



Future-Ready ERP in Financial Services

Level the Playing Field to
Simplify, Scale, and Succeed at any Size

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— ILLUMINATE. INSPIRE. IGNITE. —

The financial services industry is constantly evolving, and the investment management sector is emblematic of that evolution and the challenges it creates. These firms struggle with increased pressures to perform, innovate, and stay compliant — all while delivering exceptional client experiences. This report explores how Best-in-Class financial services organizations are navigating these challenges by focusing on three key areas: **process efficiency, compliance and control, and continuous improvement**. By leveraging the right technology to streamline operations, centralize data, and enable smarter decision-making, these firms are meeting today's demands and positioning themselves for long-term growth and success.

Facing Complexity in Financial Services Head-On

The financial services industry is at a crossroads. Competitive pressures drive companies to deliver differentiated services, improve operational efficiency, and maintain profitability, but they do so in an increasingly complex environment where regulatory constraints are a moving target. To thrive, financial services leaders must address these challenges while balancing the need for agility, compliance, and long-term growth.

Enterprise Resource Planning (ERP) systems are often positioned as tools for large enterprises, but they offer significant value for firms of all sizes. Surprisingly, ERP adoption in the financial services industry remains lower than expected: only 50% of firms currently use ERP systems to manage their operations. This signals a significant opportunity for modernization. Encouragingly, 43% of firms plan to implement ERP within the next year, a sign that leaders recognize the need to reduce complexity and improve decision-making with integrated technology.

However, technology adoption is only part of the equation. Among financial services firms already using ERP, 71% are managing three or more separate systems. This fragmentation leads to data silos, inefficiencies, and inconsistent processes — creating more complexity instead of less. For financial services firms, success hinges on achieving a single source of truth: consolidating systems, centralizing data, and ensuring seamless integration across all processes.

The *Investment Management* subsector, which is a key engine for capital allocation and growth within the financial services industry, exemplifies these challenges. As firms navigate operational and regulatory pressures, streamlined systems become essential for improving efficiency, maintaining compliance, and driving client-centric decision-making.

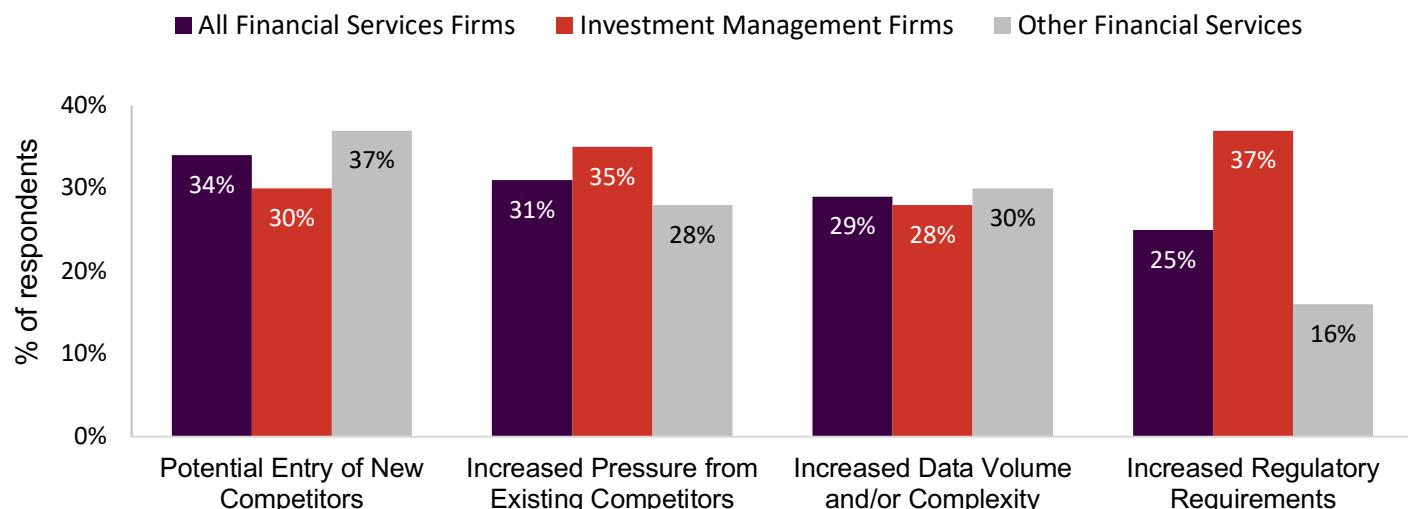
About the Study

Aberdeen's recent study, *The State of ERP 2024*, surveyed over **600 business professionals** across a variety of industries. This report focuses on more than 100 respondents from the financial services industry, including those in the following sub-sectors:

