



# **CLIENT REPORTING**

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# Client Reporting: Going beyond being just a task

nCOVID19 will have, undoubtedly, affected many parts of the operational functions within financial services, but one area that will most certainly have a light shone on it, is Client Reporting. From the current processes and ways to improve these, to allowing a more hands-off approach to the production of the reports. Assessing improvement and cohesion of technology to allow a smooth and uninterrupted flow of data, enabling a streamlined process tied with a faith in the final output leading to a 100% accuracy rate. In this paper, we address all of these to attract attention to one of the most crucial tasks undertaken by all companies.

In the light of nCOVID19, it is clear that, what is crucially needed is more adaption of technology and the ability to tap into the world of 'press of a button' operations. Agreed, this is somewhat utopian and not necessarily achievable but companies cannot carry on with archaic processes which are often so elaborate, that, should a single person dependency operate in this world, there would be significant collapse should that person leave, go on annual leave or fall ill. So why is Client Reporting so complex and why can it often be viewed as an overgrown flowerbed that no one wants to tackle? Let's take a look:

## **Time to blow away the cobwebs**

A great amount of the current processes are operations that have been in place since time began with bolt on after bolt on of new processes depending on upgrades in systems and a need for a different type of reporting. It is like an old house with decaying foundations with new windows and doors. Ultimately if you scratch under the surface you will find a great deal of manual intervention to get these reports out as they are a mish mash of processes glued together with obvious gaps showing.

## **To check or not to check, that is the question**

Despite the advances of technology aiding in cleansing data and ensuring that periodical data is correct in terms of not only calculation, but also in mapping the collected data to the template fields; a level of scepticism still exists. Old habits die hard and there is often a layer of manual checking within the reporting process which can elongate the turnaround timings and also add a very arduous step to an already complex and arduous process. So why is there such a disbelief? Why do teams still hold true that the human eye is the best checker of data and final output to that of a computer? Is the best use of someone's time really printing out thousands and thousands of Key Investor Information Documents (KIID's) at annual refresh and checking everything? Surely not. Post nCOVID19, there will indeed need to be a new mode of thinking. Teams will not be able to print out reams and reams of reports to their home printer and manually check the output before signing these off. Neither can a single screen laptop allow for vigorous and detailed cross checking without the question being raised as to the standard of such an exercise.

What needs to happen, to therefore pacify this intense need to physically lay eyes on these reports before they go into the public domain? What needs to happen to the technology for various teams including Compliance and Management to have faith in the technology at hand?

## **Cohesive technology**

There are many ways in which client reports are built. A multitude of systems are used, often not talking to each other. These stand-alone technologies can be within different teams creating a need to glue the final report together. The data can flow to many different layers, all used for slightly different tasks with the need for slightly different tweaks. It is these tweaks that can diminish the accuracy rate like a game of Chinese whispers. Where the raw rate would hold true, this cannot be said for the final output of this data, after layers of manual touch and diversion. The multi-system reporting model operates in many companies leaving reporting teams to piece together the data like a jigsaw puzzle. For example, the performance at the back of a prospectus will be completed using a different process to the performance inputted into the Monthly Factsheet. The same could also be said to the performance displayed on the interactive website along with the performance in the KIID. Varying systems versus varying departments create this inconsistency. Performing BAU during nCOVID19, will hopefully make professionals think about how processes can be aligned and also how a one united system can join the dots better and create more intuitive flow of data. Can we get to a place where there is an end to end technology that will enable New Fund creation to link to KIID and Factsheet creation? A one stop shop of reporting.

### **The need for constantly evolving technology and in turn a ready budget to implement this – Proactive rather than reactive**

Reporting needs are constantly evolving but the technology is often not there. A great example of this is ESG. Can this be slotted in with how Client Reporting is currently being run and therefore just bolted on, as mentioned above.

Despite the many workstreams within companies, assessing changes of regulations and amendments needed due to market influences, information is often not dripped through to the BAU teams until after the point. The problem often occurs due to the fact that BAU needs to take place alongside a project and the two are not easily combined when the BAU teams are asked to have a project hat on as well as carrying out their day job. Unless there are additional resources and budget for technology improvements to allow a seamless switch on of new capabilities without the disruption of BAU are put in place, the outcomes can be destructive. Ideally, work will be carried out in a manner that a full end to end build, test and implementation process is completed before the need to carry out the new functions, but the lack of foresight and resource often means this is all being worked on in one big melting pot with a scramble to meet BAU deadlines with new additions. Therefore, companies need to be proactive rather than reactive. For example, how will the industry cope during nCOVID19, should the European Fund and Asset Management Association (EFAMA)<sup>1</sup> succeed in their call to urgently complete a Packaged Retail Investment and Insurance-Based Products (PRIIP) KIID review. This would take a lot of resource and essentially a second annual refresh would take place. Could a full-scale review be possible during the nCOVID19 working from home constraints? Again, will companies need to look at their current BAU model and finally conclude that a Managed Service is more efficient than the current in-house offering? Would it be easier to just allow an external support, who specialise solely in reporting and publishing, to manage the constant changes in this world and alleviate the pressure this brings within Asset Management? These are some questions which are pertinent to ask, irrespective of the situation.

