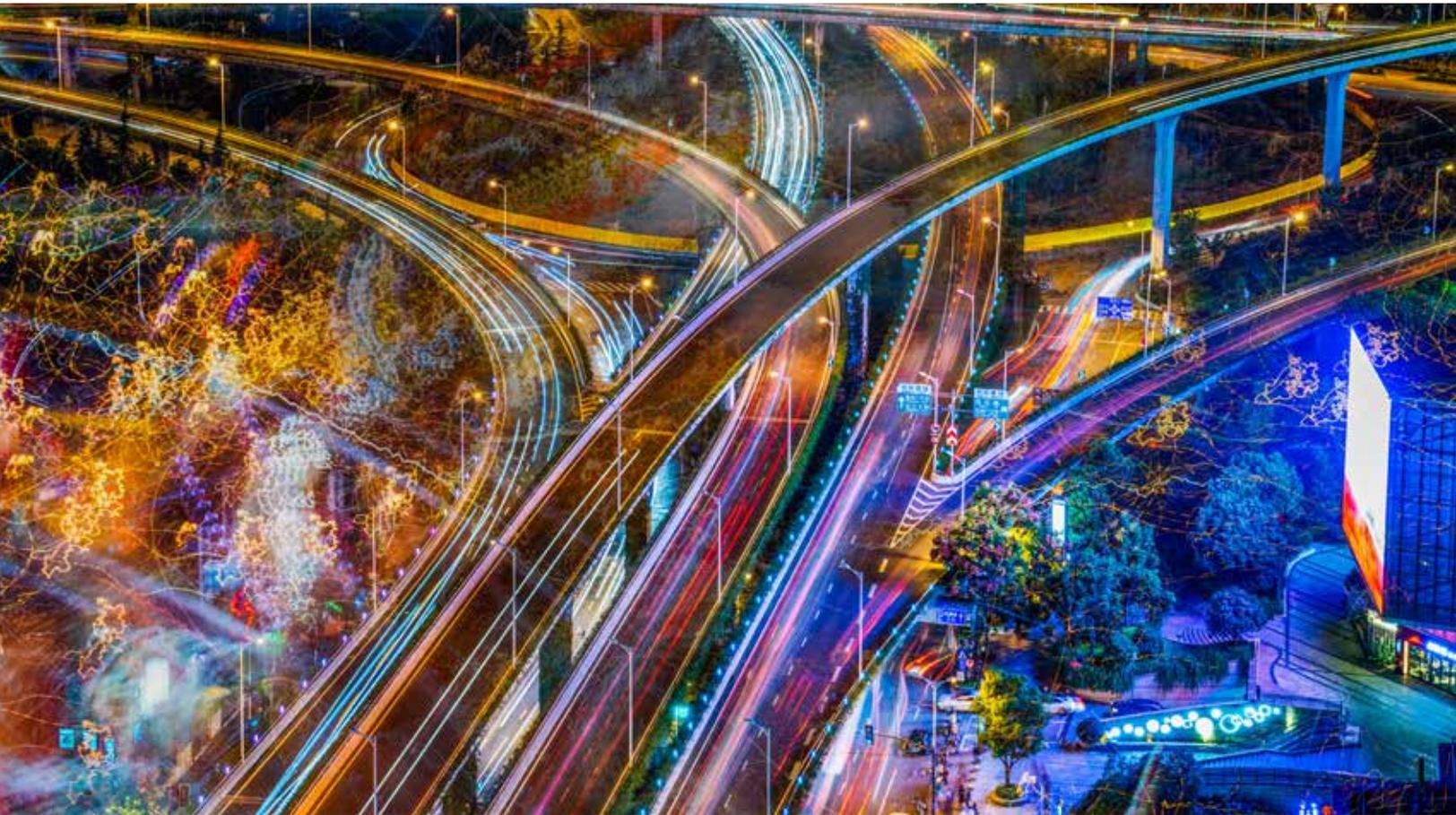


Is your firm ready to future-proof operations?

Use this 10-point checklist



Asset management firms face a difficult competitive environment that's constantly changing. For operations executives, this change provides an opportunity to take their firms' growth and success to a higher level. Moving to a hosted or managed services operations platform can help many firms successfully meet the challenges they face.

The first step on this journey requires an honest assessment of the types of changes necessary to help the firm meet its goals. Only then can it be determined whether a hosted solution—supported by managed services—can help achieve those goals. To learn more about your firm's readiness, follow this 10-point checklist. The more statements that apply, the more likely a hosted solution and/or managed services will make sense for your asset management firm.

Do These 10 Statements Describe Your Firm?

1 OUR FIRM EMBRACES BUSINESS TRANSFORMATION TO KEEP UP WITH THE MARKET AND OUR COMPETITORS.

True business transformation takes discipline. Firms need a big-picture view to do it the right way. If firms instead settle for incremental change, they may wind up with piecemeal solutions that raise costs and impede the ability to scale. And avoiding change altogether creates even more complications.

By contrast, with hosted solutions and managed services, firms can scale up easily, and quickly adjust to the competitive and regulatory landscape. As a firm develops new requirements needing changes or enhancements, an integrated, hosted platform supported by managed services can adjust, upgrade and innovate cost-effectively to meet those needs.

