



LEVERAGING AUTOMATION FOR STREAMLINED CLIENT REPORTING SERVICES IN ASSET MANAGEMENT FIRMS

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ABSTRACT:

The concept of Asset Management has attained digital transformation during the late 20th century. At present, it has incorporated, Artificial Intelligence, Machine Learning, Robo Advisory services and Automation within its operations. This has proved to enhance their functionality and sustainability in the market. One of the core components of sustainability in the market, is the customer retention capacity of AMC's. Catering to the needs of the client, curating customised portfolios based on the necessities of the client and systematic reporting on the performance of the securities is what keeps the client tethered with loyalty towards the firm. Client reporting is the process of delivering financial insights, portfolio performance and investment analytics to the client in a structured and systematic manner. Client reporting is a tedious process, as each of the reports are customized with information that the client has requested for. Automation is the process of utilizing the availability of technology to perform various tasks, while minimizing the intervention of human labour. With the integration of Client Reporting and Automation, AMC's can accelerate the reporting process. This will reduce manual labour, ensure accuracy, real time data analysis, effective compliance, customized client experience and cut costs on a large scale. This paper examines the impact of automation on operational efficiency, cost reduction, and client engagement in asset management firms. Findings indicate that automation not only optimizes reporting workflows but also fosters better decision-making and client trust. The study concludes that asset management firms must embrace automation to remain competitive in an increasingly digital financial ecosystem.

Key words: Automation, Client Reporting, Operational efficiency, Asset Management.

INTRODUCTION:

Client reporting has always been important to ensure transparency, build trust, and achieve regulatory compliance in asset management firms. Client reporting refers to the practice of providing financial information, portfolio performance and investment analysis to the client in an organized and methodical fashion. Client reporting is a time-consuming process, since every one of the reports are tailored with information that the client has specifically asked for. Typically, this practice was very much manual, labour-intensive, and vulnerable to various opportunities for error. In light of swift advancements in the area of automation and technology growth, adoption of them across fields have been rampant. With the improvement in automation technologies like Machine Learning, Artificial Intelligence, Robotic Process Automation and Natural Language Generation, asset management firms are turning more towards innovative solutions to improve efficiency, reporting, and client satisfaction. This research investigates how automation affects the client reporting service in asset management companies.

The research identifies major effects of employing automation such as accurate reporting, operational effectiveness, regulatory compliance, and error removal. Additionally, the research surveys the advantages as well as obstacles involved in rolling out automation that involve cost efficiencies, accuracy, scalability, as well as the complexity of integrating. By examining actual case studies and trends from the industry, this study endeavours to offer an insight into the best practices of automating client reporting and future implications of technology-based reporting solutions. In essence, the research endeavours to accentuate how automation has revolutionized client reporting as a more strategic, streamlined and a value-added activity in asset management.

OBJECTIVES OF THE STUDY:

PRIMARY OBJECTIVE:

- To examine how automation has streamlined client reporting services.

SECONDARY OBJECTIVES:

- To assess the accuracy in client reporting with the implementation of automation.
- To evaluate the operational efficiency achieved by leveraging automation.

- To investigate how automation adheres to regulatory requirements.
- To explore how automation has minimized the risk of reporting errors.

NEED FOR THE STUDY:

The research focuses on the issue of how important, the precision and customization of reports based on the clients are. Precise client reporting is the key to lasting customers and even fosters customer loyalty to the firm. If reports are given how and when the client desires, it builds a perception of trustworthiness among clients with respect to the firm's goodwill.

Not applying automation in client reporting can lead to a tremendous amount of manual work, millions of errors, calculation mistakes, misrepresentation of data and late report delivery. Because of this, expenses are incurred at an extreme rate where unnecessary costs are incurred to submit a proper report. Manual reporting takes time at a huge scale leading to the impact and delay of connecting operations.

The issue of human error is a persisting problem in client reporting. Manual reporting has a daunting problem of data entry errors, improper formatting, version management and lack of details. It is an elongated process involving manual data extraction, validation compilation, time-consuming approval access and delay in presenting the reports to the clients.

REVIEW OF LITERATURE:

- **P. Ellis's Client Reporting: Responding To The Key Drivers Of Automation, Customisation And Globalisation** explores the evolving landscape of client reporting within the financial services sector, emphasizing the impact of automation, customization, and globalization. The study situates itself in the broader literature on operational efficiency, regulatory compliance, and technological advancements in asset management and securities operations.
- **Suman .D, Mohapatra L. M. & Matemane .R's Integrated Reporting And Investor Clientele** examine the role of **integrated reporting (IR)** in shaping investor preferences and decision-making. The study contributes to the growing body of literature on corporate disclosure, sustainability reporting, and investor behaviour by analysing how IR influences investor clientele composition and engagement.
- **Dragomirescu, Parschivoiu, Vines, and Nica's Automation in Financial** examine the role of automation in financial reporting, focusing on its implications for accuracy, efficiency, and regulatory compliance. The study builds upon existing literature in financial technology (FinTech), accounting automation, and digital transformation in corporate reporting.
- **K. Saathoff's The Industrialisation Of Asset Management Reporting Services** focuses on the shift from manual, fragmented reporting processes to automated, standardized solutions. The study contributes to the broader literature on financial services automation, operational efficiency, and regulatory compliance in asset management.