- ▶ **Banking**
- ▶ **Insurance**
- ▶ **Consulting**
- ▶ **Investment Management**

Investment Management (including *private equity, hedge funds, asset managers, and alternative investments*) is highlighted in this report as an illustrative example of ERP's impact on business processes, decision-making, and performance — outcomes that are broadly echoed by the experiences of all firms across the financial services industry.

Figure 1: Key Pressures Highlight Fierce Competition, Regulatory Challenges



N = 103, Source: Aberdeen Strategy & Research, December 2024

By addressing these barriers, financial services firms can simplify operations, reduce risk, and position themselves for sustainable growth. ERP solutions that scale with a firm's needs — whether large or small — are key to leveling the playing field in a highly competitive industry.

Staying Ahead: Navigating Pressures in a Competitive Market

The financial services industry faces mounting challenges, driven by both external competition and internal operational hurdles. Firms are under constant pressure to adapt to a changing market landscape, manage increasingly complex data, and address shifting regulatory requirements.

Competitive pressures dominate the industry mindset. As shown in Figure 1, both established players and new market entrants are driving intense competition. The *potential entry of new competitors* was cited by 34% of respondents, while *increased pressure from existing competitors* ranked close behind at 31%. Firms must continually innovate, differentiate services, and improve operational efficiency to maintain their market position.

Simultaneously, the *volume and complexity of data* present significant challenges across the board, with 29% of firms identifying this as a major issue (Figure 1). As firms adopt new applications and onboard diverse data sources, their technology infrastructure is often pushed to its limits. Without integrated systems and streamlined processes, managing this

29%

of financial services firms **identify the volume and complexity of data as a major challenge**, highlighting the need for integrated systems to streamline decision-making and reduce inefficiencies.

influx of information becomes increasingly difficult, slowing decision-making and amplifying operational inefficiencies.

Regulatory pressures add another layer of complexity. While 25% of firms overall highlighted increased regulatory requirements, the Investment Management sector feels this pressure most intensely, with 37% identifying it as a key concern (Figure 1). Notably, this data was gathered before the 2024 election results, which may shift both competitive pressures and regulatory constraints in the near future.

Together, these pressures — competition, data complexity, and regulatory demands — underscore the need for financial services firms to adopt solutions that reduce complexity and enable growth. Best-in-Class organizations are leading the way by implementing strategies and technologies that address these challenges head-on, as explored in the following sections.

