

# Growth Readiness:

## THE DIFFERENT SIDES OF GROWTH FOR FINANCIAL INSTITUTIONS

The latest research by FIS™ shows a clear correlation between effective operations and strong performance.\* But operational priorities vary across the buy and sell side, with banks, asset managers and insurers all facing their own specific obstacles and opportunities. So where could the hunt for growth lead you?

Readiness Leaders rise faster than the rest.  
**Are you ready to rise?**



By focusing on six operational principles, you can reap the rewards.



**Automation**

+



**Data Management**

+



**Emerging Technology**

+



**Digital Innovation**

+



**Customer Experience**

+



**Talent**

### Asset managers re-evaluate their technology

Of all buy-side institutions, asset managers are the most optimistic about their potential for growth in today's economic climate. But they are not as confident in their technology and operations capabilities.

**57%**

are not confident that they will achieve their growth targets over the next 12 months.

**50%**

are not convinced their current technology and operations can support their growth ambitions.

Asset management firms and their fund administrators commonly operate multiple technology solutions, each dedicated to a different asset class or functionality.

**65%**

run between two and five separate portfolio management and accounting systems globally.

### Insurers count the cost of compliance

Insurance companies need to overhaul their approach to managing data, especially in light of IFRS 17, the forthcoming global accounting standard for insurance contracts.

As the standard's 2021 implementation deadline approaches, many insurers have focused on how much it will cost.



**£2 BILLION** in the U.K. alone

Readiness Leaders have been quicker to grasp the business benefits of integrating and unifying their actuarial and financial data – critical not only for compliance but also for better risk management decisions and growth.



**37%** say their risk management function is highly automated.

### The sell side speeds up, consolidates and streamlines

Emerging technologies like blockchain and artificial intelligence (AI) may be hitting headlines, but it is automation that continues to make a real difference to sell-side operations.

How are Readiness Leaders accelerating processes, boosting productivity and cutting costs?

By automating OTC derivatives processing under MiFID II or workflow between sales and traders.

As on the buy side, there is considerable pressure to integrate disparate solutions and provide a single "cockpit" view of sell-side data.



**For traders**, uniting the likes of pricing, real-time risk, lifetime/portfolio valuations, collateral, margin and all valuation adjustments (XVAs) in a single system will help speed up decision-making and move it closer to real time.



**Outsourcing is impacting sell-side firms**, who no longer wish for IT to just "run the bank." Readiness Leaders are happy to offload their IT operations to a trusted partner that can deliver the whole experience as a single service.

## Finding a competitive edge

### The sell side: Focusing on the customer experience

Banks and broker-dealers may not have felt so fortunate in the wake of the financial crisis, but they are now reaping the benefits of years of regulatory pressure to improve their operations and clean up their data.



**56%** are looking at robo-advisory technology.

### The buy side: Expanding their services

The buy side typically competes over fees, service and breadth of offering.

**36%**

of asset managers plan to increase their offering of outcome-oriented multi-asset solutions.

**27%**

will do so for liquid alternative strategies.

**26%**

will for ESG investing strategies.

### Insurers: Embracing emerging technology

Incumbents are in a race to drive costs down and lower premiums, and they must adapt the customer experience to meet new behaviors and differentiate themselves by adding value that stretches beyond indemnification.

Emerging technologies such as AI and blockchain could play a significant part in helping insurers rise to these challenges.

**60%**

of insurers are researching and developing, piloting or testing AI solutions.

**54%**

are doing the same for distributed ledger solutions.

What's your growth readiness?  
**Are you ready to rise?**

To learn more or to download the full report, visit [fisreadinessreport.com](https://www.fisreadinessreport.com).