



A GUIDE FOR FUND MANAGERS

The True Cost of Turnover at Your Fund Administrator

EXECUTIVE SUMMARY

Turnover within fund administration firms may create significant, often underestimated, hidden costs for fund managers. Results of turnover at a fund administrator can range from delayed NAV issuance to inconsistent client service, the consequences of which can erode credibility, investor confidence, and operational efficiency. Here we explore those challenges and illustrate how Kaufman Rossin Alternative Investment Services (KRAIS) provides a uniquely stable, people-first solution with industry-leading retention rates.

Learn more at [kaufmanrossinAIS.com](https://www.kaufmanrossinAIS.com)

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INTRODUCTION

Employee turnover is a reality for all industries, including fund administration. Yet in today's complex investment environment, operational reliability demands more than technology alone, it requires consistent and experienced professionals.

While many administrators treat turnover as a "cost of doing business," the real burden falls on fund managers. Direct financial impacts are often passed on through higher fees, but the more damaging hidden costs, such as operational inefficiencies, communication breakdowns, and strained investor relations are less visible, yet more disruptive.

This paper is designed for GPs, CFOs, COOs, and investor relations leaders assessing the operational and reputational risks associated with high turnover at their fund administrator. It also outlines how the KRAIS employee-first approach delivers long-term value through continuity, accountability, and deep institutional knowledge.

INDUSTRY LANDSCAPE

As fund structures grow more complex, the value of experience and continuity in fund administration has never been greater. Technology, once a differentiator, is now a baseline expectation. Fund managers expect:

- Dedicated investor and portfolio general ledger systems**
- Investor and manager portals**
- Custom reporting options**
- Dynamic performance analytics**

But while good technology enables efficiency, great people deliver consistency and add value to your business.

Unfortunately, turnover is widespread in the fund administration industry and driven by burnout, outsourcing, cost cutting from acquisitions, poor leadership, lack of professional development and limited career growth. The result for fund managers? Frequent staff changes, inconsistent service, and a revolving door of contacts who must be constantly retrained.

According to the U.S. Bureau Of Labor Statistics (BLS) Job Openings and Labor Turnover Survey (JOLTS), average monthly “total separations” were approximately 1.9% in finance & insurance in 2024

On a compounded annual basis, that is roughly:

20.5% turnover, including quits, layoffs, discharges and other separations.

Credible research shows total turnover costs commonly range from **50% to 200%** of salary once hiring, onboarding, and lost productivity are counted, depending on the role and level of expertise required.

Recruiting may take **3–6 months**, with an additional **2–4 months** before the new hire is fully effective.

HIDDEN COSTS OF TURNOVER

While the direct costs of turnover are measurable, the hidden costs can be even more damaging. These may include:

- Delayed response times to inquiries or requests
- Reduced business and best practice consulting services
- Delays in NAV issuance or processing of capital events
- Increased financial reporting errors
- Loss of institutional, client specific operational and workflow knowledge
- Breakdowns in client relationships

When turnover is high, fund managers often spend more time overseeing their administrator, repeating instructions, re-explaining fund structures, and following up on routine tasks.

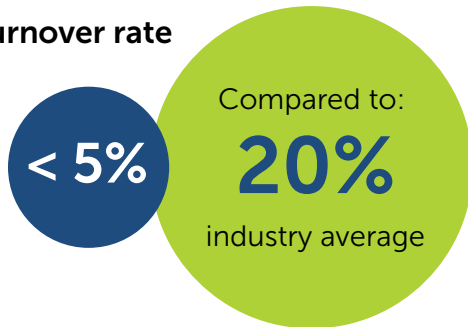
Over time, these inefficiencies strain resources and erode trust.

A lack of consistency in service teams can also undermine confidence in an administrator’s ability to handle audits, tax compliance, or regulatory filings or critical functions that require deep familiarity with a fund’s unique structure and history.

THE KRAIS DIFFERENCE

KRAIS is guided by a simple but powerful belief: when you put people first, everything else follows. Our culture is rooted in people, passion, trust and innovation—values that translate directly to better outcomes for our clients.

Turnover rate



Average tenure

12–15 years

among key staff

Over 25+ years

for management

Long-term client relationships, built on consistency and accountability

We invest in the ongoing development of our professionals, both personally and professionally, ensuring they remain engaged, fulfilled, and prepared to support clients through every stage of growth.

At KRAIS, our people are our differentiator.

Clients frequently cite the stability, tenure and expertise of our teams as the reason they choose and stay with us.

WHAT FUND MANAGERS SHOULD CONSIDER

To assess whether your fund administrator is equipped to support your long-term goals, ask:

- How long has your core team been assigned to your fund?
- What is the average tenure and turnover rate of staff?
- How is knowledge transferred within teams?
- Who is accountable for key deliverables like audit readiness and tax compliance?

Fund managers should also evaluate their administrator's approach to training, staff development, growth and succession planning. These practices are critical to ensuring seamless service and long-term alignment.

At KRAIS, we encourage deep, ongoing engagement between our teams and clients.

Our professionals not only manage accounting and reporting but also support broader business needs, from tax compliance and regulatory filings to consulting and strategic planning. It's no surprise that most of our clients rely on multiple KRAIS services to manage and grow their businesses under one roof.

BUILDING CONFIDENCE THROUGH CONTINUITY

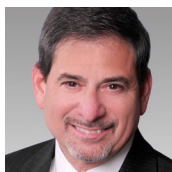
Turnover at your fund administrator may seem like a minor inconvenience, until it becomes a major operational risk. Hidden costs, inefficiencies, and declining service quality can compound over time, impacting everything from investor confidence to fund performance.

Choosing a stable, people-first partner like KRAIS means less time managing your administrator and more time focusing on what matters: growing your fund.

WANT TO LEARN MORE?

As the fund industry continues to evolve, so does the fund administration landscape. Fund managers should regularly assess whether their current and future needs are met, and whether there are alternatives that might improve their ability to satisfy investor demands.

If you have questions or would like assistance assessing your current and future needs, reach out to us. We're here to help



Keith Sharkey

Managing Principal

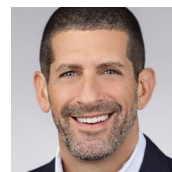
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