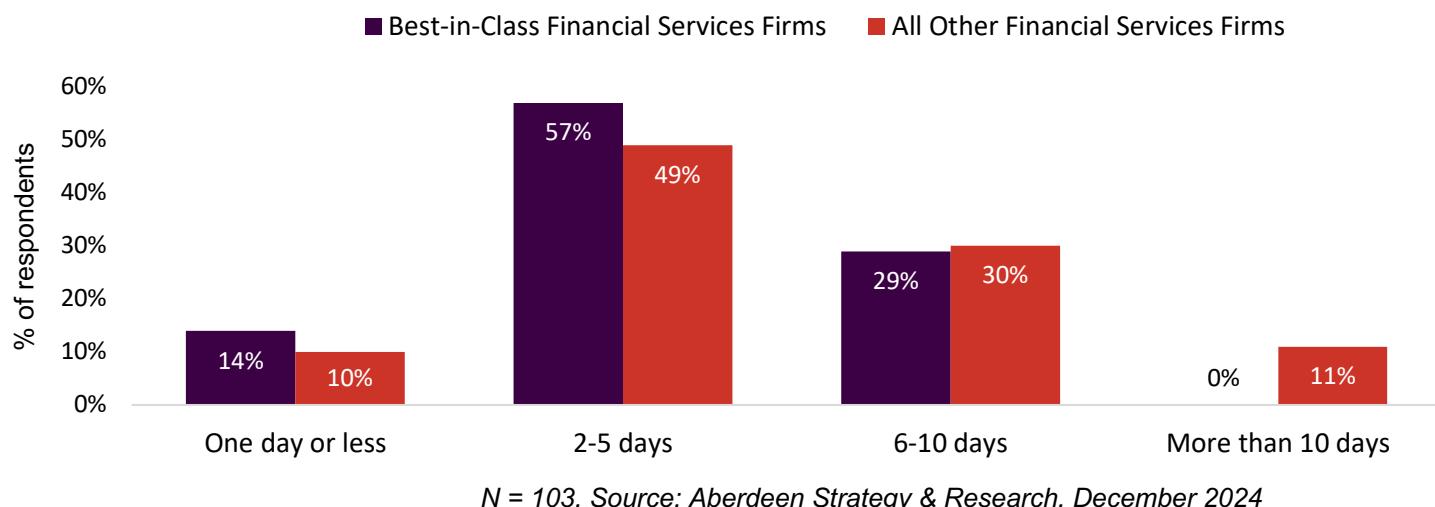
Getting to Know the Best-in-Class

Compliance in the Face of Complexity

Best-in-Class financial services firms demonstrate exceptional efficiency in managing the complexity of their operations. One key differentiator lies in their ability to streamline financial close processes — tasks that can become bottlenecks when firms rely on disparate ERP systems.

At the end of an accounting period, Best-in-Class organizations significantly outperform their peers.

Figure 2: Consolidating Multiple ERP Systems at End-of-Period



N = 103, Source: Aberdeen Strategy & Research, December 2024

Aberdeen Best-in-Class Maturity Framework

Aberdeen's maturity framework groups survey respondents by performance across key metrics. The **Best-in-Class** group represents the **top 20%** of organizations based on their self-reported results, providing a benchmark for companies striving to achieve operational excellence.

As shown in Figure 2, they are far more agile in consolidating multiple ERP systems and completing financial close processes:

- ▶ 14% of Best-in-Class firms close their books in **one day or less**, compared to just **10%** of all other firms.
- ▶ A majority (57%) complete the process within **2–5 days**, compared to **49%** of their peers.
- ▶ Importantly, **0%** of Best-in-Class firms report taking **more than 10 days**, while **11%** of others struggle with these extended timelines.

This agility allows Best-in-Class firms to maintain tighter compliance and data integrity, freeing up resources for more strategic initiatives. By consolidating systems and reducing process inefficiencies, they are better positioned to handle complexity without sacrificing performance.