RESEARCH GAP:

- **Limited Empirical Research on Automation in Client Reporting:**

Although previous research identifies the advantages of automation (e.g., efficiency, cost savings, and precision), little empirical research exists to determine the automation in client reporting for asset management companies. Subsequent research should investigate how automation affects operational expense, error minimization, and client satisfaction in quantifiable terms.

- **Integration of New Technologies (AI, NLP, and Blockchain):**

Most of the current studies are centered on conventional automation techniques (e.g., rule-based automation, straight-through processing). Not much has been investigated regarding how AI-based solutions, NLP in interpretation of financial data, and blockchain in secure data exchange can further enhance client reporting.

- **Customization versus Standardization in Automated Reporting:**

Asset management companies handle a heterogeneous client base with unique reports while preserving standardized compliance reports. There is no research into how automation can meet customization and regulatory compliance needs without adding to the complexity of operations.

- **Challenges in Data Security and Regulatory Compliance:**

Automation enhances data handling efficiency but creates issues related to data security, GDPR, SEC, and MiFID II regulation compliance, and cyber threats. There is little research available on best practices for ensuring regulatory compliance when introducing automated client reporting.

- **Adoption Barriers and Change Management Strategies:**

Most asset management companies continue to use manual or semi-automated reporting because of issues related to implementation cost, resistance by staff, and legacy system integration. Additional research is required to determine the most common automation adoption barriers and transition strategies.

RESEARCH METHODOLOGY:

To achieve the objectives outlined above, the chapter will conduct a comprehensive review of existing literature, scholarly articles, and relevant research studies on Automation in Client Reporting. This review will also analyse real-world case studies and examples of Automation leverage in Asset Management Companies to illustrate the practical implications and outcomes.

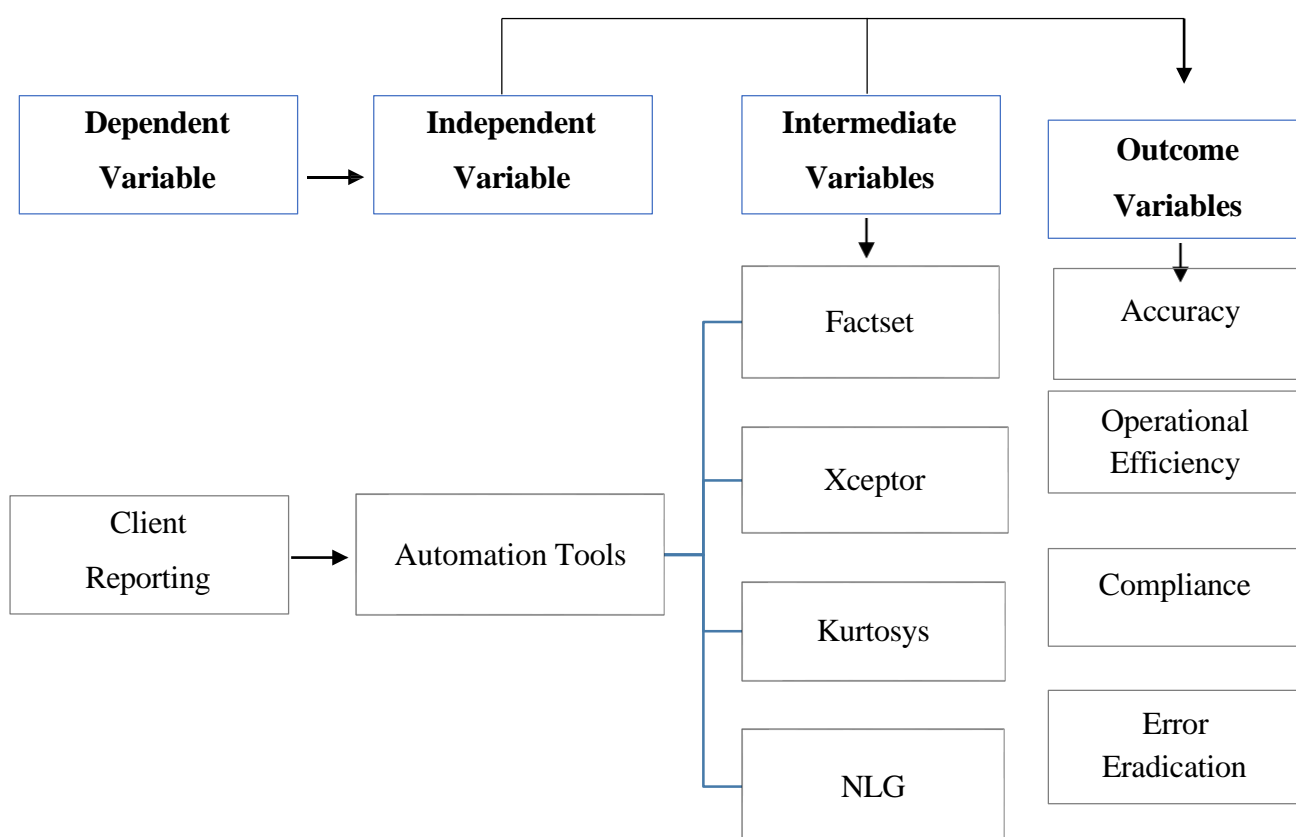
RESEARCH MODEL:

