



Disrupt and grow

Insights from asset management CEOs

KPMG's 2017 Global CEO Outlook reveals insights from CEOs in 10 of the world's largest economies. With continued pressure to deliver on the bottom line, CEOs are keenly focused on managing their business' core strengths while transforming the way they create value.

To better understand the asset management industry's priorities, concerns and opportunities, KPMG surveyed 85 CEOs from some of the world's largest asset management organizations. We asked them about challenges, growth, investments and capabilities. This is what they said ...

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Key findings from the CEO Outlook survey

A new story is unfolding for the asset management industry, as asset managers prepare to disrupt and grow.

CEOs embrace disruption

Implementing disruptive technology is a top strategic priority for asset management CEOs. **71 percent** say that rather than waiting to be disrupted by competitors, their organization is actively disrupting the sector in which they operate.

Progress on technology, but residual concerns

Asset management CEOs feel confident in their organizations' readiness to understand and adopt new technologies. However, implementation presents an ongoing challenge to them. **49 percent** of CEOs say they are concerned about the integrity of the data they are basing their decisions on.

Cyber's under investment is a risk

CEOs see both the threats and benefits of cyber and view it as part of their personal leadership role. But planned investment levels may not be sufficient to address evolving technology with only **39 percent** of CEOs who say they are fully prepared for a cyber event.

Strong outlook for business growth

Asset management CEOs are confident about their own businesses' prospects for growth — but only **71 percent** of CEOs say they are confident in the growth prospects for their company in the next three years. They see building stakeholder and customer trust as a top priority.

Investing for growth and transformation, and thinking long term

The top investment priorities for asset management CEOs are improving bottom-line growth (**62 percent**), business transformation (**59 percent**) and increasing productivity (**52 percent**). Asset management CEOs are seeking sustainability through a focus on trust, values and culture, and balancing long-term and short-term objectives.



Disconnect between innovation and ambition

Although CEOs recognize the opportunities, they are not prioritizing innovation and emerging technologies on their investment agendas. Only **46 percent** are planning to increase investment in innovation and **44 percent** in emerging technologies, over the next 3 years.

Focus on the customer

Asset management CEOs are confident in their ability to create value for customers, and **52 percent** are pursuing customer-focused transformation as a route to growth. The top challenge is maintaining and building the customer base.

Planning for uncertainty

Although the majority of asset management CEOs are confident about growth in the global economy and their industry, they are more positive about the next 12 months than over the longer term. **71 percent** are spending much more time on scenario-planning as a result of an uncertain geopolitical climate.

Anticipating and planning for risk

For asset management CEOs, the top industry risks are strategic (**32 percent**), regulatory (**31 percent**) and operational (**28 percent**). In response, these CEOs are prioritizing technology (disruptive technologies and becoming more data-driven) and client-related initiatives (speed to market, marketing and branding, and articulating vision and culture).

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Publication name: Disrupt and grow | Publication number: 134836a-G | Publication date: September 2017