

I need to ...

IMPROVE THE OPERATIONAL MODEL

A Fortune 500 financial firm providing services and products including life insurance, annuities, and mutual funds, realized that they needed to overhaul their operational model. They asked Cutter Associates for help designing an optimized target operational model, developing a multi-year strategy for achieving it, and building a business case for the project. The following functional areas were within the scope of this engagement:

- Portfolio management and construction
- Pre- and post-trade compliance
- Trading settlements
- Reconciliation and accounting
- Performance measurement and attribution
- Client reporting
- Data management
- Risk management

CUTTER SOLUTION

We approached this engagement in three phases. In the first phase, we assessed the firm's current state, including the people, process, and technology factors at the center of all operational models in the investment management industry. We analyzed strengths, weaknesses, and functionality gaps in the current environment, and for each operating area in scope, we reviewed high level business process documentation including diagrams and narratives of workflows and data flows.

In the second phase, we designed an achievable, optimized target state architecture, including detailed diagrams and narratives of workflows, system flows, procedures, and organizational models. We included an assessment of the fit and readiness of the client's existing investment systems architecture to accommodate the target state architecture, and provided recommendations about which systems should be modified or replaced.

In the third phase, we built a detailed roadmap and migration plan for implementing the new systems and business processes that included the following features:

CLIENT PROFILE

Client Type:
Fortune 500 Financial Services Provider

Assets Under Management:
USD 90 billion

Location:
North America

Cutter Practice:
 Operational Strategies

- Recommended project sequencing with rationale
- Project time estimates
- Project resource estimates and staffing recommendations
- An overall project budget including detailed cost estimates
- Identified risks with associated mitigation plans

We also built a business case for the project, including a project rationale backed by details about the objectives, benefits, costs, and risks of implementing the recommended target operational model.

With our help, our client achieved an optimized target operational model, a multi-year strategy for achieving it, and a business case for funding it.