



# The Promise of Transformation

How asset management firms are managing increasing complexity and regulation

In today's uncertain regulatory and market environment, business transformation is an imperative. Rising regulatory, vendor and data risk—along with cost and return pressures—mean you need more than “business as usual.” By adopting flexible and nimble operational models, you can position your firm for success.

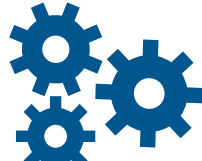
## Growth Challenges

Buy-side, sell-side and corporate executives cite:<sup>1</sup>



**35%**

More intense regulation and governance



**32%**

Changes in market or industry structure



**17%**

Growing globalization



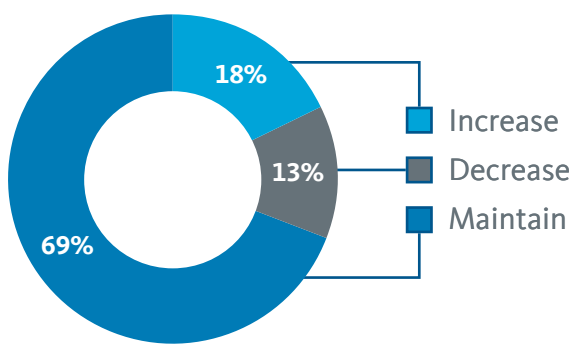
**13%**

Technological advances

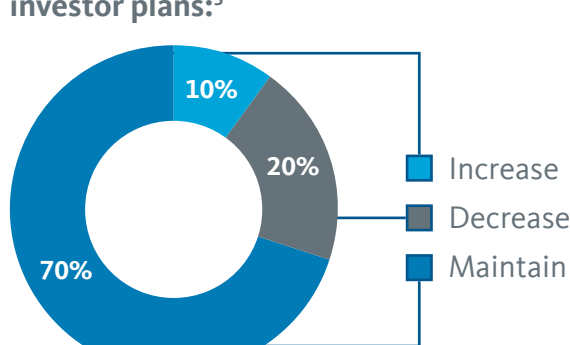
## A Business Model Under Pressure

Competition for capital rises

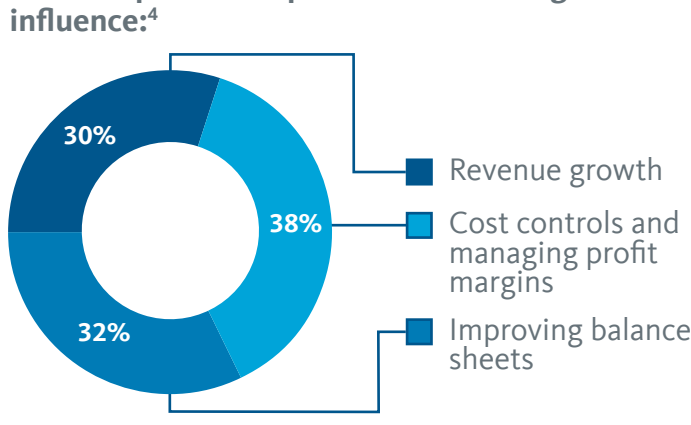
Global investors' 3-year allocation plans:<sup>2</sup>



Retrenchment dominates North American investor plans:<sup>3</sup>



ROE components expected to have the greatest influence:<sup>4</sup>



However, 60%-70% of large asset management firm employees work in non-alpha-/capital-generating roles.<sup>5</sup>



