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5 QUESTIONS TO START UNLOCKING THE DIGITAL OPPORTUNITY IN INVESTMENT MANAGEMENT

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INTRODUCTION

Investment Management (IM) continues its upward trajectory, pushing to the forefront of Financial Markets. In order to capitalise on this growth, firms must embrace the impact technology is having as an enabler that is shaping the future of the industry.

This guide details five key questions IM firms need to ask themselves in order to address today's challenges by implementing more flexible and responsive solutions to keep pace with regulatory change, enable cost efficiencies and better serve their end customers.

We at **Endava** see a need for investment management firms to reimagine how they leverage technology now to take advantage of the digital opportunity. This can be achieved by putting the investor at the heart of the business model, optimising distribution channels and simplifying business and operational models.

TODAY'S CHALLENGES:

In contrast with many industries employing digital first strategies only a quarter of IM firms offer digital channels beyond email. Investor expectations are moving quickly to be based around increased options to utilise lower-cost strategies, more outcomes-based product sets, fee transparency and alternative fee models through omni-channel experiences.

The Investment Management industry challenges are being driven by:

- **Increasing cost pressure.**
- **Evolving regulatory complexity and pressure.**
- **The need to better engage digitally with clients.**

To truly address these core industry challenges, technology must be considered holistically, including creating and implementing robust data strategies and data management solutions that facilitate responsiveness to regulatory change.

Additionally, improving UI/UX and investor access to relevant digital apps/platforms achieves stronger client engagement and gains competitive advantage, while embedding effective automation across the value-chain enables operational and cost efficiencies.

THE 5 QUESTIONS

Based on our industry experience, here are 5 key questions that we believe can help Investment Managers start to make the most of the digital opportunity:

Q1. Do you have a complete view of your system landscape, and the role it plays in driving value across your business?

Q2. Does your data strategy deliver business value?

Q3. Do you have an automation roadmap?

Q4. How would your business benefit from an enhanced customer experience?

Q5. How do you approach innovation?
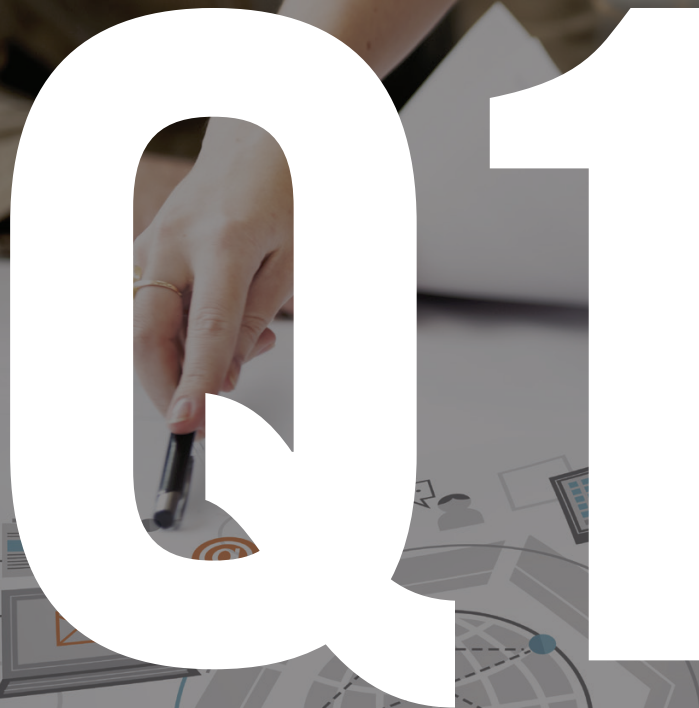
Do you have a complete view of your system landscape and the role it plays in driving value across your business?

An understanding of your entire technology estate is essential to expose existing shortfalls and untapped opportunities. These are heavily reliant on having a sound, cohesive technology estate that enables flexibility, scalability and effective delivery. Some of the aspects you should be considering include Data Readiness, Automation and the associated value-added services that they produce.

TOP TIP

Having a complete view of your system landscape will provide clarity and direction helping you to remediate technical debt, enable efficiencies and setting you up for future change and scale:

- Creating and understanding your target architecture.
- Necessary future tools and technology.
- An associated technology roadmap.

START WITH:

Enterprise Architecture Reviews

Conducted quickly and efficiently, architecture reviews have provided our clients with a valuable, tangible output which allowed them to understand and map their existing technology estate.

This further enabled them to start defining the future target state and provided a roadmap to help achieve it. Reviews can take as little as one month to complete, are undertaken by industry practitioners and help you ensure a central building block of technology strategy is up to date.

IN PRACTICE:

We produced a comprehensive application matrix for a global Asset Management firm, helping them:

- Achieve a holistic view of all applications and systems within their estate.
- Better understand their business dependencies and complexities.
- Build an onward plan for estate modernisation and target state.

