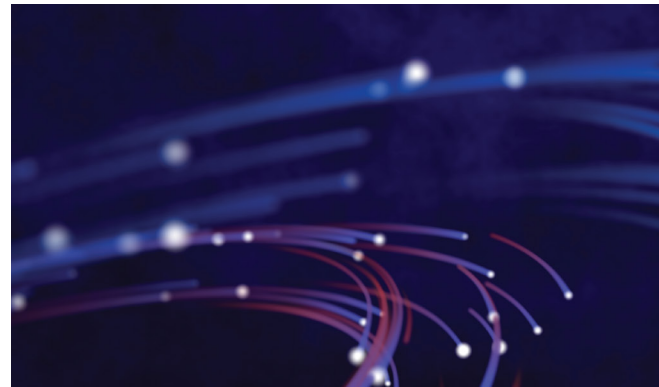
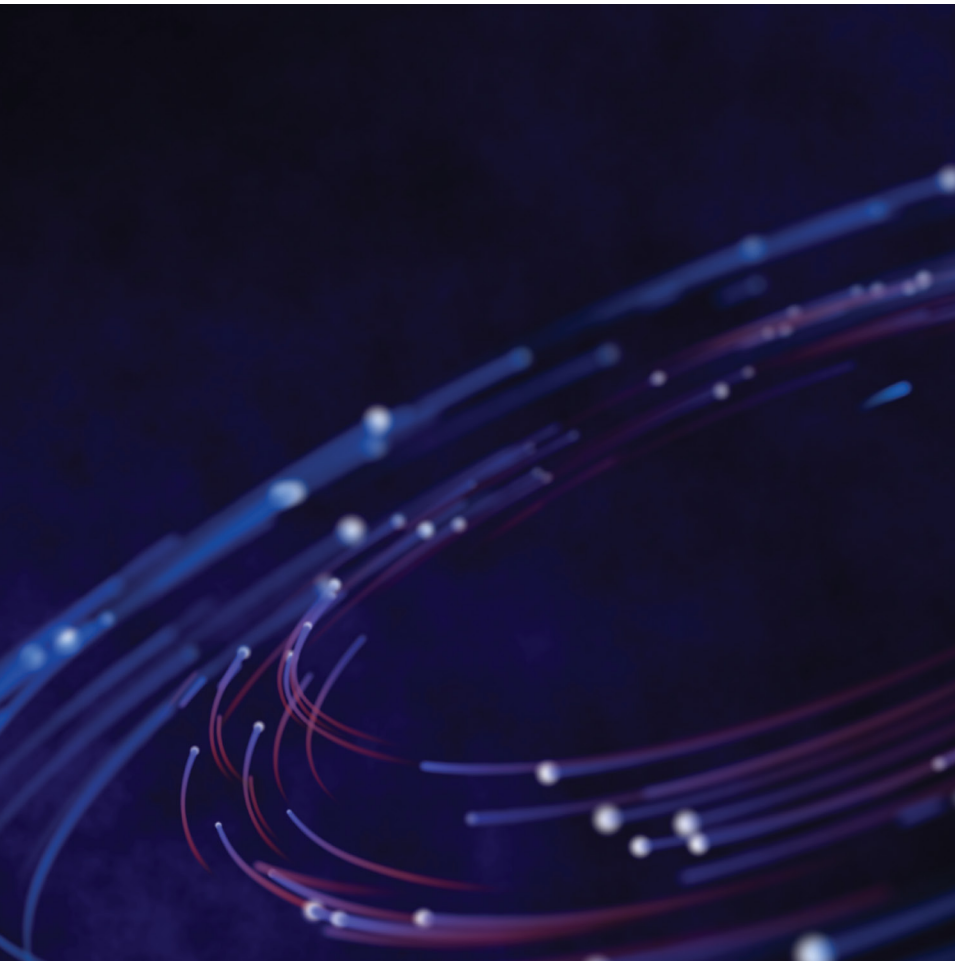


# Digital Transformation in Asset Management— the State of Play



Broadridge's 2022 Digital Transformation and Next-Gen Tech Survey of C-suite executives found that many asset management firms are increasing the pace of their digital transformation.

