Process optimization enables a leading asset management firm to reduce NIGO accounts by 77%

**Client**
A leading asset and wealth management company

**Industry**
Capital markets

**Business need addressed**
Optimized client on-boarding for one of the broker-dealer distribution channels by combining processes and technology to improve efficiency, cut down costs, and reduce lead time

**Genpact solution**
Developed a transformation roadmap for the client’s client on-boarding function and leveraged technology in combination with lean best practices to redesign more efficient automated account-opening processes

**Business impact**
Optimizing client on-boarding process helped the firm cut down cycle time by five business days, reduce form and content review time by 65%, and reduce not-in-good-order (NIGO) accounts from 83% to 6%
A leading asset and wealth management company wanted to improve the operational efficiency of its underperforming client on-boarding function, enhance the ability to delight customers, and reduce the number of NIGO accounts to improve overall productivity. Genpact created a process transformation roadmap which will help the client achieve an efficient target operating model, optimize cost, and reduce losses.

### Business challenge

The broker-dealer distribution arm had an inefficient client on-boarding process, which was leading to greater client dissatisfaction, higher costs and longer lead time. Key challenges were:

- **High rate of not-in-good-order accounts**
  83% NIGO accounts due to missing and incomplete documents

- **Higher turnaround time**
  Overall cycle time goes up to six business days or more for a NIGO account. For a NIGO account, the advisor wait time was as high as 7.5 hours, which led to significantly long wait time for the entire process. Consequently, the average cycle time for account opening was below the industry standard

- **Need to scale capacity**
  The firm planned to ramp up its business significantly in the near future and needed to scale up its servicing capacity and increase efficiency to serve more customers while keeping costs low

- **Negative feedback from investors and advisors**
  Negative feedback from the client and advisors due to the delays in the account opening. In some cases, investors pulled back funds due to the delays

- **Lack of process documentation**
  Process owners did not have insights into process performance, potential issues, and inefficiencies, nor into gaps due to lack of process documentation, tracking systems, and reports

### Genpact solution

Genpact developed a roadmap for an efficient and highly productive operating model for the client’s client on-boarding process and leveraged technology best practices to redesign their process. Key themes in the solution were:

#### Value stream mapping

The key deliverables were:

- End-to-end current-state functional process flow
- Current operations metrics framework
- Baseline data and historical trends

Genpact began with a “Value Stream” mapping to understand the flow of information and documents through the client on-boarding process. Genpact’s team worked closely with the process owners, service providers, and client management team to identify end-to-end activities and categorize them as value-adding activities, non-value adding, or
value-enabling. Genpact conducted employee- and partner-level interactions across the branches to spot the challenges, at the same time gathering primary information and functional data to understand the client’s current state processes and systems—e.g., departmental interaction wait times, work capacity, and throughput volumes.

**Optimizing processes and measurement**

The key deliverables were:

- Identify root cause for underperformance
- Industry benchmarking for efficiency and effectiveness
- Improvement opportunities
- Recommend metrics and measurements

Based on the functional information and data gathered, Genpact analyzed trends and identified the root cause for slow turnaround time and low productivity per advisor. A benchmark metrics was also devised to analyze the efficiency and effectiveness of each and every step involved in the process. From there, an effective operation matrix was designed to address identified challenges, plug service gaps, and recommend necessary alignment of tasks to accelerate client on-boarding.

**Leveraging technology to drive efficiency**

The key deliverables were:

- Create a road map for automating the client on-boarding process
- Devise an implementation plan taking a lean approach towards the process design
- Devise structural changes to ensure smooth communication and enhanced customer experience

Genpact conducted due diligence to determine whether there was a viable business case to automate each process within a reasonable time frame. A phased technology-implementation approach was created to enable smooth, paperless client on-boarding and enhance workflow for a superior customer experience. Genpact’s team also established rigorous process metrics across the on-boarding function to improve information access, and created advisor dashboards and reports to help management assess performance in real time and facilitate strategic decision-making.

**Business impact**

Genpact’s client on-boarding process transformation and technology optimization will realize the following benefits for the asset management company:

- Cut down cycle time by five business days while enhancing customer experience
- Reduced form and content review time by 65%
- Reduced NIGO accounts from 83% to 6%
- Estimated business impact of $1.8 million via e-signature, form rationalization, and registered investment advisor (RIA) operations restructure
- Estimated business impact of $2.8 million through process optimization
- Increased per-advisor output and sales
About Genpact

Genpact (NYSE: G) stands for “generating business impact.” We architect the Lean Digital™ enterprise through a unique approach based on our patented Smart Enterprise Processes (SEP™) framework that reimagines our clients’ middle and back offices to generate growth, cost efficiency, and business agility. Our hundreds of long-term clients include more than one-fourth of the Fortune Global 500. We have grown to over 70,000 people in 25 countries, with key management and a corporate office in New York City. We believe we are able to generate impact quickly and power Intelligent Operations™ for our clients because of our business domain expertise and experience running complex operations, driving our unbiased focus on what works and making technology-enabled transformation sustainable. Behind our passion for technology, process, and operational excellence is the heritage of a former General Electric division that has served GE businesses since 1998.

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