

Case Study: Building Operational Flexibility and Scalability to Support Transformative Growth

Elevating service to ultra-high net worth clients and asset managers with an operations solution that accommodates a complex investment process

Background

The client is a preeminent Canadian wealth and asset management firm that applies an institutional investment approach for ultra-high net worth private clients with a minimum of \$3 million to invest.

Already a prominent traditional asset management firm, the client had added hedge funds and customized investment plans for individual and family clients over time. This expansion of its client base and growth strategy caused significant change to the client's business model.

However, its legacy technology platform could not accommodate the necessary changes to the decision-making processes, broker selection or new workflows. These shortcomings slowed trade processing and hindered the ability to achieve maximum returns on investments for clients.

As a result, traders and portfolio managers bypassed the software's inadequacies by creating their own specialized spreadsheets. These workarounds increased both the potential for errors and regulatory compliance risks, because they lacked an audit trail and a system of checks and balances.

Solution requirements

While the portfolio managers and traders were skeptical that software could replace their proprietary spreadsheets, they nevertheless sought a robust solution that would meet non-negotiable requirements:

- A highly customizable front-office solution to accommodate a complex investment decision-making process
- A middle-office solution to select the appropriate broker for each investment and affect trades automatically
- Automated processes to replace all manual workarounds
- Improved efficiency and accuracy of workflows and reporting

The Broadridge investment operations platform met all of the client's requirements and exceeded the firm's expectations.

The solution

The client evaluated more than a dozen solutions for front- and middle-office software before selecting Broadridge's Portfolio Master and Analytics Master with Report Manager for the 40 employees who would use the software.

To address workflow concerns from portfolio managers and traders, the firm integrated **Portfolio Master** into its day-to-day process. Portfolio Master is a full asset class portfolio, order and risk management solution with firm-wide reporting, useful for driving better decision-making by traders, risk and portfolio managers.

Broadridge solutions became key parts of an integrated investment operations platform made available to the team.

- **Analytics Master**—a comprehensive data aggregation, reporting and reconciliation tool used firm-wide—consolidated front-, middle- and back-office information for centralized management and client-facing reporting.
- **Business Manager**—a workflow designer and scheduling tool—automated the client's file transfer and reconciliation.
- **Report Manager**—a web-based and mobile-based dashboard—offered a consolidated portal for fast access to information on portfolio activity, investments, P&L and exposure.

Given the sensitivity surrounding the client's investment strategy for high net worth and institutional clients, the solution had to handle multiple asset classes. Portfolio Master supported each of the client's portfolio models across asset classes, ensuring that there would be no impact on its investors.

Key to the selection were demonstrations and proofs of concept that highlighted the ability of the technology and processes to manage the firm's proprietary workflows and support broad asset management functions. The client also saw Broadridge's large Toronto office as an important benefit in the new partnership because of its ability to provide personalized and responsive local support.

The results

The Broadridge investment operations platform met all of the client's requirements and exceeded the firm's expectations in terms of incorporating all the manual workarounds into a unified and scalable platform. The benefits were threefold:

- A fully customized front-office solution using the Portfolio Master platform, which automates calculations created in manual spreadsheets and allows for easy future upgrades
- Automatic broker selection and trade processing
- Reduced errors and improved reporting for assured regulatory compliance with the ability to take advantage of future technology advances

When the evaluation process began, the client believed it was insurmountable to replace all the complex manual spreadsheets the fund managers had developed. But the Broadridge team—with its depth of industry knowledge and technology expertise—was able to convert those custom spreadsheets into standard processes that now allow the firm to continue to upgrade its platform as new capabilities are introduced, ensuring it can meet its clients' needs and all regulatory requirements.

Future opportunities for operations improvement

The deployment of the front- and middle-office solutions was so successful that the client has already begun evaluating additional Broadridge solutions, including products for back-end operations and ancillary firm services.

For more information on this case study, please contact us at:

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About Broadridge

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*As of August 2017