Here we take a deeper look at the findings among the asset management firms surveyed<sup>1</sup> including:

- The progress they have made so far with digital transformation and the adoption of next-gen technologies.
- Where they are applying digital transformation to compete more effectively.
- How they are overcoming challenges to adoption.
- What leading firms do differently and the practical approaches they take to accelerate digital transformation and gain value from emerging technologies.

### MACRO-TRENDS ARE DRIVING THE NEED FOR TRANSFORMATION

A number of trends are leading to a need for asset managers to change their operating models and technology strategies:

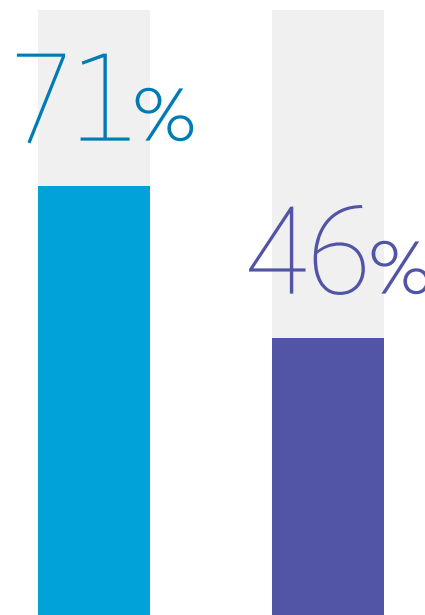
- Fee compression, leading to a focus on controlling costs and rationalizing technology.
- Greater desire from investors of all ages for digital interaction and personalization.
- Growing demand for new asset classes such as alternatives and cryptocurrencies.
- Increased focus on ESG, with regulators and investors demanding growing volumes of data on ESG investments and risks.

## THE BENEFITS OF DIGITAL TRANSFORMATION: DIGITAL LEADERS FOCUS ON TOP LINE GROWTH RATHER THAN JUST COST SAVINGS

As well as helping firms respond quickly to customer and market trends, digital transformation has clear benefits. Firms classed as Leaders in our Digital Maturity Framework<sup>2</sup> were 1.5x more likely to report revenue increases from digital transformation than Non-leaders.

### INCREASED REVENUE.

■ Leaders ■ Non-leaders



QS: How is a focus on digital transformation and next-gen technologies creating value for your company now?

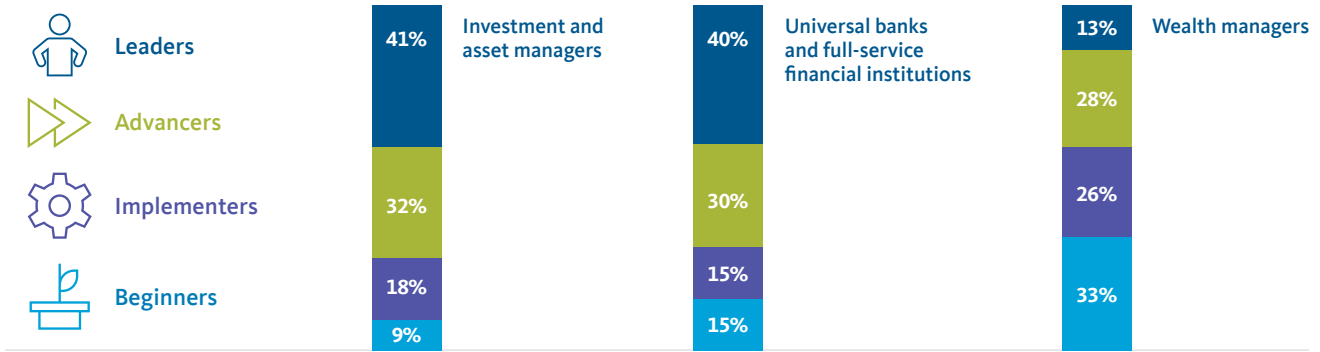
<sup>1</sup> Firms covered in this report are traditional long-only asset managers, with AUM ranging from \$1b to \$500b+

<sup>2</sup> For scoring methodology see the [full report](#).

