

# Industry Pulse

What's on the minds of today's  
chief financial officers?



REVENUE AND EXPENSE MANAGEMENT  
SURVEY RESULTS



## In an increasingly competitive market, finance and operations executives say they want to run more efficient operations and improve the client experience

Within asset management firms, chief financial officers (CFOs) face a host of complex challenges, including the need to reduce costs and build efficiencies, generate better metrics, and manage risk amid a tightened regulatory environment.

At the same time, they must strive to remain competitive by differentiating themselves with enhanced service and innovative solutions. Of all of these competing objectives, however, which ones are at the top of their list?



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*Our recent client survey indicated that today's finance and operations executives are grappling with a range of business goals, including the need to enhance efficiencies and increase accuracy.*

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## Key survey findings

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The top priorities for CFOs are achieving higher operational efficiencies and improving the client experience.

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In terms of individual business objectives, they want to increase efficiency and accuracy in order to provide higher levels of clarity on costs and sales activity.

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Automated revenue and expense technology is having a significant impact on their firms' operational efficiency by decreasing manual processes, ensuring cleaner data and analytics, and generating key metrics.

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### TOP PRIORITIES FOR CFOs

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OPERATIONAL  
EFFICIENCY

CLIENT  
EXPERIENCE



DATA  
ACCURACY

AUTOMATION  
& ANALYTICS



## TOP BUSINESS OBJECTIVE: Enhancing operating efficiencies

Nearly half of all respondents indicated that enhancing operating efficiencies was their top business priority. Clearly, they are embracing a number of different approaches to structuring their operations and technology to be more flexible and cost-efficient including outsourcing non-core competencies, shared services models and streamlined infrastructures.

Each of these approaches has consequences and cultural implications that effect how firms operate and drive profits.

Improving the client experience came in second, with 26% naming it as their top business goal. That's not surprising given the increasingly competitive environment, which demands that asset managers develop new and innovative "client-centric" product lines.

Risk management took a strong third place in the survey, as a highly regulated, increasingly global and constantly changing landscape has become the "new normal" for financial firms.

## TOP COMPANY PRIORITIES

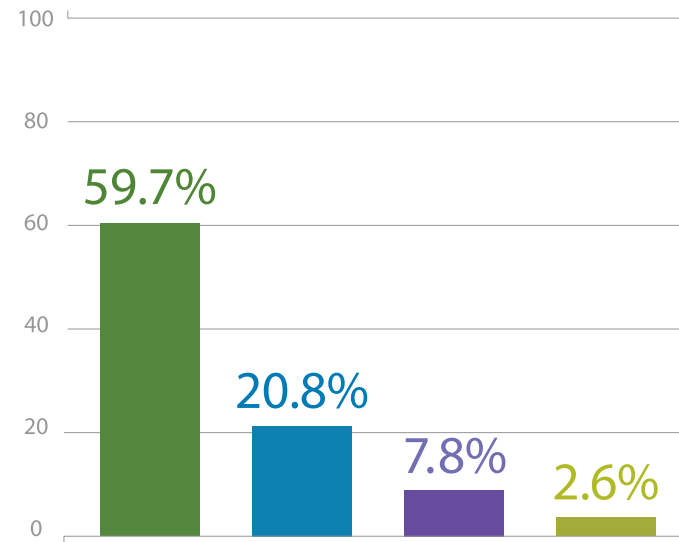


## TOP PERSONAL OBJECTIVE: Increasing performance and accuracy

The top individual priority for 60% of survey respondents was increasing personal efficiency. We believe this reflects the general trend in the industry to move away from error-prone manual and point solutions in key areas of operations such as finance and operations, sales and marketing, and compliance. More efficient processes can provide higher levels of clarity on costs and sales activity.

Improved billing and revenue management came in second place, reflecting finance executives' need to improve revenue and cash flow by becoming better equipped to handle today's complex fee structures and schedules.

## TOP INDIVIDUAL BUSINESS PRIORITIES



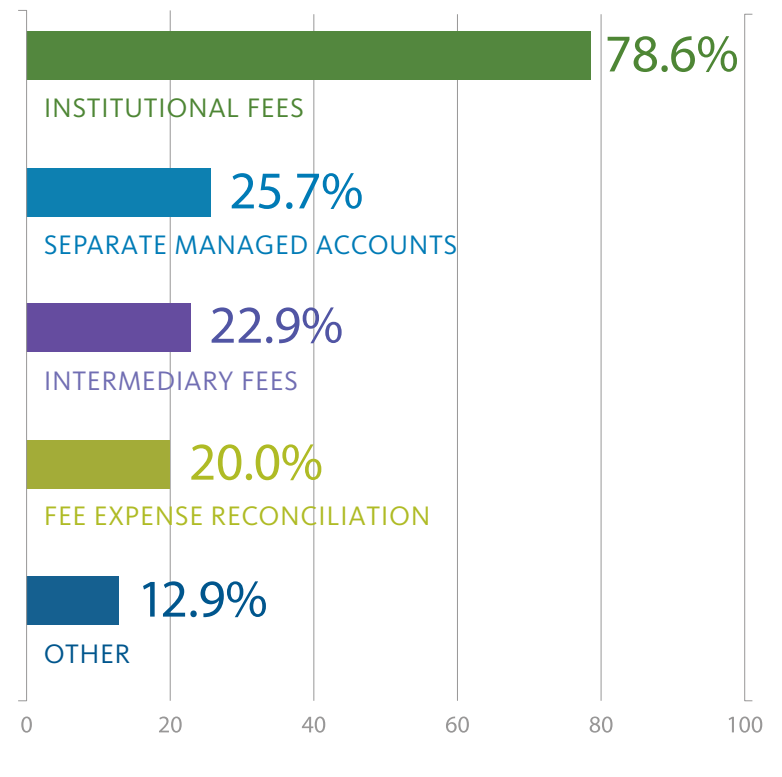
- INCREASE EFFICIENCY AND ACCURACY
- IMPROVE BILLING AND REVENUE MANAGEMENT
- COMPLY WITH NEW REGULATIONS
- REDUCE COSTS

