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Operations Managers Identify Technology as Key to Future Success

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How are asset managers investing in the future? To help answer this question, Accenture conducted a joint study with ICI and released a [report](#) highlighting the growing importance of technology to successfully navigate the changing tides in the asset management industry. Whether it's the cloud, data management, artificial intelligence, or robotic process automation, the study found that the right technology is key to gaining and maintaining an edge in the years ahead.

Bringing Goals to Life

As firms evolve their strategies to maintain this edge, operations leaders are working to transform their middle- and back-office operations to support firms' needs. It is no surprise, then, to learn that firms are embracing the operations opportunity: 55 percent of respondents reported a formal initiative to evaluate the operational potential of new technologies. In addition, the survey found that 64 percent of firms have completed a major operating model change within the past three years, driven primarily by the need to enhance process and workflow procedures, to replace legacy systems, and to improve data management. The survey found that there is room for more transformations: 42 percent of respondents believe that their operations and technology model is not currently configured to execute the firm's overall strategy.

Effective Data Management

When asked to identify, from a middle- and back-office operations standpoint, the most challenging issues they face today, survey respondents cited data management as the top challenge. Accordingly, respondents ranked data management initiatives as the most important middle- and back-office initiatives.

Further, 66 percent say data management is the area of their business where complete disruption is most appropriate. On the human capital front, operations leaders predict that in five years, [data science](#) expertise will be a top qualification they will look for when hiring.

Importance of Artificial Intelligence

The report also shows that momentum is building for artificial intelligence (AI) in the middle and back office. In fact, 70 percent of operations leaders expect AI to deliver the next wave of cost reductions to the industry. These leaders believe AI will have the most impact on reconciliations, transaction management, risk management, data management, and compliance.

Robotic process automation (RPA), which is frequently considered the entry point on the AI continuum, accurately executes repetitive processes, such as reconciliations, report generation, and cash forecasting. This technology is gaining popularity; 52 percent of the firms surveyed are already using RPA, with 82 percent of those firms reporting that it delivered the expected results, including increasing accuracy in certain functions and freeing employees to do more meaningful work.

Securing the Edge

Given all the shifts and growing pressures in the asset management industry, there are many uncertainties facing operations managers. But, as the survey data demonstrate, there are also big opportunities available as the technological landscape continues

to evolve. This report shows that tomorrow's successful operations leaders will unlock and harness the potential of these technologies and use them to secure the edge.

The paper, "[Reinvesting Operations in Asset Management](#)," is based on a survey of the investment operations professionals of 33 asset managers—all of which are ICI members—accounting for around \$15 trillion in assets under management.

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