prices. These orders enable for fully electronic execution via Direct Market Access, Algorithmic Trading or Smart Order Routing.

Among large orders with a low level of execution urgency two classes can be specified:

Orders with a low leakage risk belong to the class of orders resulting from strategic trading like those for share buy-back programs. Orders with higher leakage risk constitute the class of high touch orders because they require much attention during their implementation. Finally, large orders with a high level of execution urgency can be subdivided into two additional categories: While the parameter setting of high urgency and low leakage risk is reasonably non-existent (not applicable), orders with a high leakage risk together with large size and high urgency constitute to the class of urgent high touch orders being the toughest type. Here cautious interaction between the buy-side trading desk and multiple brokers is required to avoid the generation of trading patterns that can be detected by other traders.

Illustration of actual order handling

Based on these considerations, day-to-day operational OCM is subdivided into three subsequent phases. First, orders have to be classified according to the three key order characteristics. Second, the actual order channeling decision has to take place. In the final step executions should be controlled enabling reactions to the observed outcomes.

Continuous tracking of orders up to their final completion is required. For example, a readjustment of a patient execution strategy becomes necessary when information disseminates or the order cannot be filled. Further exceptional market changes also require strategy reviews. Under such circumstances bro-
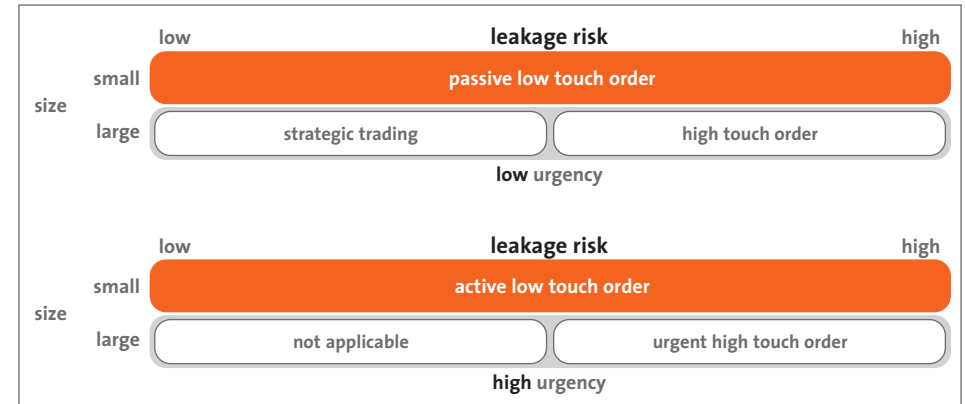

Figure 3: Different order classes

kers typically inform their clients while some automated solutions might fail to achieve this and thus require manual tracking and intervention capabilities. Beside strategy revisions, order channeling outcomes should be incorporated in a comprehensive Post-Trade Analysis that evaluates execution quality relative to the predefined price benchmarks and adjusts the parameters for the actual strategy selection. Simulations based on historical market data allow to evaluate alternative channels.

Conclusions and Future Research

For Institutional Investors, new technology-driven execution opportunities allow for self-directed trading and a greater independence from their brokers, their traditional channels for order execution. In this context, OCM as a structured two level approach was developed to manage the associated new opportunities and challenges.

As future research topics, we will perform an empirical validation of the framework. This will be done by carrying out a survey among Institutional Investors in order to assess their actual implementation of OCM. Thereby, causal relationships between OCM input factors and the value proposition of various trading-desk setup solutions will be investigated empirically.

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Deutschland im Wettbewerb der Finanzplätze

INTERVIEW MIT DR. THOMAS MIROW
STAATSSEKRETÄR IM BUNDESMINISTERIUM DER FINANZEN

Welchen Herausforderungen sieht sich der Finanzplatz Deutschland durch den sich intensivierenden weltweiten Wettbewerb der Finanzplätze gegenüber?