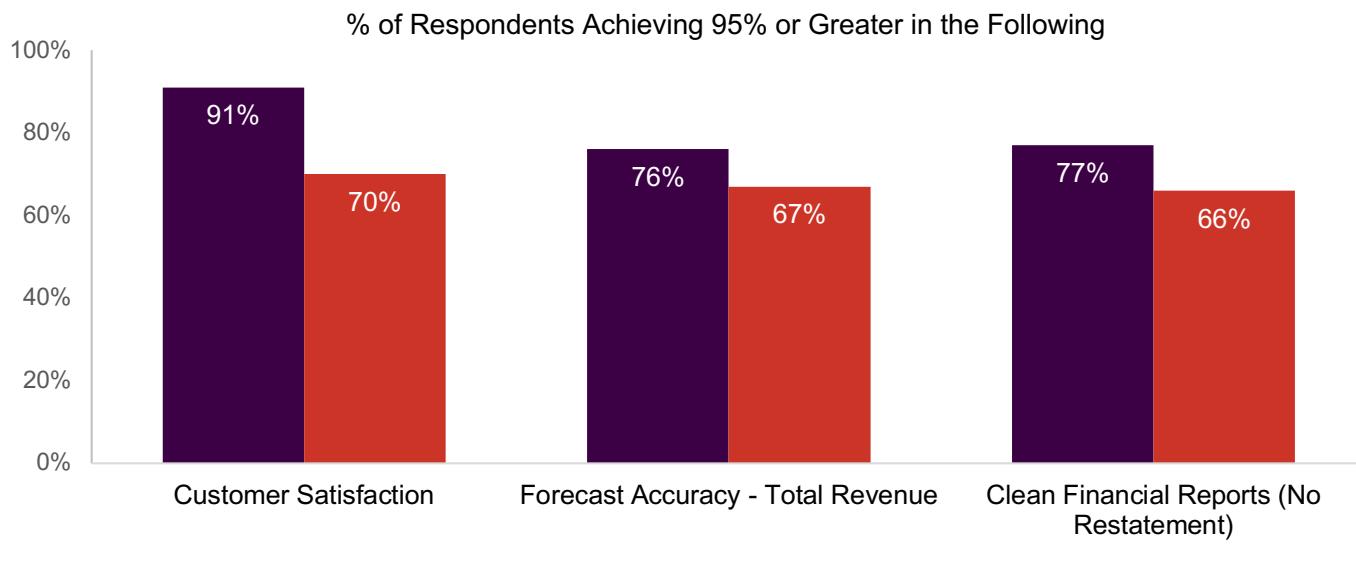
14%

of Best-in-Class financial services firms **close their books in one day or less**, compared to just **10%** of all other firms.

Agility, Efficiency, and Customer Satisfaction

Beyond financial close, Best-in-Class firms excel across critical performance metrics that directly impact customer outcomes and operational stability. These firms consistently report higher levels of customer satisfaction, financial accuracy, and operational predictability — elements that are essential to maintaining a competitive edge.

Figure 3: Critical Metrics – The 95 Club



Source: Aberdeen Strategy & Research, December 2024

As shown in Figure 3, Best-in-Class firms lead across three critical indicators:

- ▶ **Customer Satisfaction:** 91% of Best-in-Class firms achieve 95% or greater customer satisfaction rates, compared to 70% of all other firms.
- ▶ **Forecast Accuracy for Total Revenue:** 76% of Best-in-Class firms report 95% or greater forecast accuracy, compared to 67% of their peers.
- ▶ **Clean Financial Reports (No Restatement):** 77% of Best-in-Class firms produce clean, accurate financial reports without requiring restatements, outperforming the 66% average among all other firms.

These results highlight the broader impact of agility and process efficiency. By reducing errors, improving forecast accuracy, and ensuring higher customer satisfaction, Best-in-Class firms not only meet regulatory requirements but also enhance their ability to respond to client needs and market demands.

Within the financial services industry, investment management firms face a unique convergence of operational demands and client expectations. These firms must balance regulatory compliance, data accuracy, and the need to deliver exceptional client experiences. By adopting ERP systems that integrate processes and provide real-time insights, investment management firms achieve measurable gains in agility and precision. For instance, 49% of these organizations utilize system-to-system connections to streamline workflows, while 46% empower decision-makers with self-service reporting tools. These capabilities not only drive efficiency but also enhance performance, helping firms maintain compliance and deliver client-centric outcomes in a highly competitive market.

By prioritizing compliance, agility, and operational efficiency, Best-in-Class financial services firms deliver measurable results that drive growth and customer trust. Their success lies in consolidating systems, improving processes, and maintaining accuracy — proving that agility and precision set the leaders apart in an environment of growing complexity.

Best-in-Class Performance by the Numbers

- ▶ **Customer Satisfaction:** 91% achieve satisfaction rates of 95% or greater.
- ▶ **Forecast Accuracy:** 76% report 95% or greater accuracy in revenue forecasts.
- ▶ **Clean Financial Reports:** 77% produce accurate reports without restatements.

Moving the Needle Toward Top Performance

Best-in-Class financial services firms are proving that organizational maturity delivers measurable results. By strengthening collaboration, enhancing compliance processes, and improving data visibility, these firms overcome operational complexity that often holds others back. Their focus on unified systems, real-time insights, and secure data management positions them to operate with greater agility, precision, and customer-centricity.

