

Best practices to improve efficiency of your consultant database update process

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Third-party consultants are key to the success of an asset manager, especially when investors search for new investment opportunities. Asset managers have increased focus on this function in recent years and have won significant client mandates. To this end, the primary requirement is to update consultant databases in a timely and accurate manner, so that product visibility improves during an institutional investor's search.

The consultant database is a gateway to connect to potential investors, even before a request for proposal (RFP) is initiated. Investors also use consultant databases to conduct detailed due diligence on prospective asset managers, to identify the best fit for their investments.

However, given their wide range of responsibilities, marketing teams still struggle to find the right budget and time to invest in this function. The fact that most of this work is conducted in quarterly peak cycles with very short deadlines puts significant pressure on asset managers. They end up investing in internal and external tools, data-cleaning mechanisms, human resources, temps and interns to handle consultant database updates. This means their "cost of ownership" or "total cost of service" for consultant database updates is high, although it may not always yield the desired output quality.

COVID-19 and challenging market conditions are bound to put even more pressure on an organisation's cost structure. **The key would be to achieve more for the same dollar amount spent.**

This makes us wonder what the alternate options are and whether there is a way out. Is allocating a larger budget the only option available for running a consultant database update function? Will technology or tools alone be sufficient to complete work quickly and optimally? Not necessarily. Based on our experience in servicing financial services clients for over two decades, we believe it is sometimes important to go back to the basics to solve a problem.

We believe, there are three key elements asset managers should focus, while choosing a right solution:

- 1) A solution with the right combination of people, process and technology
 - 2) A holistic managed solution, as opposed to a product model
 - 3) A flexible and scalable solution
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Most asset managers are often able to leverage one or some of these elements, but not all, due to several constraints. The key to improving the consultant database update process is getting all these elements right. Most importantly, we need to know there is no “one solution” that fits all. Each asset manager has their unique data-quality and process challenges.

It is important that we design our consultant database update process in such a way that we have adequate human involvement for those little tweaks, data-quality checks and controls, and then use the power of technology to deliver significant speed and efficiency.

Every asset manager should closely review their existing consultant database solutions, both internal and external, to check whether they are following these **best practices**:

- It is important that your **solution cover 100% of the consultant databases** you wish to report your data on (online and offline data submissions). We have come across many asset managers who maintain 10-20% of their databases manually, as they are not covered by existing tools or solutions. This eventually means greater manual effort, low data quality, delayed data submission and an increased cost burden.
- **Data quality and completeness** are two critical factors for any search. Accurate data and timely submission of critical data points ensure that your products are visible during searches. You should ensure data is checked at various stages of the data reporting process, including adequate oversight of historical data to ensure consistency. Make sure that more than 90% of data is updated. Conduct periodic reviews.
- Your **data conversion process should be seamless, with minimal manual effort**. This is a key problem when information is sourced from multiple places, tools and teams within the organisation. Data is gathered in a staggered fashion and in different formats. An ideal solution should be able to use data from multiple formats/sources but not require you to expend significant manual effort to convert data into tool-acceptable formats for reporting.
- **Implement a strong consultant database update process**. This could include maintaining a record and audit trail of factors such as data inconsistencies, solutions, error logs, and remedies. Such processes are people-dependent and can be impacted by key person risk. Hence, a very-well-documented process is required to maintain consistency.
- Create a **centralised team to update databases consistently**, rather than multiple teams updating them from various geographies. Ideally, you should look for a solution that combines database specialists who can communicate clearly with different functions, geographies, the internal team, and external data providers, and take complete ownership.
- **Right combination of people, process and technology** to deliver higher efficiencies. People can ensure adequate controls are in place, data governance, clear communication and accountability. An effective process ensures consistency and higher quality. Technology brings people and process together, to help them achieve results in a cost-effective manner.

Ultimately, the solution should enable you to enhance product visibility, improve data quality and deliver significant cost and time savings, and scalability. If you feel that some of the above are missing in your consultant database function, it is time to start thinking about restructuring your existing consultant database update process.

How Acuity Knowledge Partners can help

Acuity Knowledge Partners (Acuity) offers a unique and flexible consultant database update solution that leverages our proprietary tool (EDGE) and consultant database specialists to manage data inefficiencies and provide quality assurance. Our consultant database update offering is a managed services model, where we deploy a combination of process, people and technology to ensure seamless consultant database updates process. **For asset managers, this means minimal time spent on this process and hassle-free consultant database updates. We have delivered 30-50% cost savings to our clients by deploying this solution. We design bespoke solutions for our clients' requirements.**

Benefits



Testimonial

Earlier today I was speaking with my team, and they were raving about the excellent job that each of you were performing in updating the consultant databases on our behalf. Please know that we are very grateful for your efforts, particularly given the uncertain circumstances we are all facing these days in light of COVID-19. Like us, I know you are each working from home, and it's wonderful and reassuring to know that you have been able to work from home seamlessly. A sincere thank you for your efforts!

Please continue to stay safe and healthy, and know that your colleagues in Boston are very appreciative of your contributions!

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Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 300+ financial institutions and consulting companies through a team of over 2,500+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.

