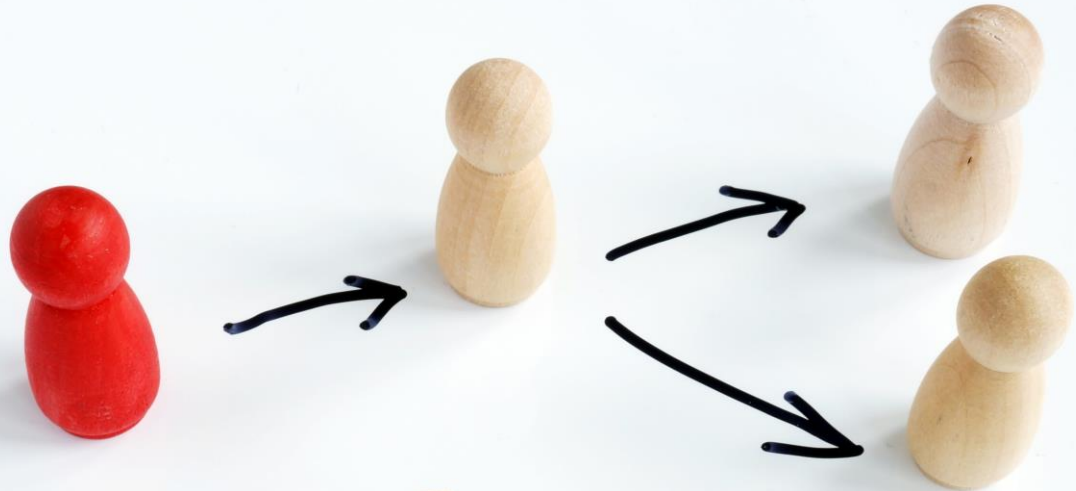


# Signs It's Time To Re-Evaluate Your Outsource Solution



**Has your outsource solution lived up to its expectations? Have real-world problems with integration and the production environment simply shifted bottlenecks or errors to new areas?** Key operational components and workflows are the lifeblood of any large organization. But when decisions to outsource were made years or even decades ago, the criteria becomes dated and inapplicable. Don't overlook these three signs it's time to re-evaluate your outsource solution.

## MISALIGNED DEMAND AND OPERATIONAL SCALABILITY

Investment management firms rely on outsourced operations models in order to focus on service and expansion into new offerings, clients, and assets with the goal of increasing demand. However, outsourced providers may not have the same plan to support the higher volumes nor the capability to scale with the growth in demand. As a result, firms often find themselves handcuffed by agreements with the provider that hinder expansion efforts.

## RISING TOTAL COST OF OWNERSHIP

Due to the discrepancies between historical requirements and modern needs, the current price of an outsource solution may be underrepresented in the total cost of ownership. Through "one-off" asks, internal servicing requirements, and regulatory change, the all-in cost for outsourcing can creep well past the original projection. Rather than adding to the licensing cost of the outsource provider, many firms will add internal resources to handle the fringe cases in an attempt to rebuild part of the previously outsourced function. This hybrid solution complicates workflows between operational teams and could hide the total cost of ownership with additional internal costs not clearly identifiable.

## INCREASED RISK AND HOSTAGE INFORMATION

Where is my firm's data? This question becomes harder to answer the longer your outsourcing agreement is in place. Over time, many firms find their outsourcers have outsourced parts of their business. The outsourcers of the outsourcers find that they may be supporting information that is multiple times removed from its original source, causing quality issues and increased turnaround time. Additionally, these third-party service providers may be unaware of the unique needs of your business. Not only could this practice cause your information to be held hostage, but it could hinder business productivity.

## HOW MERADIA CAN HELP

Meradia frequently assesses outsourcing efforts to improve operational efficiencies across the financial services ecosystem. Our consultants have an average of 25 years of industry experience and extensive vendor knowledge. Whether you're implementing a new service offering or deciding whether current operations can scale with your business, Meradia establishes customized plans and roadmaps to achieve growth.

**Benjamin P. Smith** is a Client Partner at Meradia with a deep focus on consulting operations. Since joining Meradia in 2018, Ben has continuously expanded his scope to include managing and maintaining relationships with vendors, partners, and clients; while obtaining experience in business development, project management, and workflow process creation and improvement.

### About Meradia

Founded in 1997, Meradia provides strategic advisory and implementation services to the investment management industry. Our team of experts has a global reputation for excellence leading and executing transformational and operational initiatives across the entire investment process. We align front-, middle- and back-office organizations and technical platforms with our clients' business direction and vision.

