



Client Reporting Teams: The Unsung Heroes of the Investment Management World

THE CLIENT REPORTING TEAM

In the shifting sand that is the current financial market place, the need to produce and deliver timely and accurate reports has taken on even greater significance.

Investment reports not only showcase how well the organisation has performed on behalf of the customer, but also provide a window for the organisation to sell itself and to project its desired image to the customer. Above all though they need to be timely and accurate and the responsibility to deliver this rests with the client reporting team.

What actually constitutes a client reporting team differs from firm to firm. It can comprise a small team where it falls on one person “pressing the button” to produce the reports. At the other end of the spectrum a full team will verify that the data to be reported is accurate, performance is calculated and the whole report is authorised prior to the production run. In practise a lot of firms sit between these two extremes. Whatever the setup, the need for visibility and control of where you are in your process is of paramount importance.

Go to any reporting team, especially at tax year end, and you will see that the overtime rates are high, with stress levels and emotions to match. This is all because they are time fenced through contractual, or in some cases legal requirements, to deliver the reports in a style requested by the client. Or, just to add further pressure, perhaps someone has agreed to provide a new format to the clients without sufficiently pre-warning the client reporting team. Adding to this pressure pot a reporting system that may not be as fit for purpose as when it was originally acquired or developed or conversely, where the application is so engineered as to make it difficult to use.

DEDICATED SYSTEMS

Let’s draw breath. Market place research tells us that there are more specialist vendors operating in the “client reporting” space than ever before. This specific area has attracted so much interest that there are dedicated reporting exhibitions and seminars. There is a lot of debate about technology but is this all just hot air? Not so, the reality is that there is now a genuine acceptance that the work undertaken by client reporting teams is significant to the business in terms of cost, effort and time, and that there are actually many options out there now that can help best use in the core business the vast amount of talent, knowledge and skills these teams contain.

Can these dedicated systems help your organisation to deliver timely and accurate reports and also ensure the expertise of the client reporting team is being used to its full potential? Maybe not, if yours is the sort of business that has invested in a strategic review of where it wants its reporting to be and what the organisation wants its reports to say about the firm (and we’re not talking here about style over substance, rather a proactive approach to the whole reporting system). Research shows that a lot of firms do not fall into this category. Some activities are done well, very well, in fact, but conversely when looking at the overall performance of a reporting department, some tasks (for example, amending report templates or modelling the data) are not supported as well as they could be, especially in terms of the applications used to maintain them.

We all know that vendors make bold claims as to what their system can do for you and some of them are even right. The promises of easy to use, workflow-enabled, “sweep the floor” applications sometimes sound too good to be true, so take the time to look further. Check the firm’s credentials, and references for their products, as well as the support they can give your organisation. In other words look at the total package not just the application.

VALUE-ADDED ACTIVITIES

Depending upon your organisation, you need your staff to focus on the value-added activities to differentiate your business from others. At the same time you must ensure that the “keep the show on the road” tasks are performed when they should be, as quickly as they can be and in the order dictated by your own way of working. This idea of process control varies between firms and ranges from the “post-it” approach to full-on workflow coupled with business process management.

Value-added activities again vary from firm to firm, but evidence suggests that the ability of reporting teams to react quickly and easily to changes in report layouts, as demanded by the customer or other areas of the business, are seen as a key differentiator. For example, the increased use of images (especially of the fund or relationship manager) within reports is more and more seen as being of significance.

The inability of some systems to easily accept data from these sources, and to make sense of the data in the context of the end reports, is a constant frustration and where some people suggest they are failing the customer. Clearly, one way to improve would be to have fewer data sources, but in practise this is not always possible. It is the point in the process where this data comes together, i.e. the reporting application, where it is best to focus your efforts. Consequently, the ability to ‘model’ data is becoming of growing importance.

If some members of the client reporting team are distracted on more of the above type of activities, the business must not lose sight of the fact that the core duties of the team still need to continue to be performed. In this context, imagine being able to easily capture the way a team works and to be able to replay in a structured way, task by task with built in dependencies. Add to this the ability to allocate tasks to roles and roles to members of the team, including management. Sounds too good to be true? Not anymore. There are reporting applications available today that provide such functionality and can help your firm to realise the advantages of optimising the client reporting function.

VAST EXPERIENCE

The importance of the reporting team and the people who work therein, should not be understated. It is worth remembering that these same teams are used by a lot of firms to train people on so many aspects of the investment world. Team members frequently gain vast experience ranging from portfolio management to cash management to custodian management before they are passed on to work in ‘higher profile’ jobs. That would not happen if the reporting team did not have this special combination of generalist and specialist knowledge readily on tap. Do we not owe it to these teams to recognise their worth and to invest in them, and to allow them to add even more value to the businesses for which they work?

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