



COMPLIANCE



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The Operational Assessment

Understanding Your Organization from Within to Achieve Sustainable Success

BY GREG CLARK

Closing the gaps in your processes in order to serve your clients better is a great strategic move, and an operational assessment program can help you create a roadmap to achieve that goal.

Retirement administration professionals continue to face a multitude of growing market demands, ranging from providing a superior client experience and keeping up with changing regulatory requirements to attracting and retaining the best possible employees. At the same time, challenges such as client retention, cost containment, business continuity and system integration can present an opportunity to gain a competitive advantage.

Assessing the current state of your operations can be an eye opening experience and a crucial step in driving both growth and profitability.

Business operational assessments are all about understanding your organization from within. By fully understanding your organization, you can:

- identify opportunities for improvement;
- set realistic and strategic goals; and
- optimize your operations for success.

For comparison and measurement of your operations, it does not matter whether you hire a consultant, adopt an industry standard, embrace other operational standards or combine all three. The key is to get started on establishing your operational assessment program to begin reaping the benefits to your organization — including growth, competitive advantages, streamlined processes and well-allocated resources.

ASSESSING YOUR OPERATIONS

Operational assessments reveal opportunities for process

realignment and modification, such as deciding whether to outsource parts and pieces of your record keeping administration. However, to realign your business and resources effectively, you must know where and how to apply modifications with some degree of predictability. In addition, any changes suggested should optimize operational performance, which is particularly important when involving possible budget and staff reductions. Properly aligning people, processes and technology with your business strategy helps you discover and create unique opportunities for growth.

PEOPLE, PROCESSES AND TECHNOLOGY

You can begin your operational assessment by asking the following questions that touch on the three core components of your operational efficiencies: people, processes and technology. Your answers may be indicative of whether or not you are optimally positioned to attain sustainable success.

PEOPLE

- Does your team have the knowledge and resources they need to be effective?
- Do you have a current succession plan in place?
- Are your people being effectively developed and cross-trained?
- Are you concerned about client and/or employee retention in this competitive market?

PROCESSES

- Do you feel your front- and back-office processes are streamlined, with optimal workflows and checkpoints in place?
- Do operations align with your value proposition?

- Are you aligned both strategically and tactically with other business lines in your organization?
- Do you have access to the right data and analytics to make the most informed decisions?
- Are you able to quickly and efficiently report on regulatory and compliance activities?
- Can you effectively cross-sell applicable products and services to existing clients?

TECHNOLOGY

- Do your clients have a single view of all accounts they have with you?
- Are you providing your clients with the latest tools to effectively engage with your firm?
- Do you have the right technology and tools to operate and transact efficiently while helping to manage your risks?
- Are there silos of data sources within your organization that cannot be easily accessed across business lines?
- Are your operating costs falling or at least contained?

Operational assessments have shown us that many record keepers are using large, legacy platforms that have proven to be operationally challenging, cumbersome and costly. They need to get more out of their core systems and they need less from their surround systems. By allowing a trusted partner to administer all or part of their core record keeping operations, record keepers have the opportunity to focus more time and capital on those areas that drive more value to their clients and new business to their platform.

Going forward, retirement solutions will need to accommodate industry changes that include lifetime income streams for retirees and new



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and innovative ways to educate participants, as well as expanded plan advisor support, data analytics, reporting and benchmarking services. The challenge is that all of these things are expensive, yet drive minimal immediate revenue. As an industry — as we do at SunGard — we need to continue to invest in innovative tools, enhanced platforms

and expanded service capabilities to assist our clients in meeting these challenges. **PC**

Greg Clark is executive vice president and general manager at SunGard. He has more than 25 years of management experience in the retirement and financial services industries. He has

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