Collaboration is a hallmark of Best-in-Class performance. In an environment where fragmented ERP systems can isolate teams, Best-in-Class organizations are leading the way — 76% report the ability to collaborate effectively across business units, compared to just 49% of others (Figure 4). This ability creates the broader visibility needed to identify problems, uncover opportunities, and reduce delays caused by disconnected processes.

Similarly, regulatory compliance is an area where Best-in-Class firms outperform their peers. While compliance remains a significant challenge across the financial services industry, 67% of Best-in-Class firms monitor compliance in real-time or on a timely basis, far ahead of just 49% of all others. This level of visibility ensures firms can adapt quickly to regulatory changes and avoid costly penalties or delays.

To address the complexity of multiple systems, Best-in-Class firms are also more likely to adopt a common data model, with 62% achieving this alignment versus 49% of all others. A unified data model provides a consistent foundation for information across departments, reducing errors and enabling clearer communication between teams. This alignment becomes even more valuable when organizations strive to consolidate customer data into a single, integrated view. Best-in-Class firms excel here as well: 62% maintain a fully integrated view of customer information (sales, marketing, and finance), compared to just 45% of all others. With a holistic view of customers, firms can better understand behavior, identify growth opportunities, and deliver tailored solutions.

Additionally, Best-in-Class firms ensure their executive leadership has access to timely insights. Delays in decision-making often arise from incomplete or outdated data, but 57% of Best-in-Class firms provide their leadership with critical information within a usable “decision window,” compared to 42% of all others. This access allows leadership to act quickly, avoiding missed opportunities or costly missteps.

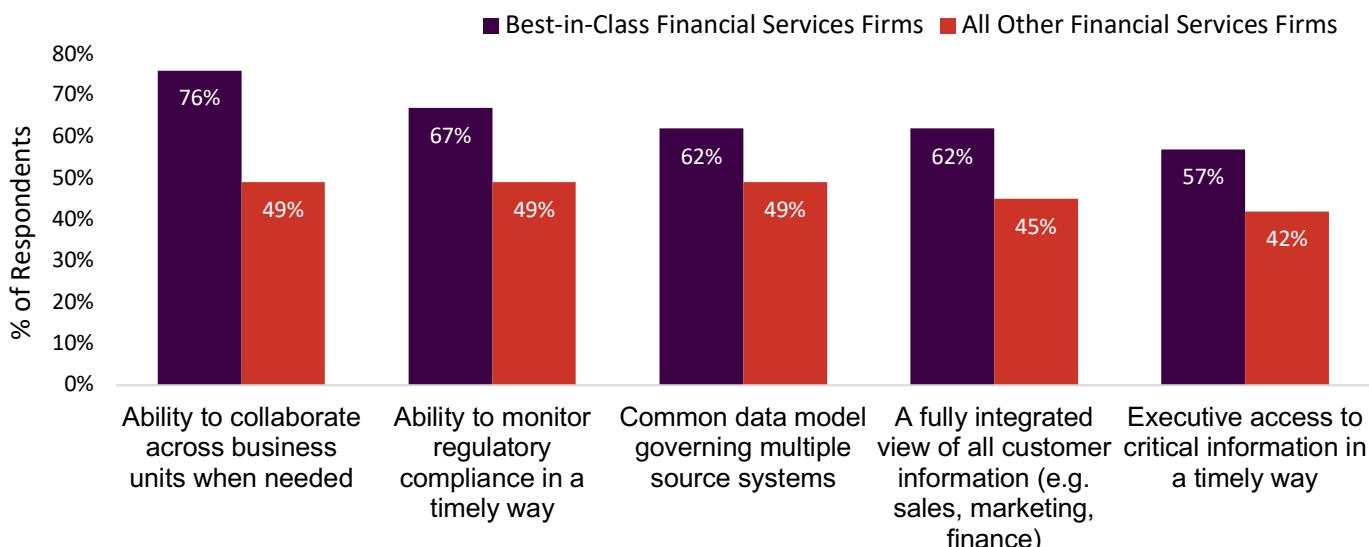
76%

of Best-in-Class financial services firms collaborate effectively across business units, compared to just 49% of others, enabling broader visibility, faster problem-solving, and fewer delays caused by disconnected processes.