Kaum ein anderer Faktor weist eine so hohe internationale Mobilität auf wie das Kapital. Auch ein etablierter und starker Finanzplatz wie Deutschland steht daher in ständiger Konkurrenz zu seinen Mitbewerbern weltweit. Neben den traditionellen Finanzzentren in Europa, den USA und Fernost haben sich dabei in letzter Zeit neue Zentren, etwa in Dubai, entwickelt. Nicht zuletzt die jüngste Börsenfusion in den USA und das Ausgreifen amerikanischer Börsen über den eigenen nationalen Finanzplatz hinaus nach Asien und Europa haben gezeigt, dass und wie sich andere diesen Herausforderungen stellen. In Deutschland und – gerade in Finanzmarktfragen muss man über die eigenen Landesgrenzen hinaus denken – in Europa haben die Akteure diese Notwendigkeiten erkannt. Die Umsetzung dieser Erkenntnisse stößt zum Teil allerdings noch auf Schwierigkeiten und benötigt mitunter mehr Zeit, als wünschenswert wäre.

Dennoch muss sich Deutschland in diesem Wettbewerb der Finanzplätze nicht verstecken. Wir verfügen mit dem Drei-Säulen-Modell über ein zu unserer Volkswirtschaft passendes, leistungsfähiges Bankensystem. Viele Institute haben sich erfolgreich neu aufgestellt. Sie bieten innovative und weltweit nachgefragte Produkte an. Im Finanzsektor gibt es ein großes Potenzial hoch qualifizierter Arbeitskräfte, und, das ist nicht zu unterschätzen, Investoren genießen höchste Rechtssicherheit für ihre Investments.

Wie groß ist die gesamtwirtschaftliche Bedeutung des Finanzsektors in der Bundesrepublik Deutschland im Vergleich zur Wertschöpfung in anderen Branchen?

Die Bedeutung des Finanzsektors für unsere Volkswirtschaft wird oft unterschätzt. Dabei trägt er mit einer Bruttowertschöpfung von gut 100 Mrd. € (Stand August 2006) mit ca. 4,5 Prozent zum deutschen Bruttoinlandsprodukt bei. Allein im Kredit- und Versicherungsgewerbe arbeiten rund 1,25 Mio. hoch qualifizierte Beschäftigte. Damit sind Finanzdienstleistungen hierzulande eine größere „Job-

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Staatssekretär im Bundesministerium der Finanzen

maschine" als der Automobil- und Maschinenbau. Und der Finanzsektor hat in unserer immer stärker wissensbasierten Gesellschaft sicher noch erhebliches Wachstumspotenzial.

Welchen neuen Produktherausforderungen sieht sich der heimische Finanzsektor gegenüber und was kann die Bundesregierung auf diesem Feld tun?

Die Wettbewerbsfähigkeit des Finanzmarktes hängt entscheidend von seiner Innovationsfähigkeit ab, d. h. von der Fähigkeit, den sich ändernden Bedürfnissen möglichst zielgenau gerecht zu werden. Dies ist in erster Linie eine Aufgabe, der sich die Anbieter von Finanzprodukten zu stellen haben. Aufgabe des Staates ist es, hierfür die notwendigen regulatorischen Rahmenbedingungen vorzuhalten.

Vor diesem Hintergrund wurden seit Beginn der 90er Jahre vier Finanzmarktförderungsgesetze erlassen. Mit dem Finanzmarktförderplan 2006 und dem 10-Punkte-Programm zur Stärkung der Unternehmensintegrität und zur Verbesserung des Anlegerschutzes setzt die gegenwärtige Bundesregierung diese erfolgreiche Politik mit eigenen Akzenten fort. Dabei möchte ich drei Bereiche hervorheben:

Mit der vorgesehenen Schaffung deutscher REITS wird das Spektrum indirekter Immobilienanlageprodukte in Deutschland ergänzt. Damit wollen wir insbesondere zu einer Professionalisierung der Immobilienwirtschaft in Deutschland beitragen und weitest möglich Wettbewerbsgleichheit gegenüber den anderen europäischen und internationalen Finanz- und Immobilienstandorten erreichen. Mit der Novelle des Investmentgesetzes werden wir mit den Infrastrukturfonds eine neue Assetklasse einführen, die namentlich für Public-Private-Partnership-Projekte nutzbar gemacht werden kann. Und mit der Erweiterung des Unternehmensbeteiligungsgesetzes zu einem Private-Equity-Gesetz wollen wir die Finanzierung junger und mittelständischer Unternehmen verbessern, indem wir die regulatorischen Rahmenbedingungen für Wagniskapital attraktiver gestalten.