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Does your data strategy deliver business value?

The real business value in having the ability to access and analyse data from multiple sources, both internal and external, is derived from utilising this data in:

- Executing better investment strategies.
- Quickly and efficiently fulfilling regulatory obligations.
- Meeting client expectations in delivering seamless user experiences.

Organic growth and market consolidation have resulted in diverse IT estates and technologies which makes providing these benefits a challenge.

TOP TIP

Effective data strategies and data management solutions give you a clear picture of internal and external data sets and optimise their use and presentation, resulting in decisions based on insight, not just opinions.

START WITH:

Data Readiness Assessments

We help our clients overcome the challenges of having data in disparate corners of their organisation and have built significant experience in this area. Our team of data experts are ready to engage in a Strategy Workshop or a Lab engagement to start the ball rolling. Examples include building intelligent integration platforms to enable fast bridging between silos and implementing a data layer acting as a first port of call for external data requests in case they already exist within the company.

Through a combination of domain knowledge, business intelligence and big data technical expertise, we enable our clients to understand what is required across every part of their business in order to properly address their data demand and build data integration, storage and reporting solutions to meet these needs.

IN PRACTICE:

We produced a thorough assessment of an existing data management platform for a global Asset & Wealth Management firm, providing:
• Deep insight into platform opportunities & limitations.
• Gap analysis on build vs buy for future target state.
• Future data strategy recommendations.

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Do you have an Automation Roadmap?

There is significant conjecture within the Financial Services industry around the role Automation can play in reducing costs and increasing operational efficiency. Added to this are contradicting views on the practical application of Robotic Process Automation, Machine Learning, Artificial Intelligence and the role they will play in achieving their heralded benefits.

TOP TIP

Having a pragmatic view of what the application of automation can achieve is crucial to:

- Realising the benefits of minimising manual processes.
- Optimising your business, making you more efficient.
- Achieving cost synergies across the value chain.

START WITH:

Automation Strategy and Execution Analysis

Endava has significant experience across the automation spectrum, from test automation and continuous delivery to AI, RPA and Machine Learning. Our Automation Strategy and Executions analysis evaluates your current state and helps you define your goals by focusing on the business challenges that need to be solved.

Within the Investment Management industry, we are helping clients tackle traditionally labour-intensive operational challenges such as extracting important asset-related data, or reporting and compliance obligations. The resulting benefits include driving cost efficiencies and simultaneously freeing up your highly skilled employees to focus on the work that adds real value to your business.

IN PRACTICE:

We developed an Automation Strategy for Distribution application suite for a global Asset Management firm, providing:

- A comprehensive Test Strategy and Reusable Test Automation frameworks & regression test packs.
- Continuous Delivery strategy and roadmap.

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Would your business benefit from an enhanced customer experience?

Investment performance was originally the key driver behind technology spend. Digital departments have by comparison developed slowly and are usually fostered through an identified marketing need, rather than a customer-centric technology strategy. This has led to limited improvements in digital presence and addressing the associated customer experience this presence produces.

TOP TIP

Investment Managers should be looking closely at their customer engagement strategies across onboarding, portal strategy and mobile to develop or improve apps, in turn streamlining and improving the customer experience.
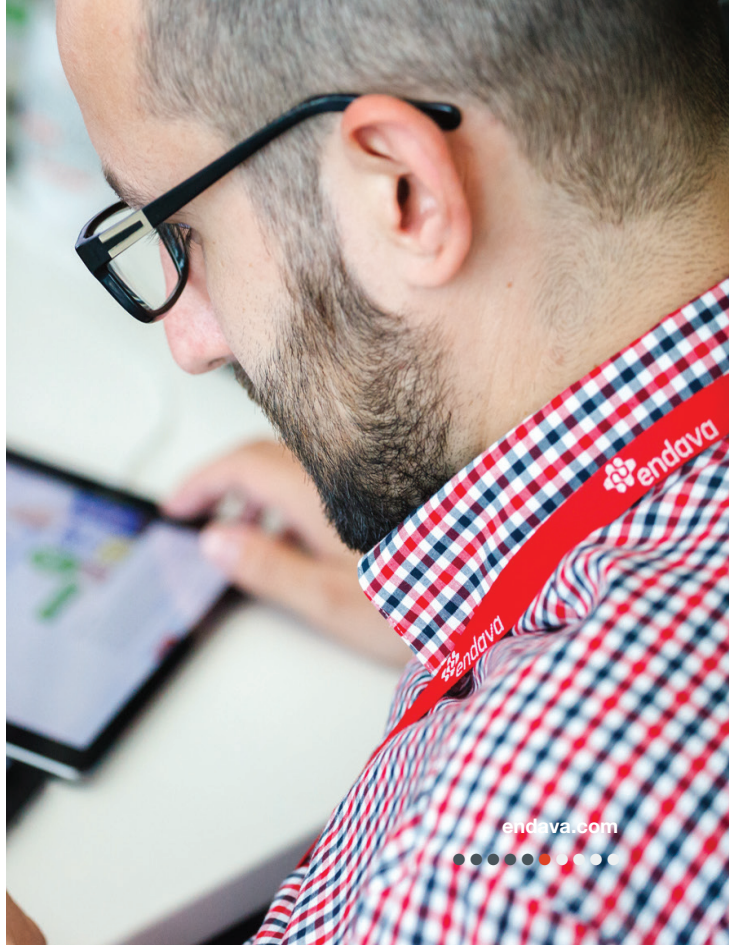
START WITH:

