

THE BEST INVESTMENT MAY BE THE CONSTRAINT YOU REMOVE

Executive Briefings

Key Takeaways

- **The highest-value investment may be removing a constraint rather than adding another capability.**
- **Prioritize constraints by their reach and impact, not simply by how visible they are.**
- **Start with the business problem, then determine the right combination of process, people, data, and technology.**

Estimated Reading Time: 4 minutes

Organizations are usually good at identifying opportunities.

Constraints can be harder to see.

A new platform may offer greater capability. Automation may promise efficiency. Better analytics may improve decision-making. A new workflow may reduce manual effort.

All can be worthwhile.

But before deciding where to invest next, asset and investment managers should consider another question:

What is preventing the organization from getting more value from what it already has?

Sometimes the highest-value investment isn't another capability.

It's removing what stands in the way.

Find Where Work Begins to Slow

Constraints don't always announce themselves as major problems.

They appear as waiting.

A team cannot complete its work until information arrives from somewhere else. Data must be reconciled before it can be trusted. An approval depends upon one person. A process moves efficiently until it crosses into another system.

Individually, these delays can appear minor.

Repeated across transactions, accounts, reports, clients, and teams, they become something else.

They become part of the organization's operating capacity.

That makes the point where work slows worth understanding — not merely because it creates delay, but because everything downstream may be affected by it.

Look for the Constraint With Reach

Some problems are local.

Others travel.

A cumbersome process affecting one narrow activity may deserve improvement. But a data problem that touches reporting, operations, compliance, and client service has a different kind of significance.

It has reach.

The same can be true of integration gaps, manual reconciliations, inconsistent information, or processes dependent upon a small number of people.

Solving one of those problems may improve several outcomes at once.

That is leverage.

When priorities compete for resources, leverage can be more useful than visibility in deciding what should move first.

Do Not Let the Solution Choose the Priority

Technology can make opportunities easier to see.

A new capability appears. A platform promises improvement. Automation demonstrates what is possible. Artificial intelligence introduces another set of possibilities.

The temptation is understandable:

Where can we use this?

But possibility isn't priority.

Starting with the solution can cause an organization to invest energy in making technology fit a problem rather than determining which problem deserves attention in the first place.

Reverse the sequence.

Identify the constraint.

Understand why it exists.

Determine what would change if it were removed.

Then decide what combination of process, people, data, and technology provides the right response.

A useful tool should serve a priority.

It shouldn't create one.

Consider What the Constraint Is Costing

Not every constraint deserves immediate action.

Some are inconvenient but inexpensive. Some occur too rarely to justify intervention. Others can be managed effectively with existing processes.

The important question is ***proportionality***.

What does this constraint ***consume***?

- Time?
- Capacity?
- Accuracy?
- Visibility?
- Scalability?
- Client responsiveness?
- Risk tolerance?

The cost may not appear neatly on a financial statement. That doesn't mean it is insignificant.

Understanding the consequence of leaving a constraint in place makes it easier to compare against everything else competing for investment.

Closing Thought

Prioritization becomes easier when leadership stops asking only which improvement would be valuable and begins asking which improvement would make other improvements possible.

Remove the right constraint and capacity can increase.

Information can move more reliably.

Skilled people can spend less time compensating for process limitations.

Future automation can become easier because the underlying process is cleaner.

Growth can become less dependent upon adding effort at the same rate.

That is why the first investment does not always need to be the largest or most ambitious one.

It needs to change what becomes possible afterward.

Finishing strong means that before you invest in the next capability, find the constraint that's keeping today's capabilities from doing more.

Start the Conversation

- Every successful modernization initiative begins with a shared understanding of where you are today and where you want to go next.
- If your leadership team is evaluating modernization priorities, Anchor Bridge Innovations would welcome the opportunity to start that conversation.