

# The Role of Automation in Operational Efficiency for Asset Managers



Asset managers have always depended on people-intensive processes to handle trading, reporting, reconciliation, and compliance. Those processes once worked, but today they are cracking under the pressure of fee compression, accelerated settlement cycles, and the growing complexity of private markets. What used to be occasional exceptions are now daily operational risks.

Automation is no longer an optional upgrade. It is a strategic requirement for firms that want to stay competitive, scale efficiently, and maintain client trust. According to PwC, nearly 80 percent of asset and wealth managers report that disruptive technology is fueling revenue growth and improving operational efficiency. Yet the real challenge is not whether to automate, but how to embed automation into the operating model in a way that reduces risk, creates capacity, and strengthens the client experience.

At Meradia, we view automation not as replacing humans with machines, but as building an environment where technology handles repetitive, rules-based work so people can focus on judgment, strategy, and client value.

## Why Automation is a Strategic Advantage

When implemented thoughtfully, automation changes the economics of running an investment business. It reduces costs, accelerates delivery, and strengthens confidence in the numbers asset managers publish. Deloitte research shows that organizations scaling intelligent automation have already achieved an average 27 percent cost reduction from implementations to date.

- **Time Savings:** Reporting, reconciliations, and trade processing that once consumed hours can now be executed in minutes.
- **Error Reduction:** Manual keying and checks are prone to mistakes, even when 4-eye or 6-eye controls are in place. Automated workflows can cut error rates by as much as 90 percent, protecting both clients and compliance.
- **Scalability:** Perhaps the greatest advantage, automation allows firms to onboard new clients, handle higher trading volumes, and manage larger data flows without expanding teams at the same pace.

Automation is not about eliminating people. It is about creating capacity and allowing operations teams to move from reactive firefighting to proactive problem-solving.



# Key Areas of Automation in Investment Operations

Asset managers are adopting automation across a range of core processes. Each use case solves a distinct pain point.

## Automated Trade Execution

- Asset managers use predefined rules or market conditions to trigger trade orders. This not only speeds up execution but also reduces manual errors and ensures trades are completed at the right time without constant human oversight.
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## Portfolio Rebalancing

- Pension plans and institutional investors often automate rebalancing when allocations drift beyond thresholds. This keeps investments aligned with client goals and risk tolerance while removing the lag and risk of manual adjustments.
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## Compliance Monitoring and Reporting

- Automation tools continuously monitor transactions and portfolio activity against regulatory requirements. They also generate reports automatically, reducing the time compliance teams spend on manual data collection and review, while providing an audit-ready trail.
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## Data Management and Reconciliation

- Large volumes of data flow through custodians, administrators, and internal systems. Automation helps gather, clean, and reconcile this data far faster than manual methods, minimizing errors and delivering reliable outputs for downstream consumers.
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## Risk Monitoring

- Advanced firms deploy automation to track risk metrics in real time. Predefined triggers send alerts when limits are breached, helping portfolio managers respond quickly to changing market conditions and avoid small exposures snowballing into larger risks.

We often see clients underestimate the downstream benefits of automation. Improvements in reconciliation or compliance monitoring ripple through the operating model, resulting in faster client reporting, more accurate performance, and stronger governance.

# Best Practices for Successful Implementation

Meradia's experience shows that automation succeeds when it is approached as an operating model redesign rather than a bolt-on tool. The most effective programs follow four principles:

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## ➔ Start with High-Impact Tasks

The best entry points are repetitive, rules-driven workflows that generate measurable ROI. Reconciliation and compliance monitoring are often natural starting points.

## ➔ Select Tools That Integrate

Choose solutions that complement your existing systems rather than replacing them unnecessarily.

## ➔ Balance Efficiency with Oversight

Keep human review where judgment and accountability are essential.

## ➔ Pilot, Measure, Expand

Test automation in one workflow, capture measurable results, and then expand across the enterprise. This builds confidence across teams and reduces organizational resistance.

## Why Partner with Meradia?

Many firms recognize the need for automation but struggle to move past pilot projects. Meradia helps bridge that gap. We combine deep knowledge of investment operations with implementation expertise to ensure automation delivers measurable results.

- Consulting rooted in investment operations and data expertise
- Practical strategies aligned with your infrastructure and growth goals
- Support from initial discovery through testing, rollout, and adoption

Automation is not about doing the same work faster. It is about transforming operations so firms can do better work, scale smarter, and build the confidence to meet the demands of tomorrow's markets.



## Jill Stassel

Jill Stassel brings over 10 years of front- and middle-office experience to Meradia's clients. Jill improves operational structures by serving as a strategic project manager with a deep understanding of technical systems and the ability to build a strong rapport with the front office. She has led all stages of product implementation, from mapping out the product journey in the front office to ensuring the proper conversion in middle and back offices. Jill has worked closely with fixed-income instruments and municipal bonds throughout her career and has substantial expertise in the middle office, in both domestic and global settlement and matching.



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