Independent Variable: Automation.

Dependent Variable: Client Reporting.

Intermediate Variable: Automation Tools in Client Reporting.

Outcome variables: Accuracy, Operational Efficiency, Compliance and Error Eradication.



IMPLEMENTATION OF AUTOMATION IN CLIENT REPORTING:

Promising outcomes in Client Reporting have resulted with the implementation of automation. Studies by PWC have stated that 90% of Asset Managers use Artificial Intelligence for report generation. Dutch based Asset Management firm Robero has implied that Investor Reporting is improved by Machine Learning technology. The Empaxis Report states that the rate of identifying Accuracy of data as a primary concern by AMC's have increased from 45% in 2022 to 72% in 2025.

Global Trading Net: The Future of Client Reporting by Clare and Rebecca has concluded that 83% of Asset Managers has automated their client reporting services. 50% of them are at the early stages of automation leveraging. 60% of respondents have an issue with incorporating sustainable data into reports, which ultimately tends to affect accuracy and operational efficiency. 71% feel that the data is dispersed and not integrated. 2/3rds of the respondents agreed that regulatory changes have hindered manual client reporting protocol. 6% are confident that they have already established an automated

solution for their reporting needs. 6% have stated that there is a generous improvement in efficiency and reduced costs after the implementation of automation in client reporting. 69% of Asset managers still have outdated technology for reporting. Finally, 72% of them have agreed to providing

customized and tailored reports to their clients. This study concluded that Automation offers greater flexibility through more parameter driven, customer reports.

Funds Tech's Client Reporting tops Asset Managers priority list has stated the following results. A report from SIONIC where 50 AMC's were surveyed concluded that 72% want to provide tailored reporting services, out of which 70% reporting is done via Automations. Mark Webb, Chyavan Rees and Russell Yapp conducted a survey for ALPHA in which, 80% respondents identified client reporting as their primary target. 54% agreed that automation definitely enhanced client reporting in terms of operational efficiency. ALPHA's 2023 Middle Office Trends Survey that included 25 participants who make up 40% of UK's top 40 Asset Managers stated that, 82% use In house models, 18% use outsourced models for client reporting.

Factset's Fortune 500 financial services firm stated that, its software has reduced reporting time by 35%, thereby contributing to operational efficiency. Ifamagazine article by Brandon Russell 2023, found that 90% of AMC's still rely on manual processes. Investment Reporting Survey for Asset Managers 2020 ACUITY by Steve Joseph targeted respondents that included COO's, Head of performance and reporting, heads of client services, heads of investment operations, heads of investment reporting at leading AMC's. this resulted in finding out that with the automation in client reporting, 30% are able to meet deadlines, although 89% still struggle with data integration.

ADOX had conducted a research implying Kurtosys: Elevating Client Reporting 2023. Kurtosys implementation has provided promising results where 8.3% of reporting transformed into an automated format, 23.3% was mostly automated, 56.7% agreed that 50% of client reporting was automated and 11.7% agreed that 25% of client reporting was automated.

Factset reports concluded that NLG – Natural Language Generation to automated Client Reporting was much cheaper, more scalable, regulation compliant and more accurate. ARRIA's report by Amy McCloskey 2023 further supported NLG stating that it contains 100% accuracy and can prepare thousands of client reports in minutes. This led to increased operational efficiency and auditability which improved error eradication.

Quant reports 2024's Automation is key for fund managers in 2025 concluded that after automation, there is a significant decrease in errors by 90%, it is 85 times faster than manual methods. 92% of the organization has improved in compliance due to automation.

Client retention has become one of the most seemingly available outcomes of accurate and consistent client reporting. Vendasta's 2024 report has stated how automation can streamline consistency, data collection and accuracy. It also emphasized the calculation of client retention rates using the formula below.

$$\text{Client Retention Rate} = \frac{E - N}{S} \times 100$$

Where,

E = number of clients at the end of the period.