## How are firms using Revenue and Expense Management solutions?

Broadridge clients leverage automated revenue and expense management technology for a range of tasks within a variety of asset management businesses. A large majority of firms (79%) rely on it to calculate and validate institutional fees (management and performance fees).

Twenty-six percent of firms apply it to Separately Managed Accounts (SMAs) (e.g., wrap fees and platform services). Intermediary fee calculation (12b-1 fees, payouts, and rebates) was also a common use, as were fee expense validation and reconciliation.

### THE MOST USED CALCULATIONS



## Creating higher efficiency through automation

The survey results reveal that technology is having a direct and significant impact on clients' ability to manage costs and create efficiencies.

An overwhelming majority (86%) reported that the solution is improving their ability to perform as an "investor first" company because it increases operational efficiency (40%), improves billing accuracy and invoicing (38%), and allows them to develop targeted "client-specific" offerings (14%).

By automating key business processes, technology has helped 75% of our clients ensure cleaner data and analytics. Technology has also helped firms to generate key metrics such as finance reports (69%), performance reports (43%), and productivity reports (26%).

Almost 60% said it significantly decreased the manual and error-prone components of their business processes—so much so that another 70% said that they are now able to focus their time on tasks important to the business, rather than on clerical tasks.

### IMPACT OF TECHNOLOGY ON CLIENTS' COST MANAGEMENT AND EFFICIENCY



**86.0%**  
PERFORM AS AN  
"INVESTOR FIRST"  
COMPANY

**75.6%**  
IMPROVE DATA  
ACCURACY



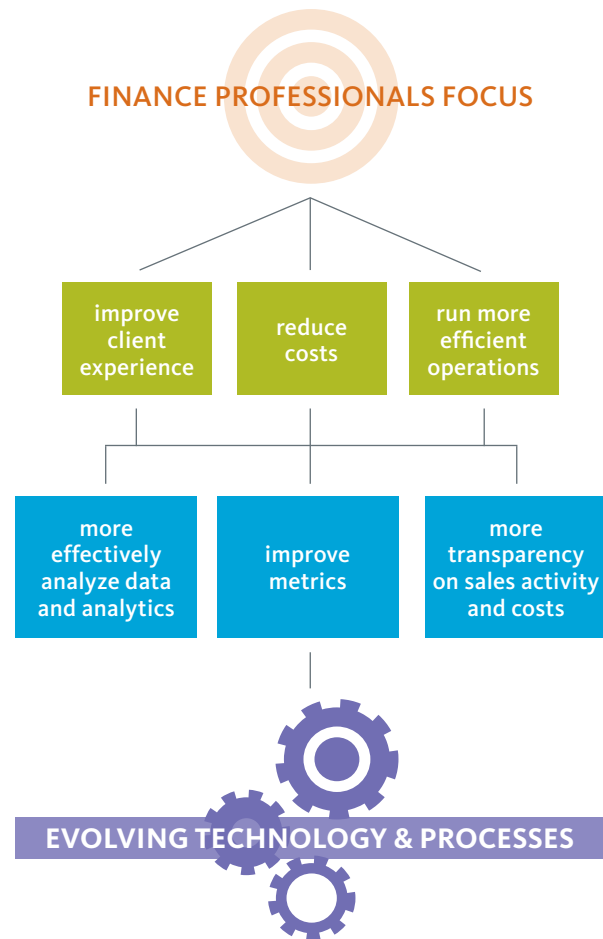
**69.4%**  
FOCUS ON MORE  
IMPORTANT TASKS

## The road ahead: Evolving our solutions to address your goals

Finance professionals indicated that they plan to focus on improving the client experience, reducing costs, and running more efficient operations. At the same time, they must find ways to more effectively analyze data and analytics to improve metrics and provide more transparency on sales activity and costs amid a tightening regulatory environment.

As these trends continue well into the future, our industry technology and processes will need to evolve. Our goal is to continue to partner with our clients to enhance and develop new technology and solutions that help them achieve their goals and address their most complex challenges.

### THE GOAL: PARTNER WITH CLIENTS – PROVIDE SOLUTIONS





### **About Broadridge**

Broadridge Financial Solutions Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally.

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