

The Case for Redesigning Workflows

A common issue that many advisory firms run into is how to grow their businesses without adding extreme amounts of cost and complexity to their organizations. Many firms, even experienced ones, find that what worked as a small operation does not work well as a larger one. They also find that what seemed like a sound growth strategy on paper does not translate into an effective strategy in practice.

Workflow Management

While revenue and cash flow models are important to a solid growth strategy, the operations model is often avoided or overlooked. Firms must actively manage their operational workflows to establish a scalable business model. This includes analyzing and creating formal workflow documents — a tough, but rewarding process with the following benefits:

- **Improved efficiency** – automation results in eliminating unnecessary steps
- **Better process control** – standardized working methods and audit trails lead to a reduction in errors and improved risk management
- **Improved customer service** – consistency leads to greater predictability in response to client needs
- **Flexibility** – process controls enable redesign as business needs change
- **Business process improvement** – a focus on process leads to streamlining and simplification

Reengineering Methodology

While many different workflow reengineering methodologies exist, a common methodology includes the following steps:

1. Define project and identify team
2. Brainstorm new processes and technologies
3. Analyze and prioritize opportunities (cost/benefit analysis)
4. Select “best” opportunity and design solution
5. Develop and trial new processes, information systems and enabling tools
6. Plan transition and implement solution
7. Measure results

While this methodology allows you to reach a solution faster than some other methods, some important questions to ask yourself before committing to a methodology are:

- Should you create a vision prior to beginning process and systems redesign?
- Should you document the as-is processes prior to the redesign work?
- Should a learning process come before the visioning or redesign activities?

The Role of Technology

Technology has historically played an important role in the reengineering concept. It is considered by many as a major enabler for new forms of working and collaborating within an organization and across organizational borders — just consider the impact of the fax machine and more recently, the Internet on modern business models.

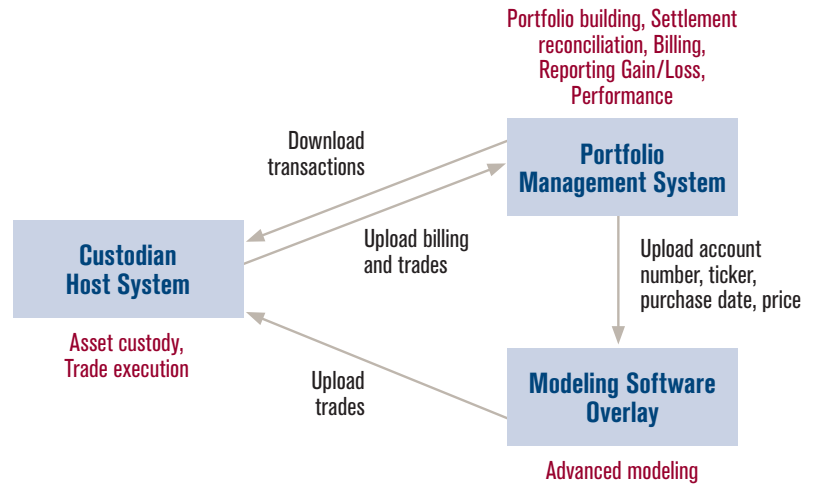
The most powerful technologies challenge traditional wisdom about how work should be performed and are often the driving force for business process redesign and improvement.

Software Integration

One key area of an operations model to analyze is how the software a firm uses to manage its investments interacts. You can see an example of the benefits available in this area by comparing a traditional custodian workflow for rebalancing accounts to using Trust Company’s TCAdvisor workflow for the same activity.

TRADITIONAL CUSTODIAN INTEGRATION

In a traditional custodian model, a firm has software from their custodian for asset custody and trade execution. They have a portfolio management system to build their investment models, manage billing and reporting. In some cases, a firm has other software for advanced investment modeling or consolidated account reporting. To rebalance accounts with a traditional custodian workflow (as illustrated on the right), there are thirteen steps involved. Some of the most time consuming steps are uploading data from one software program to another. Add the need to reconcile each data upload and a significant amount of time is exhausted.



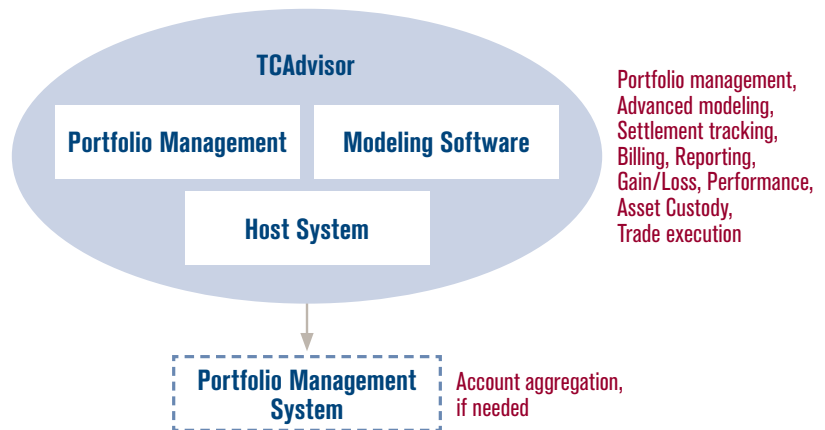
“Designing a workflow management system is one of the most powerful ways to boost business performance and to improve customer satisfaction.”

Limam Mansar & Reijers, 2005

A SINGLE APPLICATION PLATFORM

TCAdvisor, Trust Company’s custody platform is a single application. Since all features and functionality are part of the application there is no need for uploads and reconciliation.

Using TCAdvisor, the same rebalancing process discussed above is reduced to only five steps — saving a significant amount of time and reducing the potential for errors.



Information sources include *INC Magazine*, e-workflow.org, BPR OnLine Learning Center

Growing a business is not as simple as generating new sales. Along with the revenue and cash flow models, the operational model is a critical area of your business you should consider when determining how conducive your business is to growth. However, if you analyze your operational model and make appropriate modifications prior to growth, you may be able to create a more scalable business and avoid some pitfalls that many firms have encountered.

ASK US HOW YOU COULD BENEFIT FROM REDESIGNING YOUR OPERATIONS WORKFLOW.

1-800-955-7808 | sales@trustamerica.com | www.trustamerica.com