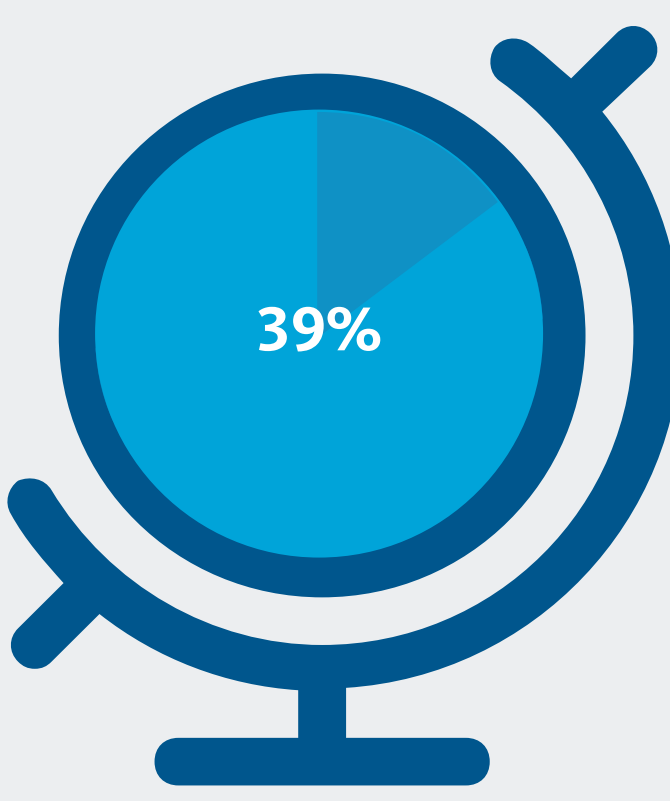
## Solve for Growth

Operational change drives business value

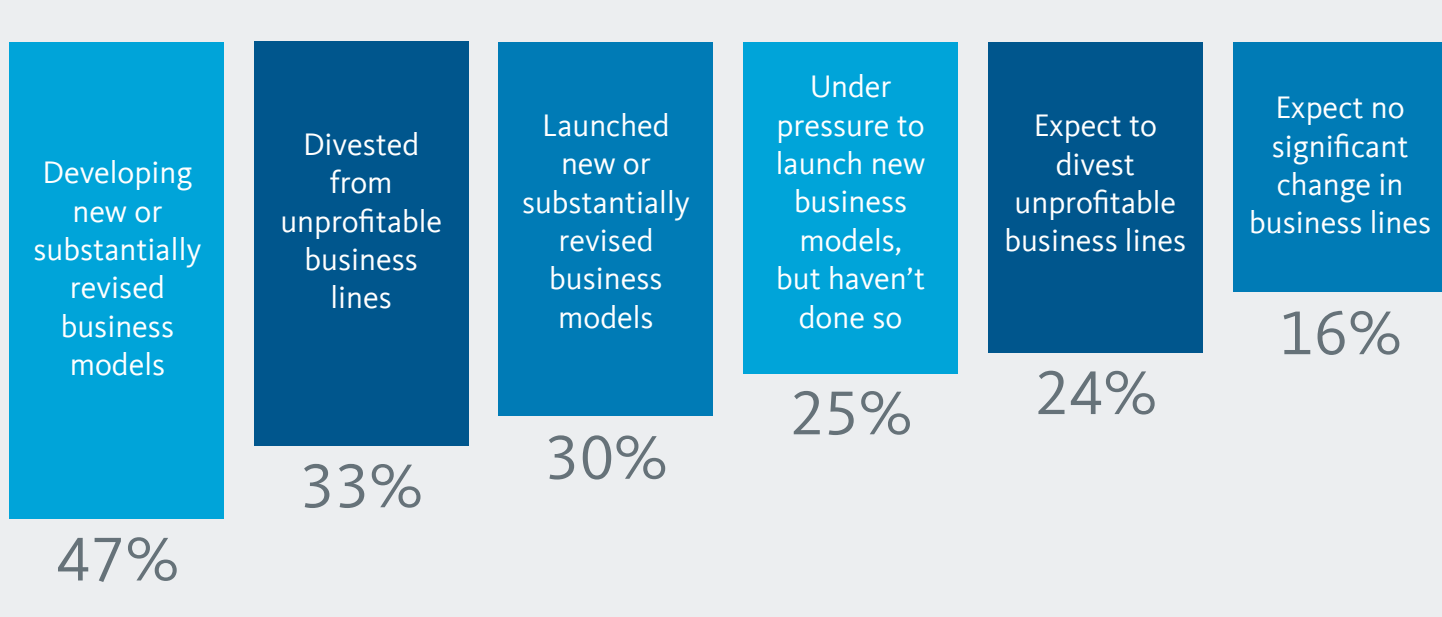
Executives pursue critical strategies for...<sup>6</sup>

