



Core Principles To Abide By for Effective Outsourcing

What processes are poised for outsourcing, and what areas should be kept in-house? These are the first questions investment managers should ask before delegating specific business processes to external providers. Outsourcing is complex, but abiding by these three principles will ensure your firm's decision supports enhanced business operations well into the future.

CONSIDER REPEATABLE, NON-CUSTOMIZED PROCESSES

Effective outsourcing is best suited for repeatable, non-customized processes that need scalability and require specific system expertise. Workflows such as client onboarding, for instance, require a great deal of coordination from several constituents within your organization, and yet even a complex and tailored process like client onboarding tends to follow similar templates allowing for segmented outsourcings. Offloading repeatable tasks allows your firm to focus on more strategic and value-add services.

KEEP IN MIND THE END GOAL OF OPERATIONAL EFFICIENCY

Achieving overall operational efficiency is a key reason to outsource areas of your business. Specifically, where there is inherent added value that's not detracting from business goals or adding unnecessary complexity. While outsourcing can lead to streamlined operations, it also causes enhanced interdependencies and communication between each of your systems. The timing and frequency of these communications can lead to duplication or even inefficiency throughout the overall workflow. This is why thorough planning of the outsourcing model and establishing dedicated oversight become critical components in the model's success.

RETAIN OWNERSHIP OF STRATEGIC PROCESSES

Strategic processes, or aspects of the business that are crucial to your firm's value-add, should remain under your control. These areas are the cornerstones of a firm's differentiated service and product offerings. These may vary from company to company, but it is important to understand why clients continue to choose your services over others.

HOW MERADIA CAN HELP

When considering an outsourced solution, a firm needs to assess current processes and determine which areas are vital to its value proposition. Meradia leverages proven methodologies and skills to:

- Define process and technology models for outsourcing, co-sourcing, and retaining functions in-house
- Align requirements to vendor capabilities
- Plan for operational transitions

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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.