

GETTING A RETURN FROM AUTOMATION

BEING ABLE TO HANDLE THE VOLUME AND COMPLEXITY OF DATA NOW REQUIRED TO PROVIDE TAILORED CLIENT REPORTING SUITABLE FOR ALL STAKEHOLDERS HAS MADE END-TO-END SOLUTIONS ESSENTIAL. BUT THE KEY IS TO CREATE THE INFRASTRUCTURE TO ACHIEVE THIS IN A WAY WHICH ACTUALLY PROVIDES AN INVESTMENT RETURN, SAYS SIMON CORNWELL OF VERMILION SOFTWARE.

While not traditionally known as the sexiest part of financial services, efficient reporting is fast-becoming one of the most sought after.

The need for this operational process to be streamlined has never been greater. Both the volume and detail of data and information requested internally to satisfy clients, consultants and regulators has been increasing rapidly.

At the same time, as wealth and asset management organisations pursue growth, they are being forced to consider whether their current reporting processes and infrastructure has either the scalability or the responsiveness to meet the growing demand for information.

"Firms realise they need to maintain and improve their ability to provide timely, accurate, audited, approved and consistent data through an increasing number of static and online distribution channels," says Simon Cornwell, co-founder and global sales & marketing director of Vermilion Software.

Automation provides firms with the ability to meet these requirements without increasing operational headcount, providing a better service to in-

vestors and freeing up expensive staff to concentrate on more valuable activities, he adds.

Inevitably, however, moving beyond the typical manual process of report production – including scheduling, report generation, approval, tracking and delivery – requires an investment.

The key, he explains, is to choose and implement the right software and tools to ensure that an automated solution produces a return, rather than just incurring a cost.

CLIENT REPORTING TO THE NEXT LEVEL

One of the main trends driving the direction of client reporting is a centralisation of report creation.

Traditionally, explains Cornwell, this has been done haphazardly across different departments within a firm. "Some departments provide data, others market commentary, while marketing might provide (or require) something different."

The way to take it to the next level is via end-to-end automation. In short, that



Simon Cornwell

Vermilion Software

means enabling an organisation to retrieve data from the disparate systems that exist across the firm. "Reports can then be generated in next to no time, in as little as 20 seconds, for example, for a 30-page complex report."

It also involves automating the way the information is presented, to tailor it to

FIRM PROFILE

the requirements of an individual organisation in terms of pagination, layout and branding.

Being able to deliver on the increasing requirement for information from stakeholders is also starting to have positive implications in terms of generating new business.

With asset owners from other parts of the world looking to increasing allocations to Asia, wealth and asset management firms need to report in a suitable way.

Cornwell says this also means having multi-lingual capabilities so that the system can automate the process of translating content and ensure a consistent layout and presentation.

ADVANCING DATA DELIVERY

Yet creating visually appealing reports is just one element. Wealth and asset managers also need to be able to gather the raw data, whether for a chart or graph, and present it in a template which is in line with what an investment consultant is looking for.

“Consultants want raw data to be available in a specific format which enables them to take that excel template and then position, for example, the top 10 holdings by performance data, or the last ‘x’ numbers of stock traded,” explains Cornwell.