RESPONDING TO GLOBAL CHALLENGES:

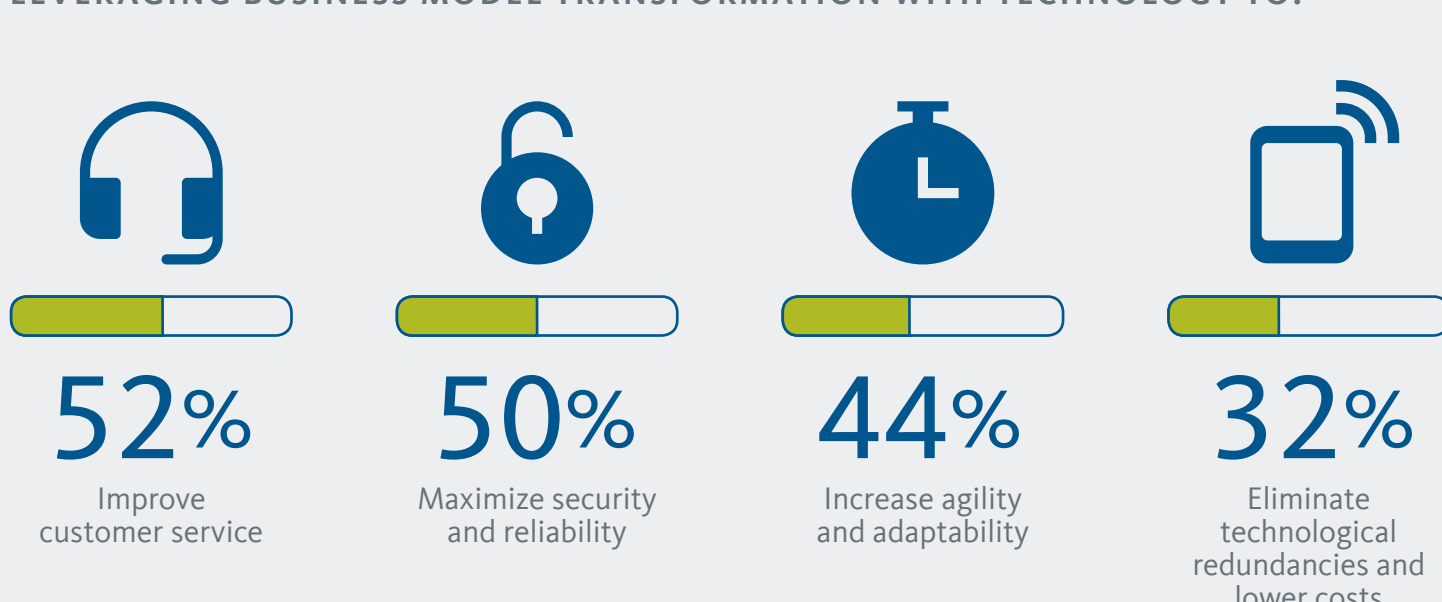
- Managing risk
- Investment in product differentiation and innovation
- Meeting increasing customer demands
- Modernizing technology infrastructure
- Establishing operational standards and controls
- Implementing cost-cutting initiatives to meet an operating margin target
- Centralizing operational functions
- Outsourcing non-core business functions
- Reallocating capital
- Implementing enterprise data management initiatives



ADAPTING TO INDUSTRY/MARKET CHANGES:

