

3 Red Flags You Are Missing Business Transformation Opportunities



Have you selected a new investment operations system to replace your legacy technology and manual workarounds? Or have you decided to outsource investment operations to a service provider?

Both efforts are significant, and likely the largest your part of the organization has ever seen. Are you making the right decisions? Or are you missing a golden opportunity to advance your business and improve the way you work? Here are three red flags you're overlooking business transformation opportunities.

1) QUESTIONS START WITH "HOW"

Do you find yourself asking questions like "how will I do this function?" or "how does the system do that?" when putting together requirements? If so, this is an indicator that you are focused on the process instead of the problem needing to be solved. A frequent result here is focusing on automating bad processes versus identifying and fixing the root issue with the process. You should be focused on understanding WHO, WHAT, WHERE, WHEN, and WHY for your requirements.

2) UNDEFINED FUTURE STATE OPERATING MODELS

Are you looking primarily at the way things are done today when working with the vendor or service provider? Is "this is how we've always done it" a common phrase heard across the project? This approach usually leads to the new system performing in much the same way as the old, negating many of the advantages of the new technology or service. Taking the time to identify the business capabilities that you need to deliver and then deconstructing those aligned with industry standards or customized to your organization pays significant dividends when designing a future state that enables you to take full advantage of new technology.

3) OVERRELIANCE ON THE SOFTWARE VENDOR OR SERVICE PROVIDER

Software vendors and service providers are experts in implementing their software or service – not necessarily in helping you adjust your way of working. On top of this, implementation contracts tend to focus on finishing the implementation according to what software or services were purchased. This often results in firms expecting the vendor to tell them what's best, while the vendor is expecting the client to tell them what they want. Having experienced resources on your team who have managed similar projects can help bridge these gaps, guide you through change, and lead to a better result.

HOW MERADIA CAN HELP

Replacing legacy investment operations technology, whether it is a new system or outsourcing to a service provider, is a very large undertaking for any firm. To get the full benefit from new technology or services, you must consider transforming your business along with the technology. Meradia leverages tried and true methodology when implementing investment operations systems and moving to a service provider. We can help you:

- design your future state operating model
- ask the right requirements questions
- ensure you and the vendor are on the same page
- guide you through the project

Brian J. Lollar is a Managing Director at Meradia with over 20 years of experience in investment management operations and technology. Brian has proven expertise leading operational transformation across front-, middle-, and back-office operations, data management and with the SimCorp Dimension® software, in particular.

About Meradia

Founded in 1997, Meradia provides strategic advisory and implementation services to the investment management industry.

