

Global Financial Services Solutions Provider Boosts Productivity 70%, Leading to Growth in Strategic Areas

By Offshoring Back-End Financial Services Processes to Keane, Client Streamlines Operations, Improves Customer Service, and Reduces Risk

Abstract

This global provider of asset management and investment technology solutions realized significant productivity gains and cost savings by offshoring strategic, back-end operations to Keane. The client realized a 70% productivity jump in its mutual fund reconciliation operations and a 22% increase in money market initiation. By moving these operations offshore, the client has greatly improved its reconciliation and money market trading services, reduced financial and operational risk by cutting cycle time by 24 hours, and redeployed internal resources to focus on more strategic, client-facing activities.

Business Opportunity

The client sought to continue its global expansion as a premier full-service business process outsourcing provider for the financial services market. Serving banks, mutual funds, endowments, and high-net worth individuals, the client recognized it would benefit from an offshore model that offered its clients a more compelling value proposition that coupled lower costs with improved business processes.

Solution

The client engaged Keane to provide business process outsourcing (BPO) services for operations within its strategic growth areas, including investment processing, mutual fund processing, and asset management.

Focused on optimizing operational models while realizing the cost savings inherent in offshore outsourcing, Keane's management team and principal consultants met onsite with key client

personnel to perform an enterprise assessment at the outset of this BPO project. Immediately three processes within the client's growth areas were identified as BPO candidates: mutual fund reconciliation, money market initiation, and wealth management transcription. Next, Keane assessed existing operating models with a focus on improving each process holistically, examining the procedures as well as how technology and personnel could be better used. Keane then documented the improved procedures, defined productivity improvement metrics, and trained its offshore team in Gurgaon, India. Within weeks, the entire process was executed offshore, where Keane's process improvement staff continued to refine processes for greater productivity gains.

In addition, the offshore team provided daily progress reports using dashboard, scorecards, and regularly scheduled conference calls to the program management team, consisting of both Keane professionals in India and the US, as well as client personnel. This collaborative governance structure gave the client greater control and visibility over the project and enabled Keane to respond quickly to any issue that arose.

Results

As a result of partnering with Keane, the client has seen productivity gains, cost savings, and better customer service within three strategic areas: mutual fund reconciliation, money market initiation, and wealth management transcription. By moving back-end, manual tasks offshore, the client has been able to focus its internal resources on client-facing activities and other growth areas.

Measurable Results

- 70% productivity improvement in mutual fund reconciliation operations (approximately \$3.3 million in savings)
- 22% boost in money market trading productivity with 30% fewer staff (saving \$1.2 million over 5 years)
- 30% cost savings for transcription services

Mutual Fund Reconciliation

The client realized a 70% productivity gain (an estimated savings of \$3.3 million) in its mutual fund reconciliation operation, where stock positions listed in its accounting system are reconciled with the industry benchmark. This gain was a result of process improvements, offshore labor arbitrage, and time zone differences that cut a day off of reconciliation time, bringing the client closer to a straight-through processing environment. Speeding up the reconciliation process has also reduced the client's exposure to financial and operational risk. In addition, Keane has established a Center of Excellence for Reconciliation in India that will enable the client to consolidate its reconciliation work across other business units for even greater cost savings.

Money Market Initiation

This operation creates the wiring instructions that enable the transfer of money from a client's investment vehicle, such as stock, to a money market account. While the process itself is straightforward, Keane boosted productivity 22% using 30% fewer staff by cross-training its offshore team to perform daily reconciliation of money market funds. With these improvements,

Client Story: Global Financial Services Solutions Provider

the client is projected to save \$1.2 million over five years.

Wealth Management

The client was losing valuable information from financial advisors' meetings with affluent clients because meeting minutes were not being captured. By offshoring transcription services, the client is now able to develop financial plans for its wealth management customers more quickly and has saved 30% over the cost of onshore transcription services.

What's Next

The client has selected Keane as its provider of choice for offshore processing and is currently looking at offshoring additional processes, including hedge fund operations, as well as integrated account setup and cash processing.

As a result of working with Keane, this global financial services solutions provider realized a 70% productivity gain in its mutual fund reconciliation operation.

Keane is a global services firm that specializes in enabling transformation of its clients' business and IT functions.