N = number of New clients.

S = number of clients at the beginning of the period.

FINDINGS:

- Client reporting has been made significantly efficient by leveraging automation such that it has impacted various sectors within an AMC.
- Automation tools have bridged and transformed the gap between manual reporting, towards achieving accuracy, operational efficiency, compliance with regulations and error eradication.
- With the rise of numerous automation tools, client reporting has been made a much easier process from the most tedious one.
- Even though there are continuous developments in technology a huge portion of AMC's are still struggling to implement the automation in their respective firms
- Asset managers feel that there is improper data integration from various platforms that serve as a basis for client reporting
- There has been a significant impact of accuracy is automated reporting, which includes timely preparation of reports with data integration that is straight from the source.
- Operational efficiency has sufficiently inclined as automation gets reporting done 85 times faster than manual reporting thereby cutting costs and improving work efficiency.
- Automation tools for client reporting are curated in a way that they can comply with regulatory changes, thereby following a stipulated and standard format with customization while adhering to rules.

SUGGESTIONS:

To enhance client reporting in a more effective manner, AMC's can consider implementing the following automation tools in their respective organisations.

FactSet:

- This software is able to calculate performance, risk, attribution, exposures, and characteristics for multi-asset class global portfolios with best-in-class, flexible charts and reports.
- It provides access to all the data and flexibility required to analyze the portfolio across asset classes and strategies, such as equity, alternatives, and fixed income.
- It is possible to automate calculations and track portfolios in FactSet's Portfolio Dashboard. Save time by utilizing FactSet's report caching so analysis is available to use when FactSet is opened every morning.
- View reports and charts interactively with custom sorting, simple formatting choices, and instant views of group- and security-level information.
- Choose portfolio-specific preferences to quickly create unified reports that are presentation-ready and exportable to a PDF file.
- Achieve complete visibility into the calculations that drive the analysis with the capability to audit security, group, and portfolio-level values.

Xceptor:

- Xceptor integrates with any source, in any format and pulls out the pertinent data for transformation and validation throughout pre- and post-trade processes, tax processing, regulatory compliance and risk management.
- Their technology utilizes generative AI capabilities to classify documents smartly, break them down and pull out the data from documents as diverse as forms, PDFs, emails or even faxes.
- The platform acts as a connecting bridge that aligns front-, middle- and back-office functions by consuming, transforming, normalizing and authenticating all information, from any source and subsequently providing this data directly into data workflows it is most required.
- With AI-driven automation using Xceptor, teams are able to simplify and provide solutions within their organization automating hundreds of business use cases that once required too much time and expense to handle.

InData:

- INDATA has access to real-time data for positions, transactions, performance, and corresponding portfolio information.
- It may be utilized for generating customized reports for client statements and investor presentations with performance, position, and transaction features.
- It may apply AI tools and data analytics for analyzing large volumes of data and providing actionable insights.
- INDATA Back Office provides transparent and correct portfolio accounting reporting.

Kurtosys:

- Kurtosys streamlines the production of elaborate documents, such as factsheets, sales presentations, pitchbooks, client reports, and regulatory reports, from one template.
- The platform allows the creation of thousands of fact-based documents in seconds, substantially saving time and effort. Kurtosys assists investment managers in meeting regulations, such as factsheet requirements and language translation.
- The platform enables the dissemination of information and insights to clients, equipping them with current data and tailored experiences.
- Kurtosys enables investment managers to develop and manage investor portals, providing clients with important data and tailored experiences.
- The platform makes it possible to build interactive investment dashboards, enabling clients to see data and monitor performance.
- The cloud-based platform makes it possible to provide secure and scalable solutions for client data management and interactions.
- Kurtosys assists with client communications and reporting, allowing for the production of bespoke and dynamic sales presentations and pitchbooks.
- It enables the production of visually appealing and compelling elements, such as graphs, charts, and text apps, to be used in websites and print media.
- It offers a secure and scalable platform for managing and accessing investment information.

CONCLUSION:

The use of automation in client reporting services in asset management companies is revolutionizing advantages on various fronts. By enhancing accuracy, automation reduces human errors and provides exact, data-driven information. With respect to operational efficiency, it makes processes smoother, less labour-intensive, and faster, thus improving productivity. From a compliance standpoint, automated procedures assist companies in complying with changing regulatory conditions by keeping audit trails, making report formats consistent, and lowering the risk of non-compliance. In addition, error eradication is dramatically attained through automation, since inconsistencies are avoided and data integrity is improved. In general, the use of automation in client reporting allows asset management companies to produce high-quality, timely, and compliant reports with the regulator, building client trust and enabling long-term business prosperity.

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