

Changes in Regulation and Market Structure Have Led 77 Percent of Global Financial Institutions to Alter their Business Models, According to Research from Broadridge and the Economist Intelligence Unit

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LAKE SUCCESS, N.Y., Sept. 30, 2014 /PRNewswire/ -- [Broadridge Financial Solutions](#), Inc. (NYSE:BR), the leading provider of investor communications, technology-driven solutions and data and analytics, today announced the findings of a global survey of more than 400 executives assessing recent operational changes among financial institutions. The survey, sponsored by Broadridge and conducted by The Economist Intelligence Unit, found a majority of institutions (77 percent) are altering their business models as a result of recent changes in regulation and market structure; this has also elevated the status of chief operating officers (COO) within the C-suite.



According to the jointly-published [report](#), more than two-thirds of respondents cited new regulation and governance requirements (35 percent) or changes in market and industry structure (32 percent) as the primary forces driving business transformation -- ahead of globalization (17 percent) and technological advances (13 percent).

"The heightened volume and complexity of regulation and extensive industry restructuring have forced firms to rethink their business models on an unprecedented scale," said Vijay Mayadas, senior vice president of strategy and M&A at Broadridge. "This trend is set to continue in force through the remainder of the decade. Firms that are more adaptable to creating a proactive response to the changing market needs are more likely to differentiate themselves and outperform."

Industry Changes Elevate Role of Chief Operating Officer

According to the report, "for the first time in the modern financial services-era... the majority of business leaders are eager to have the chief operating officer (COO) play a leading role in driving business model change." Among the leading set of companies surveyed, 83 percent of executives view their COOs as "fully engaged" in the company's strategy and planning process; 85 percent rated them as "very effective" at making improvements that drive business value.

"The majority of business leaders appreciate the transformative power of operations and increasingly look to the COO to play a role in driving business model change," said Steven Leslie, Financial Services Analyst, Economist Intelligence Unit.

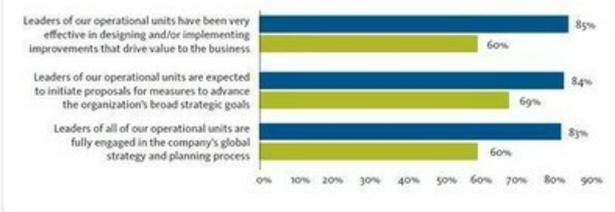
Key findings of the report, titled "Operations power performance: Managing risk and delivering value," include:

- **Executives rate risk management as the most important overall strategy in their organization's response to global challenges – ahead of product innovation and addressing new customer demands.** Risk management was also cited by respondents as one of the most important operational activities in driving business value.
- **There is an expectation, especially among C-suite executives, that operational leaders will initiate proposals to advance the organization's strategic goals.** Eighty-five percent of C-suite executives at firms with above-average adaptability say that operational leaders have been very effective in designing or implementing improvements that drive value to their business.
- **Firms with strong adaptability performance are more likely to say they will focus on a broad spectrum of operational activities.** Specifically, risk management stands out as the operational activity with the highest overall potential to drive business value.
- **Building automated processes that integrate risk management, audit trails and compliance processes is the most effective strategy for adapting to more intense regulatory and governance requirements.** Further, the vast majority of respondents – 77 percent – adjust to these requirements by launching new business models.

The survey—conducted and analyzed by The Economist Intelligence Unit in partnership with Broadridge to ascertain how operational teams are contributing business value to their companies—garnered responses from 414 executives from around the world engaged in securities-related businesses. Leaders of buy-side operations, sell-side operations and corporate management are nearly equally represented. More than 40 percent of survey respondents hold C-level positions, including 19 percent who are CEOs. Asia-Pacific, North America and Europe each account for about 30 percent of the survey sample. About 25 percent of the companies represented have \$5bn or more in annual global revenue, while 39 percent have less than \$1bn in revenue.

A full copy of the report and supporting materials are available at: www.broadridge.com/OperationalExcellence.





About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and operations outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 6,700 full-time associates in 14 countries.

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