



WHITEPAPER

An Asset Manager's Guide to Choosing an MSP

Seven Key Criteria in Selecting a Provider

In growing numbers, firms in the investment arena are moving to a managed services model for their IT infrastructure. While there are thousands of IT Managed Service Providers (MSP), very few are focused on the investment industry, and not all have the depth of resources to keep up with changing technologies or the evolving needs of the market. This paper explains the drivers of managed IT services, the benefits firms stand to realize by outsourcing IT, and the key criteria to consider when selecting a provider that meets the needs of asset managers.



In today's fast-paced, complex investment industry, a robust, efficient, scalable and secure IT infrastructure is an absolute competitive necessity. Yet IT represents a huge investment of time and resources, not just for the initial build but for ongoing maintenance and application upgrades. Large money-center financial institutions can afford to dedicate global IT teams to keep their infrastructures humming smoothly. Smaller and mid-sized firms, however, must constantly balance the need to keep up with technology against the substantial investment required to do so. Technology advances quickly, and the risk of falling behind is great.

As a result, firms often find themselves with aging legacy systems that lack the flexibility to adapt to changing business demands and competitive pressures. They also face the challenge of recruiting and retaining qualified IT talent in a tight labor market – which exposes them to “key person risk” if the only people who really know the infrastructure decide to leave.

Security is paramount

Compounding these issues is the rise of cyberthreats, which has made security the number-one IT challenge for investment businesses. Financial firms are prime targets for bad actors. Asset managers have a fiduciary duty to protect investors' sensitive data. Yet attacks are increasingly sophisticated, often exploiting a firm's employees to gain unauthorized access to systems. Moreover, the movement of data among multiple internal and external sources creates multiple threat vectors. An aging infrastructure is especially vulnerable.

Not surprisingly, security readiness, business continuity and disaster recovery have become a major focus of regulators and exams. For compliance purposes, firms must be able to demonstrate that their infrastructure is resilient and meets high security standards.

The advantages of managed IT services

For all these reasons, more and more firms are deciding to get out of the IT business, delegate infrastructure maintenance to full-time experts, and focus their resources on core, revenue-generating activity. This trend is evident across all industry sectors – the managed services market is estimated at around \$300 billion globally and expected to grow at an annual rate of 13.6% through 2030.¹

Managed IT services, properly delivered by an experienced, professional team, stand to benefit asset managers in a number of ways. Firms can:

- **Reduce their internal IT footprint** with software-as-a-service (SaaS) deployment, meaning less hardware required, fewer applications to maintain and lower operational overhead
- **Eliminate the burden of managing infrastructure**, enabling the firm to devote more resources to its core business of investment management
- **Reduce internal IT staffing requirements** and eliminate key person risk
- **Strengthen security** by consolidating data in a single location and minimizing the exchange of data among different systems, thereby reducing the number of threat vectors
- **More easily scale up or down** as processing requires
- **Reduce the risk of falling behind technologically** the provider takes responsibility for applications upgrades and security patches, minimizing business disruption
- **Support remote work and hybrid workplace models** by enabling staff to have anytime, anywhere access to critical applications

¹ [Managed Services Market Size and Trends](#), ©2024 Grand View Research

Seven key criteria in selecting a provider

While there are many MSPs, not all have the requisite expertise, depth of resources or flexible operating models to service investment firms in a complex, fast-paced market. In reviewing potential providers, firms should look closely at these seven key criteria:

- **Investment industry experience and expertise**

Many IT MSPs are “sector agnostic,” providing a generic infrastructure hosting service. Look for a provider who understands how asset managers operate and what they need.

- **Ability to consolidate all data, applications and processes with a single vendor**

A qualified provider should not be reliant on third-party software or data center vendors, which can result in inconsistent performance and security vulnerabilities.

- **A highly secure, private cloud environment**

Public cloud deployment carries higher risks for financial firms. In a private cloud, such as SS&C's data centers, only known and vetted clients are inside of our data centers unlike public cloud environments where anyone with a credit card can get access to that facility. In a private cloud, hardware and software are dedicated to your business and not shared with anyone else. An IT MSP serving asset managers should be able to demonstrate that it adheres to industry-leading security protocols, proven through rigorous penetration testing, audits and certifications.

- **Proven business continuity and disaster recovery (BC/DR) practices and procedures**

Your provider should have robust BC/DR capabilities that stand up to rigorous investor due diligence and regulatory scrutiny. Look for a provider that will work closely with you to develop a BC/DR plan custom-tailored to your managed services installation and operating needs.

- **Responsive, 24/7 global support**

Your provider should have the depth to provide continuous monitoring and support to keep your infrastructure running properly. For firms with global operations, look for a “follow the sun” support model with teams around the world on call to troubleshoot issues.

- **Ownership of technology**

A provider that builds, owns and operates the technology supporting your processes will be more agile in application development and deployment, minimizing reliance on third-party software.

- **Continual investment in innovation**

The right provider should have the financial strength and commitment to continuously invest in new technologies and enhancements to keep you ahead of the curve – with a track record to prove it.

With technology constantly evolving, trying to maintain a modern infrastructure in the face of intense competition is a high-cost, high-risk proposition. With the right managed IT services provider, you can free your firm from operational constraints on growth and gain the agility to adapt quickly to new products, markets and opportunities.

About SS&C Managed IT Services

SS&C is a leading innovator in technology-powered solutions and operational services for the global investment management industry. We are also the world's largest private market fund administrator and mutual fund transfer agent. Our Managed IT Services team specializes in serving investment industry participants, with over 1,000 dedicated engineers around the globe. SS&C owns and operates the technology that underpins its services, and continually invests a substantial percentage of annual revenue in product development. Our private cloud and data center facilities are certified to the highest industry security standards, backed by a professional threat intelligence and incident response program.

SS&C serves a worldwide clientele with a network spanning the major financial and commercial centers of North America, Europe, the Middle East, Asia and Australia.

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