Customer Experience Workshops

We find many clients are unsure where to start with enhancing Customer Experience. Are you paying attention to different personas? Are you thinking in terms of customer journeys? Enhancing our client's digital presence is a core proposition at Endava. Our digital strategy workshops are designed to help our clients identify gaps in the current engagement strategy.

We build, test and support new customer-facing applications and platforms that provide: **easier on-boarding, self-service reporting, easier access to portfolio information, better understanding of your value proposition and quicker access to pertinent documentation and research.**

IN PRACTICE:

We provided an end-to-end user experience assessment and refresh for an Asset Management software house, providing:

• Overall vision for the digital solution.
• New design kit for the organisation: personas, customer journey maps, style guides, branding, design & wireframe tooling.
• Refactored screens for proprietary product.

How do you approach innovation?

The ability to effectively innovate is becoming a competitive advantage and a business necessity. Disruptors such as **Nutmeg** and **Wealthfront** are leading the way by offering a customer experience more similar to that of an established retailer and stable, and more traditional companies need to catch up.

TOP TIP

Large traditional firms are starting to look at incubating this capability but lack experience, resources and flexibility to compete. Small and medium-size companies struggle with sufficient investment capital or resources to foster this innovation drive and gain momentum, so a challenge exists in both camps.

START WITH:

Endava Labs

Our clients appreciate our ability to help generate and assess ideas, rapidly prototype them and quickly bring these valuable ideas to life.

Offering innovation as a service, **Endava** can help you to get a clear view of the most significant innovation opportunities and develop strategies, teams, roadmaps, blueprints and POCs on how to deliver against these, either through augmentation or through a full Labs offering.

IN PRACTICE:

We delivered a 4 week lab engagement to assess the use case of AI for a European Asset Manager.

- Recommendations on application of AI within the firm, where and how.
- Developed a wireframed mobile application to demonstrate the art of the possible to the c-suite.

OUR INVESTMENT MANAGEMENT EXPERIENCE:

25+
Investment
Management Clients

70+
Active
Projects

78%
Annual Growth in
IM Accounts

350+
Endavans

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2019 IM TRENDS

ROI OPPORTUNITY

CRM & DATA READINESS

DATA DRIVEN ASSET MANAGEMENT

ADDRESSING CHANGING INVESTOR DYNAMICS

POSITIONING FOR CHURN

FOSTERING INNOVATION: HACKATHONS

ROBO ADVICE

BLOCKCHAIN

CROWD SOURCING

STREAMLINING CLIENT ONBOARDING

CLOUD SERVICES

SELF SERVICES

IMPROVED REPORTING

ROBOTIC PROCESS AUTOMATION

MOBILE ONLY OFFERING

UX/UI PORTALS

SIMPLIFYING MARKET CONSOLIDATION

SINGLE VIEW OF RISK

FIN-TECH STRATEGY

CYBER SECURITY

ALTERNATIVE FEE MODELS

CHATBOTS

GAMIFICATION

HIGH PRIORITY   **MEDIUM PRIORITY**   **LOW PRIORITY**

SUCCESS STORY

ENABLING DATA INSIGHTS FOR A MAJOR FINANCIAL SERVICES PROVIDER

Our client struggled to make informed decisions based on the information held in various data sets, resulting in the need for a complete overview of their assets, including data searchability and business intelligence.

Meeting this challenge required the expertise of an experienced technology partner who could support them in transitioning their paper-based assets into a digital environment. This gave the ability to extract information from the scanned text, bridging the data silos while ensuring minimal disruption to the business.

Our engineers developed an application which digitized paper invoices and added structure to the information, achieving our client's objective and enabling new commercial and maintenance level information, as well as highlighting actionable insight focused on asset life-cycle, finance and risk.

UTILIZING MACHINE LEARNING TO PRODUCE ACTIONABLE INSIGHT

360⁰ | Asset View

10 MIL | Invoiced Documents

3 WEEKS | Inception to PoC Delivered

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GET IN TOUCH

If you'd like to further discuss these trends, let's have a chat:

endava.com/Investment-Management