

I need to . . .

ASSESS MY SYSTEMS STRATEGY

A US investment manager received notice that their parent organization, a global investment manager, would be discontinuing many of the services it had been providing to its multiple affiliates. So the affiliate investment manager needed to quickly evaluate its investment systems strategy and come up with a plan to replace the services that were going away. The parent organization had been providing the affiliate with business process outsourcing (BPO) services for the middle and back offices. The parent had also acted as an application service provider (ASP), hosting most of the affiliate's technology platforms, including a system well-known for providing portfolio management, investment accounting, and basic performance measurement functionality. This platform had worked well for other affiliates, which managed mostly domestic equities, but because this affiliate managed global fixed income and derivative investments, they had endured significant service issues and functional shortcomings over the years. The affiliate had no desire to hire the IT and operational staff required to bring this system in-house, and they determined that a BPO offering would be their best alternative.

CUTTER SOLUTION

The investment manager required a strategic platform to replace the functions that were going away, including trade processing, accounting, and performance measurement. They wanted to make the changes relatively quickly, but if that wasn't possible, they were considering "parking" these functions temporarily while the strategic system platform could be designed and implemented.

At the outset, we assessed the requirements for our client's new environment and determined that we could help them make the changes without "parking" any functions. We also provided search and selection services for their accounting, performance measurement, and trade processing systems. By interviewing stakeholders to capture all requirements, leveraging CutterResearch and our previous consulting RFPs for accounting, performance measurement, and trade processing, we built a customized RFP that we distributed to the most promising vendors. We evaluated products and vendors from all angles—functionality, product and company stability, integration of the suite of products, delivery and operational facilities, future direction of the product and company, and existing Cutter Associates' clients for peer comparisons.

CLIENT PROFILE

Client Type:

US investment manager affiliate of a global investment manager

Assets Under Management:

USD 50 billion

Location:

Philadelphia, PA

Cutter Practice:



Systems Search & Selection



Implementation

We then scored the RFP responses and invited the high scoring vendors to demonstrate their systems using scenarios that we designed to mimic our client's processes. After scoring these results, we narrowed the list of potential vendors again, performed due diligence on the finalists, and provided written recommendations to our client.

Once our client finalized their selections, we managed the implementation projects for their accounting, performance measurement, straight through processing, and reconciliation systems. We also managed the overall program, which consisted of 21 separate but coordinated projects, and coordinated testing for all of the projects.

Working closely with our client and the various vendors, we successfully advised our client on how to implement their new environment within the prescribed timeframe, and we were onsite to help perform the implementation. Our client came out of the program more capable of supporting their assets, with a new platform optimized for their unique requirements that can grow as the organization grows.