

NAVIGATING FINANCIAL CHALLENGES

DEFINING A FASTER ROUTE TO PROFITABILITY



CHALLENGE

Our Financial Services client had two books of investment business, managed on a fund administration system, that was loss-making due to the high costs of administering the book vs the revenue generated. The options being considered by the client were to sell these books or invest in a new fund administration system to realise efficiencies and bring them back to profitability.

This was expected to require an investment in new systems of around £500K.

PROVEN PERFORMANCE



75+

SUCCESSFUL PROJECTS

15+

CLIENT ACCOUNTS

40+

YEARS EXPERIENCE

PROCESS

The first thing we did was to get to know the fund administration team, spending time with them to understand what they did on a daily basis. We reviewed and documented all existing processes, identifying key pain points and opportunities for improvement.

Our root cause analysis determined that the administration team had insufficient training on the system used to run the book. This lack of training meant they were unknowingly misusing the system, resulting in an accumulation of data errors.

Our analysis also revealed that while a maintenance contract for both books was in place, no system bugs or errors were being reported. The data errors were being manually fixed by internal database administrators, introducing further data quality risks. The fund administrators were also implementing manual workarounds for perceived gaps in system functionality.

We identified that the smaller of the two books only served around 600 investors but required a dedicated system module, a significant proportion of the overall system maintenance costs. As economies of scale could not be achieved, we concluded that retaining this book was not financially viable.

OUTCOME

We recommended transferring the smaller of the two books of business to an alternative provider, who managed a significantly higher volume of this type of investment product, and we supported them through this process. This reduced the number of system modules required and significantly reduced the monthly maintenance costs.

We recommended system training for the fund administration team. Following the implementation of the training, the team were able to use the system, to support the process as intended, preventing new data errors and eliminating the need for data fixes. The team was trained to raise bugs and questions with the supplier, which improved the client-supplier relationship and successfully resolved long-term issues previously addressed using manual workarounds.

We worked with the team to review their internal processes, and with a small investment of around £10K in system development work, we improved functionality and eliminated any remaining workarounds.

BENEFITS



Reduced required investment by £490K (98%).



Lowered monthly maintenance costs.



Streamlined processes and eliminated manual workarounds.



Reduced need for manual data fixes.

Improved data integrity through better training and system use. Achieved profitability within six months.



Ensured proper reporting and resolution of system bugs and issues.