



## Case Study: Efficient, Scalable Operations for an Asset Manager Undergoing Tremendous Growth

Rapid growth and global expansion came with mounting operational challenges for an independent investment management firm. Making complete, accurate and timely data available to managers at the start of the trading day across global time zones was draining resources. They were continually enhancing their infrastructure to keep pace, but the associated costs were impacting profitability and they were concerned about risk. The firm turned to Broadridge to optimize and scale their operations. We guided a seamless transition to outsourcing with a foundation of technology and managed services for data aggregation and reconciliation. We helped the firm improve processing and handle additional volume while reducing operating expenses. They now have a reliable, efficient and scalable foundation for growth.

### Overview

Market conditions have changed the competitive landscape for asset managers. Globalization, regulation and commoditization of services have forced smaller firms to consolidate and expand into global markets to compete. Putting the technology, staff and processes in place to manage the resulting investment complexity and regulatory requirements is squeezing profit margins and slowing growth.

A North American asset management firm with more than \$60 billion in AUM and a staff of 750 has doubled AUM and expanded into international markets over the past three years—and they are on track to maintain a 30% growth rate year over year. The firm's infrastructure was comprised of disparate, “best of breed” solutions from various vendors for data aggregation, reconciliation and other key investment management processes. All operations were supported in house.

Making complete, accurate data available to their managers around the world at the start of their trading days was the firm's first priority.

### Broadridge Point of View

Broadridge helps asset managers and other buy side firms grow revenue, reduce costs and manage risk in a challenging market. We are a strategic partner to our clients, optimizing business models and managing operational processes so they can focus on differentiating functions like investment strategy and client relationships.

Data aggregation and reconciliation are core components of Broadridge's investment operations platform. Our unique platform combines best-in-class technology with market-leading managed services to create complete, flexible and scalable solutions for asset management firms. It lays a foundation for our wide range of offerings for investment operations, data and analytics, and client communication and engagement.

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***A leading asset management firm looks to double AUM by expanding into global markets while managing risk and controlling costs.***

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**Broadridge®**

## The Challenge

The firm was managing more than 20,000 investment accounts across 65 custodial banks, creating a large volume of complex data that needed to be acquired, normalized, reconciled and posted by the start of the trading day across global time zones.

Gathering, consolidating and formatting data, standardizing the reconciliation process, and posting to accounting according to business and regulatory requirements was draining resources. Back office staff were detracted from strategic middle and front office functions. The operations team was struggling to keep up with the growing number of global custodians. Discrepancies due to the time difference created the need for manual reconciliation and updates, often stretching their work days to more than 12 hours.

The firm was continually adding “best of breed” point solutions and additional staff, but the effort and investment required to integrate, upgrade and support the infrastructure was mounting. With plans to expand further into Europe and Asia, it was clear they needed a more reliable, efficient and scalable solution. They were considering outsourcing their operations, but managing risk and maintaining service levels were concerns.

## Our Solution

Broadridge provides the firm with a premium service to manage the data aggregation and reconciliation process from end to end. Holding and transaction data is acquired directly from custodians, external managers and other third-party sources through Broadridge’s proprietary direct feeds. We normalize it and feed it into our reconciliation platform, which automatically reconciles, identifies breaks and provides tools to manage and correct inconsistencies. We then apply all corrective actions, including resolving breaks, to the accounting platform according to business requirements and Service Level Agreements.

Broadridge advised the firm on a seamless, risk-managed transition to outsourcing that simultaneously engaged custodians, moved processes off legacy platforms, and converted operations. We became an extension of their back office, even providing follow-the-sun support for clients, and proposed stringent SLAs to ensure their custodians, managers and operational leadership received comparable or better service.

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*Increased global processing capacity by 25%*

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*Reduced operational expenses by 25%*

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*More informed, agile investment management*

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*Improved service delivery to custodians and clients*

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*Streamlined infrastructure that scales efficiently*

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## Results

With direct connections to custodial banks and a global team of reconciliation experts available around the clock, Broadridge helped the firm accommodate volume and complexity while reducing operating expenses. Their managers all over the world are empowered to analyze and respond in real time to market conditions, because they start the trading day with complete, accurate information.

Their trading capacity has increased by more than 25% and will likely double in the next three years, while Broadridge’s single-vendor, managed solution has cut operating costs by 25%. Immediate, real-time processing controlled by stringent SLAs ensure custodial feeds are picked up, reconciled, reviewed and acted upon around the clock for measurable service improvement.

These operational enhancements were made without adding staff so resources can be re-allocated to strategic business objectives that directly impact growth and profitability. The firm now has access to a variable cost structure to support that growth with minimal effort, cost and risk.

**For more information on this case study, please contact us at +1 646 214 3700.**

## About Broadridge

Broadridge is the leading provider of investor communications, technology-driven solutions, and data and analytics for wealth management, asset management and capital markets firms, and corporations. We help clients drive operational excellence to manage risk, accelerate growth and deliver real business value.