2 OUR LEGACY SYSTEMS AND PROCESSES CANNOT SUPPORT BUSINESS TRANSFORMATION AND RESPOND TO CHANGING NEEDS.

Moving to a hosted solution provides a more agile environment that can quickly respond to evolving priorities, market changes and business imperatives, both during business transformation and ongoing operations. Often, a hosted solution can work with existing legacy systems before, during and after the move to a new solution. Managed services also efficiently and effectively handle routine processes, freeing up internal resources to support and drive business transformation.

3 OUR FIRM NEEDS SCALABILITY TO SUPPORT EXPANSION/M&A STRATEGY.

A hosted solution and managed services can easily integrate new operating units, investment strategies and acquisitions as the firm grows. Such a solution constantly adds new capacity and integrates new users. By leveraging this inherent scalability, firms can avoid the ongoing capital investments once needed to keep technology and capabilities current.

4 OUR FIRM STRUGGLES TO MANAGE INCREASING COMPLIANCE PRESSURES.

Growing regulatory compliance demands can consume asset management firms' capabilities and resources. While most firms are expanding their compliance efforts and budgets, the risks of non-compliance continue to expand. The right hosted solution and managed services can cost effectively provide the most current support, while also reducing compliance-related risks. That's why about 65% of all U.S. open-end funds expect to rely on a third-party provider to prepare operationally and execute the new filing requirements.¹

5 OUR FIRM NEEDS TO KEEP UP WITH EVER-CHANGING CYBERSECURITY NEEDS MORE EFFECTIVELY.

Few areas of asset management firm operations are as dynamic as cybersecurity. A total of 63% of investors expect providers to ensure cybersecurity, yet less than half (48%) of investment firms are well prepared to meet those demands.²

By leveraging a partner to outsource parts of your operational burden, you can gain access to a much larger and more secure security infrastructure than your firm could build on its own. You also can manage cybersecurity risks more effectively and efficiently. The right hosted solution also offers access to dedicated, highly knowledgeable experts, technology and monitoring capabilities that help you manage potential threats better. Few individual firms can afford or manage such capabilities on their own.

6 **OUR FIRM NEEDS MORE ROBUST MONITORING AND STAFF SPEND REPORTING.**

Because information drives today's business, firms must prioritize centralized data storage with access to cleaner and more accurate data. By eliminating manual processes (and the resulting errors), firms can create a virtuous cycle of less labor-intensive auditing, and gain greater trust in the data and processes that fuel enhanced monitoring and reporting.

7 **INCREASING SOPHISTICATION AND COMPLEXITY OF INVESTMENT PRODUCTS PUTS PRESSURE ON OUR EXISTING SYSTEMS, PEOPLE AND PROCESSES.**

Products and services are the core drivers of asset management firm success. Without the support of effective internal operations, firms may struggle to deliver the kind of innovation and service today's customers expect and deserve. As product offerings expand and change, operations executives must obtain detailed information and insight into how any provider will handle this core challenge now and in the future.

8 **WE MUST MAKE OPERATIONS MORE EFFICIENT AND COST EFFECTIVE BY DOING "MORE WITH LESS."**

While cost and operational efficiencies are expected whenever a firm chooses a hosted or managed service, they aren't guaranteed. However, by developing a strong partnership with a trusted provider, firms can set efficiency and cost-effectiveness goals and back them up with a strong service level agreement. With one provider and one contact, there will be no confusion about who is responsible for addressing any issues and planning improvements and upgrades.

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9 **TRANSFORMATION WILL HELP US SHIFT IT STAFF'S FOCUS FROM SYSTEM MANAGEMENT AND MAINTENANCE TO PROCESSES THAT DRIVE AND SUPPORT THE CORE BUSINESS.**

Simply adding or changing staff will not address the challenges today's firms face, especially if staff still spend their time and energy on non-business-critical tasks, systems or processes. Moving these systems and processes to a trusted business partner through a hosted solution and managed service allows operations executives to identify what talent the firm needs and then structure jobs, responsibilities and goals to achieve the necessary business transformation and results.

10 **WE NEED TO ACQUIRE THE NECESSARY SKILL SETS AMONG OPERATIONS/IT STAFF TO ACHIEVE OUR BUSINESS GOALS AND TRANSFORMATION.**

To move toward a more strategic vision and purpose, operations needs the right people. Before the move to a hosted solution and managed services begins, operations executives must evaluate post-move talent requirements. In some cases, current staff may have the necessary skills, knowledge and willingness to assume new roles and responsibilities. In others, operations executives will need to seek new talent for new or revised roles.

CONCLUSION

Asset management firms dealing with the issues highlighted here can benefit greatly from a hosted technology solution and managed services. Firms that do so will likely see an immediate impact on cost savings. An integrated, hosted solution can cut technology spending in half and reduce operational costs 30% to 40%.

In addition, a hosted technology solution and managed services allows firms to maximize the capabilities and scalability of technology without large capital investments. Such a solution allows staff to offload routine processes and spend more time focusing on alpha generation and raising capital.

In today's business environment, asset management firm operations executives have a unique opportunity to transform their firms and build a solid foundation to support the next step in their growth.

¹Kane, Danielle. "Brace For Impact," Fund Intelligence Group, October 24, 2016.

²Wealth and Asset Management 2021: Preparing for Transformative Change, Roubini ThoughtLab, 2016.

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