Sehr geehrter Herr Staatssekretär, wir danken Ihnen für dieses interessante Gespräch.

*e*finance lab
Frankfurt am Main

news

The E-Finance Lab Spring conference 2007 „Unternehmenswert durch IT – Finanz-dienstleister lernen von anderen Industrien und Benchmarks" will be held at the Maritim Hotel in Darmstadt at January 23rd, 2007. For further information and registration see *www.efinancelab.de.*

Awards
Prof. Dr. Andreas Hackethal won the "2006 Best Teacher of the Year" – Award of the Institute for Law and Finance (ILF) at Frankfurt University. Due to his outstanding performance in his lecture "Financial Institutions and Markets" he was selected among more than 50 lectures who teach at the ILF.
Dr. Roman Beck and Andreas Möbs received the best paper award at the special Interest Group on IT Project Management, pre-ICIS Workshop, for their publication "The Public Hand and IT Mega-Projects: Lessons from the German TollCollect Case".
Bartholomäus Ende, Research Assistant at Cluster 5 of the E-Finance Lab, was awarded the "Continental Auto-motivated Student Award" for being the top graduate in Computer Science in the academic year 2005/2006 at Johann Wolfgang Goethe-University, Frankfurt.

Dissertations
Martin Böhm and Thorsten Wiesel, former members of Cluster 3, defended their Ph.D. theses "Customer Channel Migration" respective "Customer Metrics and Firm Value" successfully.

Team members
Dr.-Ing. Oliver Heckmann, a former member of Cluster 2, is now working at Google Labs as the Tech Lead Manager in Zurich, Switzerland.
Dr. Roman Beck joined Cluster 1 as project manager in October 2006. His main research focus is on "IT Project and Risk Management".
In November 2006 Dipl.-Kfm. Sven Groth, Master of Science in Real Estate Investment, joined Cluster 5 "Managing the Securities Trading Value Chain" as a graduate Research Assistant.

† Nachruf
Am 9.12.2006 starb – nur 29jährig – Dipl.-Kfm. Jochen Franke, der in Cluster 1 als hervorragender Wissenschaftler, Mitarbeiter und Freund hoch geschätzt war. Wir vermissen ihn und werden ihm ein ehrendes Andenken bewahren.

selected efinance lab publications

Behr, P.; Güttler, A.:
Does the Stock Market react to Unsolicited Ratings? In: Proceedings of Southern Finance Association (2006). Destin, Florida, USA.

Berbner, R.; Spahn, M.; Repp, N.; Heckmann, O.; Steinmetz, R.:
QoS-aware Replanning of Web Service Workflows. In: IEEE International Conference on Digital Ecosystems and Technologies (DEST 2007). Cairns, Australia.

Böhm, M.:
Customer channel migration. University of Frankfurt, Dissertation, 2006.

Bosch, O.; Steffen, S.:
Informed Lending and the Structure of Loan Syndicates – Evidence from the European Syndicated Loan Market. Australasian Finance and Banking Conference 2006. Sydney, Australia.

Gellings, C.:
Outsourcing Relationships: The Contract as IT Governance Tool. In: Proceedings of the 40th Hawaiian International Conference on System Sciences (HICSS 2007). Hawaii, USA.

Gomber, P.; Gsell, M.; Reininger, C.:
MiFID-Readiness – Die Umsetzung der MiFID 'Markets in Financial Instruments Directive' in der deutschen Finanzindustrie. Forthcoming in: Proceedings of the 8. Internationale Tagung Wirtschaftsinformatik (WI 2007). Karlsruhe, Germany.

Güttler, A.:
Conditional Rating Transitions: The Case of S&P and Moody's. In: Proceedings of Southern Finance Association (2006). Destin, USA.

Repp, N.; Berbner, R.; Heckmann, O.; Steinmetz, R.:
A Cross-Layer Approach to Performance Monitoring of Web Services. In: Workshop on Emerging Web Services Technology (in conjunction with IEEE ECOWS 2006). Zurich, Switzerland.