# HOW DO ASSET MANAGEMENT FIRMS STACK UP IN DIGITAL TRANSFORMATION?

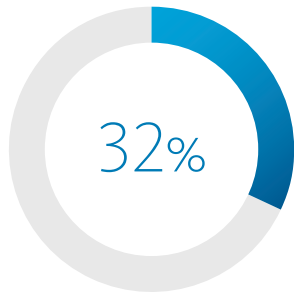
## ASSET MANAGEMENT FIRMS' PROGRESS VS PEERS IN OTHER SECTORS

Many asset managers are making good progress with their digital transformation but some of the firms surveyed still need to catch up.

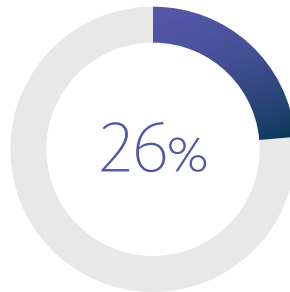


## OVERCOMING CHALLENGES

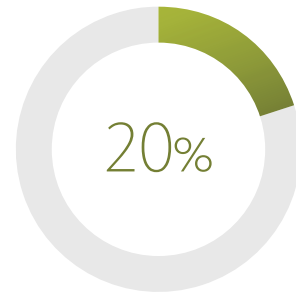
Asset management firms cited 3 key challenges in driving digital transformation.



Pace of technology change



Data security, privacy and ethical issues



Access to quality data

## SETTING CLEAR PRIORITIES

To overcome these challenges and because it is impossible to do everything at once, asset managers must set clear priorities for which functions to transform.

## FUNCTIONS CITED AS HIGHEST PRIORITY FOR DIGITAL TRANSFORMATION OVER THE NEXT 2 YEARS



## FOCUSING ON 3 KEY AREAS FOR TRANSFORMATION

Asset management firms should focus their efforts on transforming these key areas:



EXPERIENCES



WORKFLOWS



ANALYTICS

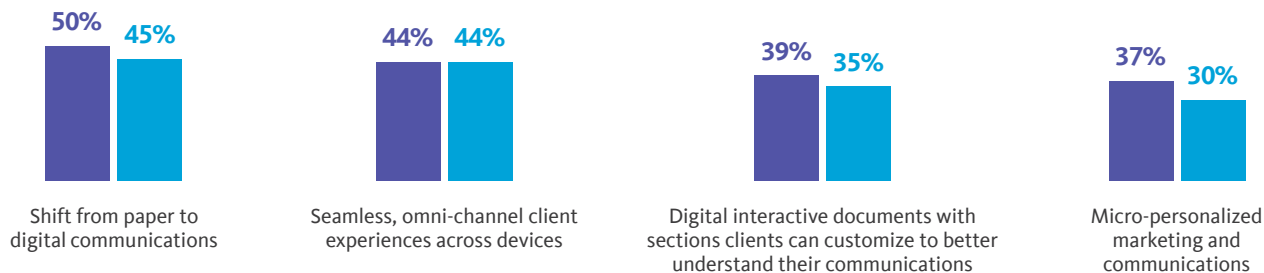
Here we look at the progress made so far in the activities underpinning transformation of these areas.



### 1. Communications and experiences

Customer experience and interaction sit at the center of digital transformation.

As well as digitizing paper communications, leading firms are providing clients and distribution partners with more interactive tools to understand their investments and more personalized content. While delighting clients and driving top line growth, these digital tools can also build brand and grow share of wallet.



QS: How much enterprise-wide progress has your company made in the following activities underpinning the digital transformation of customer communications and experiences?

■ mid-implementation  
■ advanced implementation

*“We have streamlined a lot of internal systems to reduce long-term costs and are also realizing incremental revenues, improving investment performance and enhancing the customer experience.”*

CHIEF INVESTMENT OFFICER, ASSET MANAGEMENT FIRM, U.S



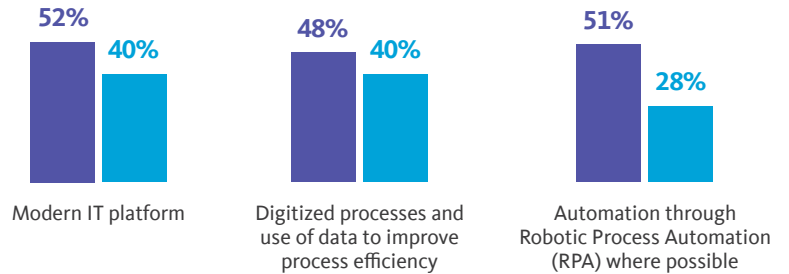
## 2. Workflows and Processes

When it comes to building a foundation to optimize workflows and processes, asset managers are in the midst of modernizing IT platforms, which they see as a major challenge.