Further, clients want to be able to access and view all output as part of a

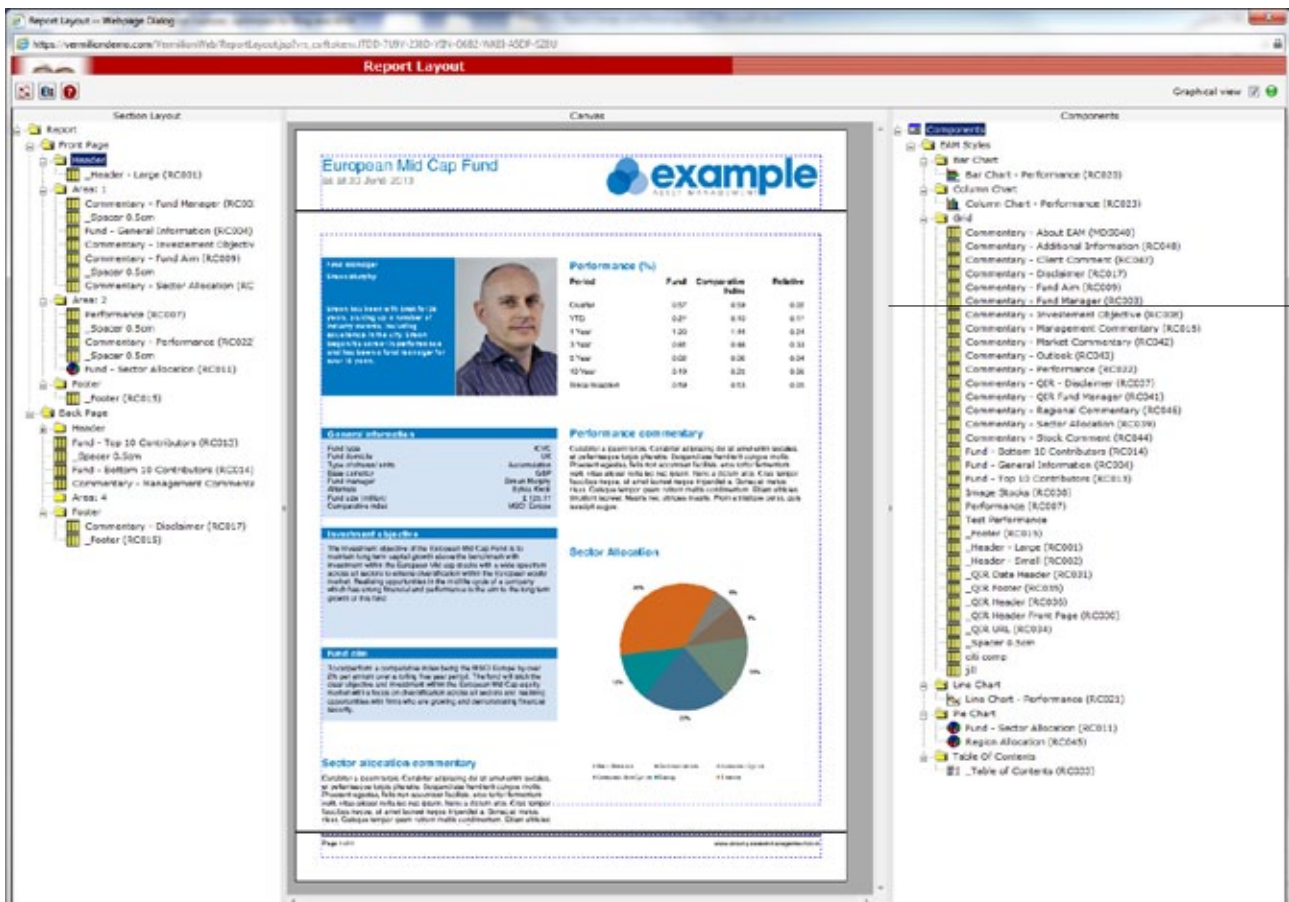
packaged bundle, through which they can then drill down to get more insights from the data.