### **Improve Technology – yes; but make it more relevant and accessible**

Technology is at the source for most vast improvement within Operations; however, the key is to ensure developments are targeted to what the BAU team actually needs. Too often, there needs to be a roll out of new technology that is meant to help someone get their job done more efficiently and act as an aid, although frequently that is not the case. The key is to ensure that development projects have one very fundamental stakeholder, the person actually using it in his/her day job. All too often a great idea by management can actually miss the bill entirely and impede the BAU space as their 'say' or input wasn't encompassed in the final rollout. First things first, is to find out what is needed,

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<sup>1</sup> <https://www.efama.org/Pages/Submitted%20after%202018-03-12T16%2022%2007/EFAMA-calls-for-urgent-completion-of-PRIIP-KID-review-to-protect-retail-investors-and-support-economic-recovery.aspx>

how should it best be integrated and how best to work with the new technology everyday – considering flexibility, ease of use. A great example of this is CRM systems. An ‘A Class’ CRM system is not based on brand and reputation but actually on whether it is being used and ticks all the boxes, so that it is easy to navigate and not an added burden. The path to this success is to ensure the Sales Teams are part of the development of the CRM as quite frankly they are predominantly the ones using the system

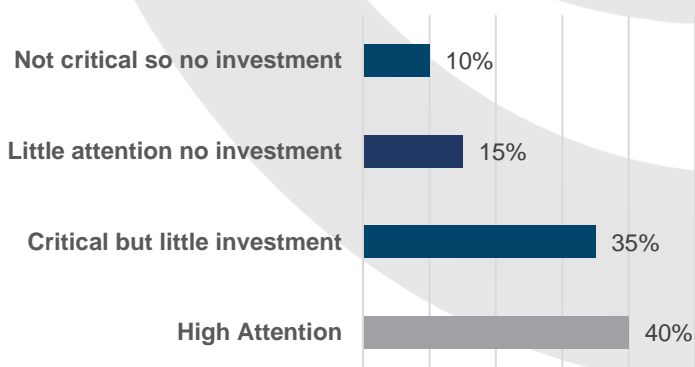
Advances in Technology should also not be so stand alone. There has to be a bigger picture. Departments should be able to talk to each other where common working themes exist. A great example of this is Product Development through to Client Reporting. Why have stand alone technologies where the Product Development Team build a new Fund, update a prospectus, coordinate a launch when this technology isn’t viewable by the Client Reporting Team? It will be important if the Factsheet specialist can see when a new Fund is being created and the specifics of this new Fund, so that the designing of the new Factsheet can be worked in parallel. In another example, it would be simple if, when a prospectus update is completing, the KIID team have complete transparency of this so that the relevant parts of the KIID can be updated as well. Currently there are a lot of meetings and emails and checklists to copy in the right stakeholders and ensuring communication is not lost; this could all be solved with a complete end to end system with access levels across the board.

### **Exceptional processes may actually reduce Client Experience rather than improve them**

It is a common theme to try and cater to every whim of the client. The clients’ needs need to be met and organisations always bend over backwards to include everything their clients want to see on their Fund reports. Operationally, however, this does create a streamlining nightmare and can push your deadlines right to the wire to get reports out on time, and needless to say will demand additional reporting staff to manage bespoke reporting needs. Exceptional processes will never be eradicated, and nor should they. Not everything can fit into a neat bucket across the board for everyone; but Companies should look to try and have a high percentage of constant, with a marginal bespoke for each client. Also, even the bespoke can possibly sit into common buckets so that on the monthly/quarterly runs, there is an element of consistency which will not only improve client service but allow BAU to be carried out with a very high degree of accuracy. High levels of bespoke can often lead to errors, single person dependencies and a regular need for tweaks. If clients knew what it actually took to complete some of their off-book needs, they might actually rethink, especially if it entailed heavy amounts of manual intervention for which they eventually pay. A client will always prefer a clean and automated mode of getting their data. It is therefore essential to have a great relationship with the end client so that proactive and open discussions can be carried out when designing reports.

CommSol Associates recently carried out a survey to gain industry feedback on Client Reporting more particularly on **“How much attention does Client Reporting get while redesigning technology strategy in your organisation to make it an efficient process?”**.

#### **Results:**



40% of the respondents mentioned client reporting should seek ‘High Attention’ but over half of the respondents deemed Client Reporting only attracted little or no investment within their companies. These results conclude that there needs to be a change of focus on how Client Reporting is viewed, and a realignment of priorities based on its extremely valuable and essential operation. nCOVID19 will, no doubt, highlight this need further.



**Lucy Wells**, Senior Manager, CommSol Associates, has worked in the financial services industry for over 14 years, specialising in client reporting and client experience. She has been instrumental in improving BAU processes for large multi-national organisations, to create a more streamlined reporting model. With her extensive knowledge in designing reports, along with detailed insight into data and the fundamental need to deliver rich and meaningful reports, she has consistently challenged the status quo, increased efficiency, accuracy and eventually repriced deliveries to create win-win for the clients.

If you wish to discuss this paper in more detail, please contact Lucy on

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CommSol Associates is a UK based advisory firm having offices in Ireland, UK, Luxembourg and India. The team is committed to solving business problems existing in organisations, streamline processes and working very closely with each and every stakeholder off the back of their deep understanding of the industry. CommSol specialise in driving end to end transformation projects for mid and large multi-national organisations and expertise to catch the pulse that triggers efficiency and optimal return on investment.

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