Moving to Cloud enabled, platform-based architectures based on microservices and APIs allows firms to achieve greater business agility by accessing a more customizable and modular toolset.

Digitized processes can also help firms to automate time consuming manual and paper based processes using tools such as robotic process automation (RPA). This can improve efficiency and streamline activities such as fund administration and reporting.

■ mid-implementation    ■ advanced implementation



QS: How much enterprise-wide progress has your company made in the following activities underpinning digital transformation of workflows and processes?

*“We use data and analytics tools to gain insights into investment performance, create new products and optimize distribution channels.”*

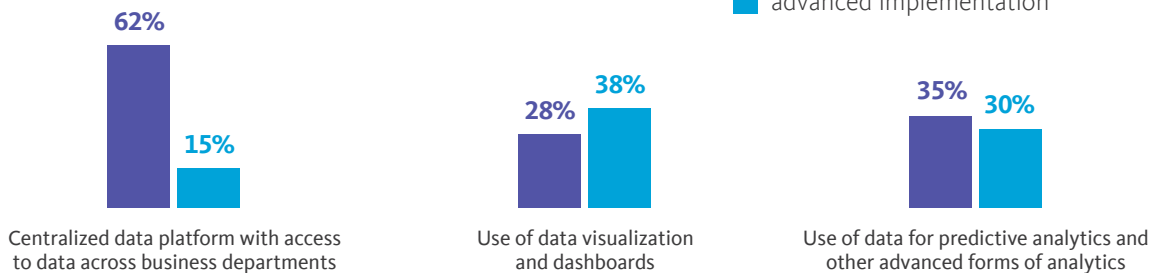
CHIEF OPERATING OFFICER, ASSET MANAGER, UNITED KINGDOM



## 3. Data and Analytics

Data and analytics can improve strategic decision-making through better market analysis, investment planning and client segmentation. Furthermore, data can support ongoing trends such as ESG investing, which due to their complexity need to make sense of a wide range of data points.

■ mid-implementation    ■ advanced implementation



QS: How much enterprise-wide progress has your company made in the following activities underpinning the digital transformation of data and analytics?

**Data visualization** tools are a key way drive portfolio management performance, risk and portfolio construction decisions. When used with **unique data sources** they can also drive insights into distribution channels, new market segments and new business lines.

# FIVE THINGS DIGITAL LEADERS DO DIFFERENTLY

In addition to prioritizing the activities and technologies underpinning transformation, asset managers must also ensure they put in place the firm-wide capabilities that support rapid change and innovation as well as leveraging the wider ecosystem of fintech providers.

For example, firms classed as Leaders in Broadridge's maturity framework are:

- 1 1.5 times more likely to have a clear vision and implementation roadmap for digital transformation.
- 2 Twice as likely to report that they have a culture of continuous innovation.
- 3 Placing a strong focus on their talent acquisition and retention strategy.
- 4 Twice as likely to have clearly defined roles for digital transformation, including an executive and team accountable for driving digital transformation across the organization.
- 5 Looking to the benefits of mutualization to access innovation and next-gen technologies.

[Read the Full Report](#)



**BROADRIDGE CAN HELP.**

Broadridge helps clients accelerate digital transformation. We do this from our vantage point at the center of financial services, delivering the value of our network, including data, a range of innovative solutions and our expertise. This helps clients mutualize the costs and risks of innovation and feel confident about the future.

**Let's talk. Broadridge can help you increase the pace of your digital transformation and enhance your business with next-gen technologies.**

To find out more visit [broadridge.com/resource/what-you-do-next-matters-most-asset-management](https://broadridge.com/resource/what-you-do-next-matters-most-asset-management) »



To scan, simply open the camera app on your mobile device and point the camera at the QR code.

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income and other securities globally.

[broadridge.com](https://broadridge.com)

