

# THE FINANCE DUBLIN

YEARBOOK 2012



25



Years of the IFSC



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# Mediolanum in Ireland

## MEDIOLANUM BANKING GROUP

**The Mediolanum Banking Group is a leading Italian financial conglomerate listed on the Milan stock exchange and a constituent of the FTSEMIB index. It was founded in 1982 with the aim of delivering customized, value adding investment products and services to retail clients via an innovative, client centric, service orientated distribution model. A measure of its success is the trust of its clients as evidenced by the fact that the group now has over one million clients and positive net inflows each year since inception, even during the dot com crisis, the height of the 2008 financial crisis and recent extreme market volatility.**

Today the two basic components of Mediolanum's early success, innovation and client service, are firmly embedded in the DNA of the organization and none more so than in Mediolanum's Dublin operations which have developed over time to become the financial research and development centre for the banking Group, driving product and service innovation across the mutual fund and insurance businesses alike. Active in three main European markets (Italy Spain & Germany) Mediolanum offers clients a unique value proposition – customised, end to end product solutions tailored to meet their needs.

### DUBLIN OPERATIONS

In Dublin Mediolanum has a Management Company, Asset Management Company and Insurance Company focused on the research, discovery and development of innovative investment products and services, which it then delivers to its European retail client base through Ucits and Non Ucits mutual funds as well as insurance unit and index linked products. These end products are distributed primarily via the Groups various regional Banks and their Family Banker sales networks.

The challenge from Mediolanum Dublin's perspective is to maintain an operating model capable of delivering at any point in time sufficient innovative product and service ideas at various stages of the product development life cycle, from concept stage right through to mature distributed products to cater to changing client needs and an increasingly volatile and hostile market environment for investment products.

Mediolanum strongly believes in the collaborative process and early on recognised that to meet this objective its business model could not be limited by available internal skill sets and so developed a model based on a number of core beliefs such as the value of collaboration, networking and innovation.

It is not by accident therefore that Mediolanum's operations were based in Ireland where Dublin's IFSC with its critical mass of financial and supporting service firms has become a global innovation hub for the financial sector enabling the spread of technical know-how and ideas.



### INNOVATION & PRODUCT DEVELOPMENT - MODEL AND STRATEGY

In order to create new market space and minimise competition pressures in those markets in which it chooses to compete, Mediolanum competes based on value creation for its clients through product and service innovation. Traditionally companies generate innovation internally through their own creative efforts however this has not always proved sufficient to sustain competitive advantage, therefore Mediolanum in its research and development process leverage on an open network of collaborators. The model has grown organically over time but has been refined and radically expanded in recent years to incorporate in excess of 40 international investment houses as development partners.

Mediolanum brings their clients perspectives to the process (the outputs of distributor workshops, client focus groups, the feedback from the distributors Family Bankers, client product seminars etc) and combining these with Mediolanum's own commercial, distribution and investment capabilities issue challenges to the external network to suggest solutions to client needs. The solutions with the most potential are selected for further investigation resulting in a series of collaborative research arrangements framed by general principles to govern the mutual exchange of ideas and technical capabilities, while protecting the intellectual capital inputs, ideas and intangible values of resultant outputs. Mediolanum Ireland is one of the pioneers for the protection of IP in the Fund Industry and is very active and involved in shaping evolving market best practice in this area.