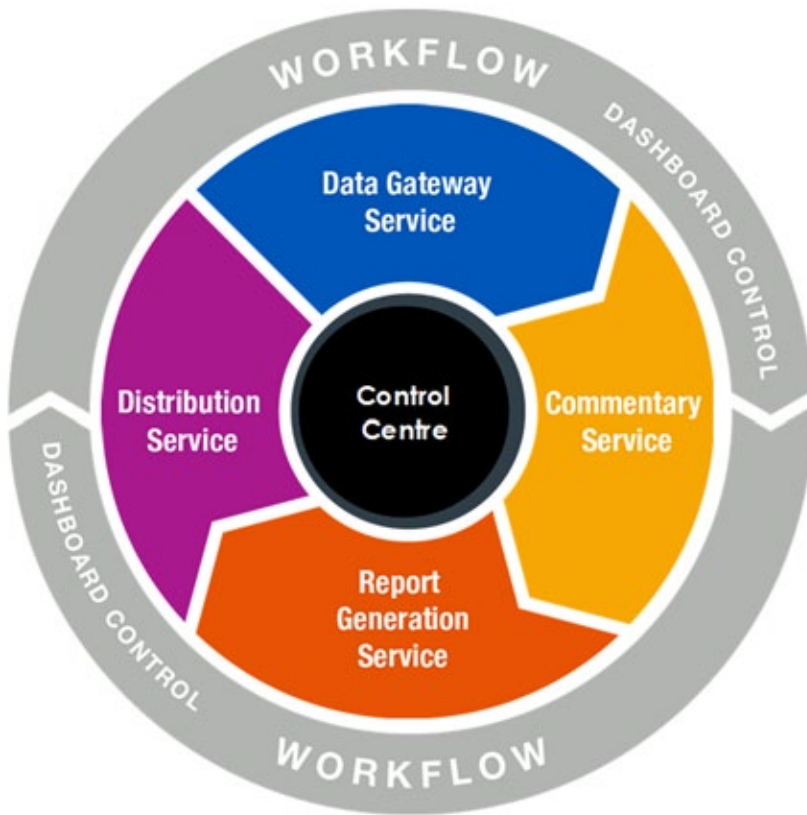
For example, they might want to see what has been traded and when, adds Cornwell, and how that compares with other time periods.

PROVIDING A RETURN ON INVESTMENT

More specifically, putting in place the different features of a truly automated, end-to-end reporting solution creates some very tangible benefits for a wealth or asset management firm.

First, explains Cornwell, is reduced time to market. Personalising reports





in a more industrialised way demands little - if any - additional time from the client reporting team. There is no reliance on external parties, and no compromise in terms of other business priorities.

The business users themselves also get involved in the process, which further reduces any wasted time or effort.

“With the thousands of clients that many asset and wealth management firms have, manual processing isn’t practical,” he explains. “Also, a software package doesn’t tend to take any days off work.”

Secondly, more tailored and consistent output can improve client retention. While clients are unlikely to change wealth managers if performance is

good but reporting is not up to scratch, a firm which doesn’t have the ability to analyse the data to articulate clearly and visually why performance might not be as good as expected will leave a client with doubts.

A service which is transparent and meets the preferences of individual clients is a value-add.

“Automated systems put better workflow in place, facilitating improved service levels,” explains Cornwell. “If report templates only need to be built once, and they have variable rules which instruct the workflow to automatically include or exclude content based on client, portfolio, strategy, risk and even specific performance figures, then a truly customised message can be delivered.”

Improved margins is a third real business advantage. “Automation can improve the bottom line by enabling a business to grow AUM or client numbers without increasing operational head count,” says Cornwell.

Producing hundreds of fact sheets, for example, which might take a team of four people a week to create manually, can easily be cut to half a day. “That is a huge return on investment,” he says.

This is also particularly important at a time when wealth and asset managers are getting squeezed on fees.

At the same time, he adds, improved accuracy leads to a reduction in support calls or queries.

A fourth benefit is the ability to create personalisation with scalability. A system can be tuned to adapt to an individual firm’s changing business model and rapidly scale to meet their business needs.

“Financial services firms need to be able to scale to any number of differing report requirements and recipient volumes,” explains Cornwell, “such as low touch, high volume, or high touch, low volume.”

Increased oversight and reduced risk are the other two benefits when using automated solutions.

By getting the right type of information, management decision-making is made more transparent and relevant.

In turn that creates more visibility and user accountability in relation to reporting operations. It also reduces operational and regulatory risk in a cost-effective manner. “It is possible to see from an operational standpoint, for instance, where the bottlenecks are, and where errors are being made,” says Cornwell. ■