67%

Best-in-Class financial services firms can monitor compliance in a timely manner, compared to 49% of all others.

Figure 4: Operational Maturity: Capabilities That Set Best-in-Class Firms Apart



N = 103, Source: Aberdeen Strategy & Research, December 2024

Beyond these differentiators, Best-in-Class firms prioritize data excellence to improve the operation of their systems and teams. Financial services firms — and investment management organizations in particular — are making critical investments to enhance the usability, security, and accessibility of their data (Figure 5).

For instance, secure data sharing is becoming a priority. Currently implemented by 44% of firms, with another 50% planning to implement it, secure collaboration with strategic customers strengthens trust and deepens relationships. Similarly, centralized management of work instructions, documents, and reports is in place for 49% of firms, while another 44% plan to adopt it. Given the prevalence of mergers and acquisitions across financial services, centralizing institutional knowledge helps organizations maximize ERP investments and reduce redundancy.

Investment management firms are also investing in system-to-system data connections, with 49% currently leveraging direct connections between ERP systems and other functional tools and 41% planning to implement them. These connections improve process automation and expand visibility across the organization, reducing manual data bottlenecks. Finally, self-service reporting capabilities are emerging as a critical need. Forty-six percent of firms enable users to tailor their reporting views, empowering decision-makers to access insights in the ways that work best for them, and another 41% plan to follow suit.

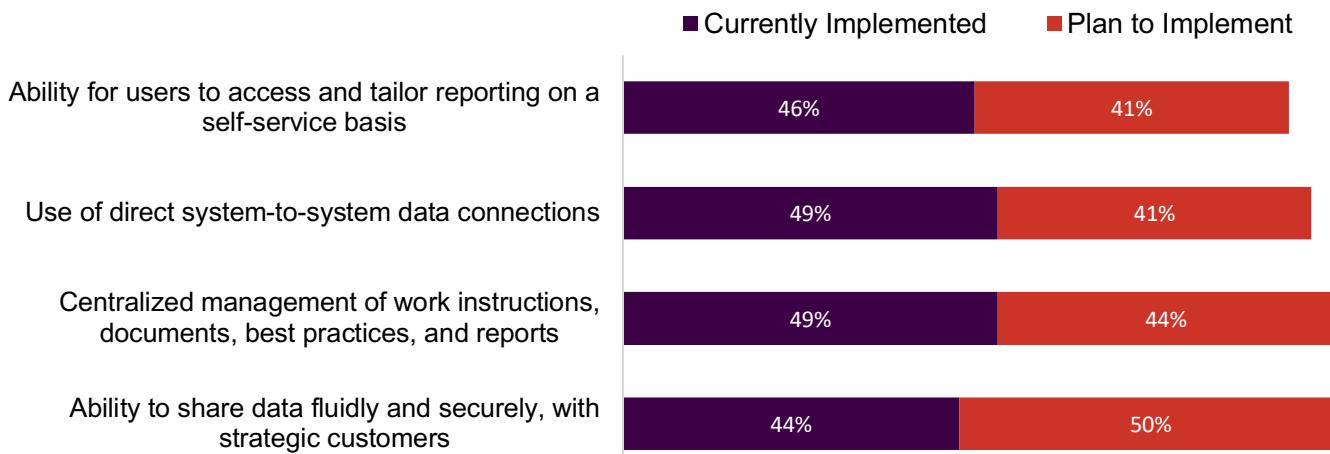
49%

of investment management firms use direct system-to-system connections to automate processes, and

46%

enable self-service reporting for decision-makers.

Figure 5: Key Priorities for Investment Management Firms



% of Respondents, N = 103 ,

Source: Aberdeen Strategy & Research, December 2024

Together, these capabilities paint a clear picture: Best-in-Class firms are aligning systems, breaking down silos, and empowering both leadership and users to make faster, smarter decisions. They have built an operational foundation that drives efficiency and performance by enhancing collaboration, strengthening compliance visibility, and centralizing data. For firms striving to improve, the priorities and capabilities demonstrated by Best-in-Class organizations provide a roadmap for overcoming complexity and unlocking growth opportunities.