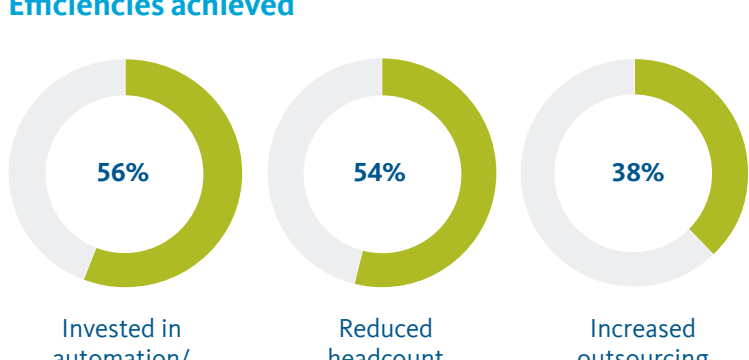


LEVERAGING BUSINESS MODEL TRANSFORMATION WITH TECHNOLOGY TO:



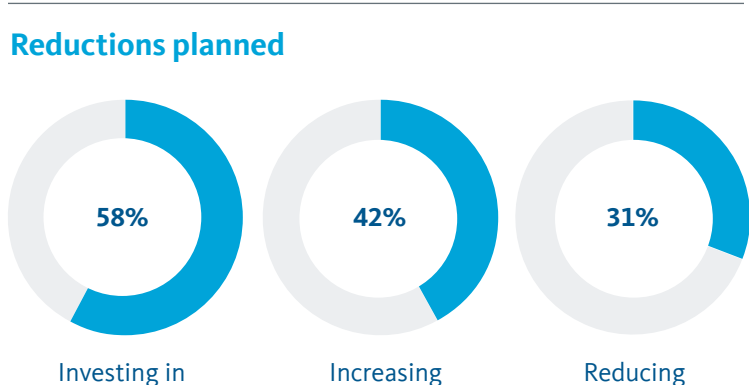
## Cost reduction for asset fund managers today and tomorrow:<sup>7</sup>

Efficiencies achieved



43% of executives believe building automated processes for integrating risk management, audit and compliance is an effective strategy for coping with tighter regulatory environments.

Reductions planned



### Sources

<sup>1</sup> Broadridge and the Economist Intelligence Unit, “Operations Power Performance: Managing Risk and Delivering Value,” 2014  
<sup>2</sup> EY 2016 Hedge Fund Survey, “Will Adapting to Today’s Evolving Demands Help You Stand Out Tomorrow? 2016 Global Hedge Fund Survey,” [http://www.ey.com/Publication/vwLUAssets/ey-2016-global-hedge-fund-and-investor-survey/\\$FILE/ey-2016-global-hedge-fund-and-investor-survey.pdf](http://www.ey.com/Publication/vwLUAssets/ey-2016-global-hedge-fund-and-investor-survey/$FILE/ey-2016-global-hedge-fund-and-investor-survey.pdf)  
<sup>3</sup> Ibid.  
<sup>4</sup> Broadridge Insights: Restructuring for Profitability <http://www.broadridge.com/broadridge-insights/Restructuring-for-Profitability.html>  
<sup>5</sup> The Hedge Fund Journal, “Broadridge’s Buy Side Gambit,” <https://www.thehedgefundjournal.com/content/broadridge%E2%80%99s-buy-side-gambit>  
<sup>6</sup> Broadridge and the Economist Intelligence Unit, “Operations Power Performance: Managing Risk and Delivering Value,” 2014  
<sup>7</sup> EY 2016 Hedge Fund Survey, “Will Adapting to Today’s Evolving Demands Help You Stand Out Tomorrow? 2016 Global Hedge Fund Survey,” [http://www.ey.com/Publication/vwLUAssets/ey-2016-global-hedge-fund-and-investor-survey/\\$FILE/ey-2016-global-hedge-fund-and-investor-survey.pdf](http://www.ey.com/Publication/vwLUAssets/ey-2016-global-hedge-fund-and-investor-survey/$FILE/ey-2016-global-hedge-fund-and-investor-survey.pdf)

