

I need to . . .

UNDERSTAND MY BUSINESS METRICS

A public fund responsible for managing a state's assets, including the state employees' retirement system and state investment fund, wanted to better understand their business metrics, and they asked Cutter Associates for a customized benchmarking study to achieve the following:

- An independent assessment of the adequacy of IT and Operations resource levels to meet the client's investment objectives. For the purposes of this study, resources included internal staff, vendors, electronic research services and data feeds, and technology infrastructure.
- The optimal mix and organizational structure of internal and external IT and Operations and Administration resources to meet investment objectives
- Alternative strategies for meeting future IT and Operations support needs assuming that internal resources remain at the current level
- Specific recommendations for maximizing the value that IT and Operations add to the investment process

CUTTER SOLUTION

We looked for organizations that could be identified as peers for our client, and found several public and private investment management firms employing best practices for supporting IT and Operations functions. We then invited these firms to participate in a comprehensive benchmarking survey covering the following areas:

- organizational size and structure
- allocation of resources (as defined above)
- complexity of investment strategies
- asset mix (including traditional, private, derivative, and alternative assets)
- system inventory
- cost structures

Using the survey results, we produced a preliminary analysis comparing each participant's capabilities with those of the other participants.

CLIENT PROFILE

Client Type:

Public Fund

Assets Under Management:

USD 100 billion

Location:

Mid-West , USA

Cutter Practice:



Operations Benchmarking

To validate our preliminary analysis, we held interviews with each participating firm, and produced a detailed final report containing substantiated trends.

After further analysis and visits to several participating firms, we provided a written report of our findings. In addition, we presented detailed recommendations to management and staff regarding the optimal levels, mix, and deployment of internal and external IT and Operations resources to support investment objectives, along with estimates of the associated costs.

At the conclusion of this project, our client was able to understand the strengths and weaknesses in their current framework and identify opportunities where they could target resources effectively that would maximize value for the organization.