



The Value of Exception-Based Processing

For many in the asset management industry, their days are spent combing through sets of data looking for problems. This is often a result of legacy technology (or inadequately utilizing modern technology) and layered manual controls. There is a better way.

Modern technology offers exception-based processing capabilities that bring the power of business rule-driven automation to investment operations. Exception-based processing allows investment operations teams to focus on addressing only the items with issues; business rule-driven system processes automatically handle the rest. Effective use of exception-based processing can result in many benefits, and we highlight three here.

IMPROVED OPERATIONAL EFFICIENCY AND COST-EFFECTIVENESS

- **Automating routine and repetitive tasks** enables investment operations teams to focus on issues where their knowledge and decision-making skills are required.
- **Minimizing manual intervention** and reducing time spent on manually entering, scrubbing, and validating data increases overall data quality and efficiency of operations.
- Increased data quality and timeliness provide opportunities to **avoid costs because of missed SLAs**.

REDUCED ERROR RISK

- System-driven, rule-based workflows allow investment operations teams to **identify root causes faster** because they are focusing their attention only on items with issues.
- Discovering potential problems earlier in the process means investment operations teams **can stop issues from escalating into much larger problems affecting the organization or client**.

- Exception-based workflows can significantly enhance a firm's **control framework** through:
 - Automated validation and data quality controls.
 - Approval and authorization controls.
 - Documentation controls.
 - Exception escalation and resolution workflow.
 - Automated reconciliation.

IMPROVED CLIENT SERVICE

- Automating routine tasks and data quality checks can **reduce client data issues** and enable **faster delivery of client data**.
- Higher quality and more timely data can **increase client trust**.
- When client issues do arise, they can **be resolved more quickly**, lessening delays and disruptions for clients.

HOW MERADIA CAN HELP

Exception-based processing should play a fundamental role in the day-to-day operations of the investment operations team of asset managers. It is an effective strategy that allows the respective teams to focus on the most important tasks, improve their operational efficiency, reduce operational risks, and provide superior client service. As a company, Meradia has the in-depth industry knowledge and expertise to understand where clients can bring in automation to their operational processes and implement exception-based processing to achieve more efficient middle and front-office operations, mitigate their operational risks, and achieve better client satisfaction.

Pouneh Pountas has over 13 years of experience in investment management systems, specializing in the implementation of technology solutions for financial management firms. Her strong expertise in the investment accounting, data, and technology industry allows her to provide exceptional value in leading, managing, and executing a range of projects such as account conversions to system integrations. She has been a part of projects with various client types which allows her to have different views on how to plan, approach, and execute a project successfully.