Key Takeaways & Actions

The financial services industry in general, and Investment Management firms in particular, face no shortage of challenges: **competitive pressures, increasing data complexity, and ever-evolving regulatory requirements**. However, this report has shown that Best-in-Class organizations — those that outperform their competitors — are successfully navigating this complexity through organizational maturity, data excellence, and operational agility. Their strategies provide a clear model for all financial services organizations aiming to improve performance and deliver measurable results:

- 1. Reduce Complexity with Unified Systems and Collaboration:**
Fragmented ERP systems and data silos continue to hinder financial services organizations. Best-in-Class firms set themselves apart by enabling cross-team collaboration, with 76% successfully collaborating across business units compared to 49%

of their peers (Figure 4). By aligning teams and systems, they create broader visibility, solve problems faster, and uncover new opportunities.

2. **Enhance Compliance with Real-Time Visibility:** Regulatory compliance remains a moving target. Best-in-Class firms address this challenge by prioritizing timely monitoring of regulatory requirements—a capability reported by 67% of Best-in-Class firms compared to 49% of others. Real-time compliance tools not only mitigate risks but also ensure firms remain agile as regulations shift.
3. **Adopt a Common Data Framework for Consistency:** Best-in-Class organizations outperform their peers by establishing a common data model that eliminates inconsistencies and connects disparate systems. Sixty-two percent of Best-in-Class firms achieve this alignment, compared to 49% of other firms. A unified data model provides a foundation for collaboration, accurate reporting, and streamlined operations.
4. **Maximize Value with Integrated Customer Data:** A fully integrated view of customer information empowers Best-in-Class firms to understand client behavior better and deliver tailored solutions. Sixty-two percent maintain this level of integration across sales, marketing, and finance, compared to 45% of others. This capability is essential for firms looking to grow revenue and deepen customer relationships.
5. **Invest in Data Excellence to Enable Agility:** Best-in-Class firms prioritize secure data sharing, centralized document management, system-to-system connections, and self-service reporting tools. These capabilities streamline processes, improve automation, and empower decision-makers with timely insights. By strengthening data management, top performers achieve greater agility, accuracy, and collaboration across their organizations, turning data into a competitive advantage, as shown in Figure 5.
6. **Empower Leadership with Timely Insights:** Delayed or incomplete information can derail decisions, but 57% of Best-in-Class firms ensure executives have access to critical insights within their decision-making window — well above the 42% reported by others. This capability helps leadership move quickly, respond to opportunities, and maintain a competitive edge.

For financial services firms aiming to level the playing field, the message is clear: operational excellence starts with breaking down silos, building

data maturity, and enabling agility across teams. Best-in-Class firms lead the way by unifying their systems, implementing real-time compliance monitoring, and centralizing their data under a common framework. This approach improves collaboration across business units, enables secure, strategic data sharing, and empowers decision-makers with timely, accurate insights.

These strategies deliver tangible results — greater cross-functional alignment, improved regulatory visibility, stronger customer relationships, and faster decision-making. For firms ready to navigate complexity and drive long-term performance, the roadmap is in place. The next step is yours.

Related Research

- ▶ [AI and Cloud Solutions for Professional Services: Using Technology to Drive Success in a Project-Focused Industry](#), November 2023
- ▶ [Always Be Closing: Improving Financial Closing with Cloud ERP](#), November 2023
- ▶ [Unlocking Financial Excellence: Harnessing Cloud ERP for Mid-Market Success](#), October 2023
- ▶ [Cloud-Y With a Chance of Insight: The Forecast for AI, ML, and Data Proliferation in Financial Services](#), September 2023

About Aberdeen Strategy & Research

Aberdeen Strategy & Research, a division of Spiceworks Ziff Davis, with over three decades of experience in independent, credible market research, helps **illuminate** market realities and inform business strategies. Our fact-based, unbiased, and outcome-centric research approach provides insights on technology, customer management, and business operations, to **inspire** critical thinking and **ignite** data-driven business actions.

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