Skiera, B.; Berger, S.:
Kundenwertorientierte Banksteuerung: Wunsch und Wirklichkeit. In: die bank (E. B. I. F. Sonderheft) (2006), pp. 54-59.

Wiesel, T.:
Kundenkenngrößen und Unternehmenswert (Customer Metrics and Firm Value), University of Frankfurt, Dissertation, 2006.

For a comprehensive list of all E-Finance Lab publications see:
www.efinancelab.de/results/pubs/index.php

research outside the efinance lab

RESEARCH PAPER: INFORMATION ASYMMETRY AND FINANCING ARRANGEMENTS: EVIDENCE FROM SYNDICATED LOANS

Sufi explores the syndicated loan market, with an emphasis on how information asymmetry between lenders and borrowers influences syndicate structure. Analyzing a sample of public U.S. companies he finds striking results that information and incentive problems are of first order importance in the syndicated loan market. Furthermore, relationships between arranging banks in commercial lending syndicates and other participant lenders, as well as relationships between borrowing firms and participants crucially influence financing arrangements. Consistent with moral hazard in monitoring, the lead bank on the syndicate retains a larger share of the loan and forms a more concentrated syndicate when the borrower requires more intense monitoring and due diligence.

Sufi, Amir
In: Journal of Finance (2007).

RESEARCH PAPER: CRITICAL RISKS IN OUTSOURCED IT PROJECTS: THE INTRACTABLE AND THE UNFORESEEN

The article focuses on two types of risk in outsourced projects. On the one hand the intractable risks and on the other hand the unforeseen risks. Intractable risks are those risks that resist mitigating actions, and still impact the project despite the manager's best efforts to address them at the start. Unforeseen risks are typically overlooked or simply don't seem likely to happen at the risk assessment stage, so that no action is taken to mitigate them. The article highlights certain critical risk factors that both vendors and clients should be aware of when entering into an outsourced agreement for an information system, and suggests key strategies for addressing these risks. In particular, schedule and budget risks can become intractable problems, particularly if they arise from underbidding by vendors or by clients selecting a vendor partner on price alone.

Taylor, Hazel
In: Communications of the ACM 49(2006)11, pp. 74-79.

RESEARCH PAPER: FROM CUSTOMER LIFETIME VALUE TO SHAREHOLDER VALUE – THEORY, EMPIRICAL EVIDENCE, AND ISSUES FOR FUTURE RESEARCH

The authors determine an effects framework for making out how customer lifetime value affects shareholder value. In the chain of that framework, they propose that customer lifetime value serves as an intermediary in the relationship between company actions and shareholder value. The notion of the "present" value of customer lifetime value is introduced by the authors. That captures the impact on customer lifetime value from future adjustments to a company's business model and competitive reactions too. The paper identifies econometric and data-related challenges in establishing the link, which suggest guidance for future research.

Berger, Paul D. et al.
In: Journal of Service Research 9(2006)2, pp. 156-167.

electronic newsletter

Das E-Finance Lab betreibt zwei Typen von Newslettern, die beide quartalsweise erscheinen, sodass alle sechs Wochen die jeweils andere Art herauskommt. Bei dem hier vorliegenden gedruckten Newsletter steht die Beschreibung der Ergebnisse zweier Forschungsprojekte des E-Finance Lab im Zentrum – ergänzt durch ein Interview und weitere Kurzinformationen. Zur Subskription senden Sie bitte eine E-Mail an: eflquarterly@efinancelab.com oder ihre Visitenkarte mit der Notiz „bitte gedruckten Newsletter zusenden" an:

Prof. Dr. Wolfgang König
E-Finance Lab, Universität Frankfurt
Mertonstr. 17, 60054 Frankfurt

Der elektronische Newsletter hingegen setzt mehr auf kurze Anmoderationen und den Einsatz von Hyperlinks zu weiterführenden Ressourcen. Zur Subskription senden Sie bitte eine E-Mail an:

newsletter@efinancelab.com
Viele weitere Informationen finden Sie unter www.efinancelab.com.

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