

Growth Readiness Study

October 2020

Fourth Edition

State Street engaged Longitude Research to field this global survey during September and October 2020. Respondents span various geographic locations, representing institutional asset owners, asset managers and insurance companies.



Respondent Demographics



Respondents by Geography



Respondents by Institution



*Endowments, Foundations, Charities & Official Institutions



Growth Outlook



Confidence in the one-year growth outlook has dropped, but the long term forecast is bright

Growth outlook for the next year



Proportion optimistic (very/somewhat) about meeting growth targets has declined

Growth outlook over the next 5 years



Proportion optimistic (very/somewhat) about meeting growth targets has rebounded



Likelihood of scenario occurring in 2021



The majority believe rising protectionism will hinder expansion plans; more cyber attacks and a prolonged bear market expected

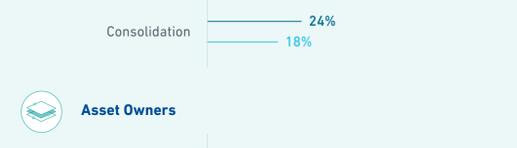


Shifts in growth objectives over the past year

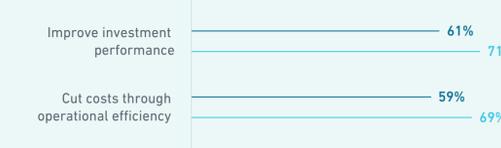


Asset managers' appetite for geographic expansion dips, while pressure to consolidate rises across the board

Asset Managers



Asset Owners



Insurers



● 2020 ● 2019



Most important actions for growth strategy



Elevating productivity, migrating to cloud and moving away from legacy IT are critical to growth in 2021



Re-prioritization of technology spending



Spending on cyber security, risk analytics and client-facing systems will be prioritized in the short term



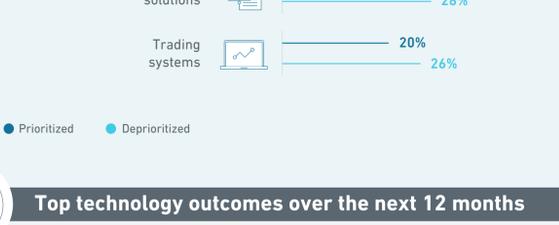
● Prioritized ● Deprioritized



Top technology outcomes over the next 12 months



Improving investment analytics, client experience and harnessing alternative data have climbed up the agenda in the last year



● 2020 ● 2019



Alternative data



Appetite for using alternative data to improve investment intelligence grows, many looking to external specialists



Workforce structure & practices



Remote working has gained wide acceptance as a long-term strategy



Biggest workforce challenges stemming from COVID-19



Ensuring effective information sharing and equipping employees have been the greatest challenges in moving to remote work



Cloud's impact on organizational effectiveness



Firms with mature cloud strategies were more effective in responding to the pressures triggered by COVID-19



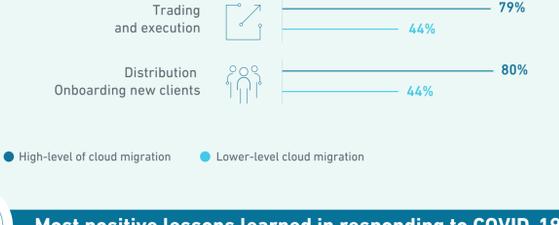
● High-level of cloud migration ● Lower-level cloud migration



Most positive lessons learned in responding to COVID-19



Relationships with outsourcing partners have strengthened as they've increased operational burdens. Despite many challenges, the success of remote working has been a bright spot



Consolidation of outsourcing partners



The largest asset managers and asset owners are most likely to be reducing the number of outsourcing partners to focus on more strategic relationships



● AUM > \$100bn ● AUM < \$100bn

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