

Transforming operations to support a new business focus



KEY TAKEAWAYS

DRAMATIC SAVINGS

Mutualization minimized regulatory costs.

FAST TRANSITION

Deep industry expertise ensured a smooth and speedy transition to a new fixed income technology platform.

ELIMINATION OF NONREVENUE-GENERATING OPERATIONS

Leveraging Broadridge Managed Services, the firm shifted its core operations, and the related costs, to a partner that could deliver trusted service according to industry best practices.

CHALLENGE

When a global banking and financial services company changed its business model, it needed to transform operations to support a new focus. The firm sought a partner with the expertise to help leverage best industry practices, reduce costs and prepare for growth and get ready to capitalize on new opportunities.

A CHANGING BUSINESS MODEL

The firm's U.S. operations offered multiple services, including a core business as a primary dealer for U.S. fixed income securities. In order to find a balance between cutting costs, and positioning for growth, the company decided to exit all services that were no longer directly affiliated with the core business.

As the company refocused, it became apparent that the cost of regulatory change would make its in-house technology, offices and staff unsustainable. Rather than investing heavily in its technology infrastructure, the firm sought other options to optimize capital expenditures.

SOLUTION

The firm realized the benefits of migrating its aging proprietary technology and infrastructure to Broadridge's platform because Broadridge was able to mutualize regulatory costs. As a result, the firm was able to save millions by removing its in-house technology.

CORE BENEFITS

- Mutualized costs associated with regulatory changes
- 30% reduction in operating costs through Broadridge Managed Services
- Gained scale to support future growth and international expansion
- Realized ROI within the first year

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CORE OPERATIONS MOVE TO MANAGED SERVICES

While the move to Broadridge's platform reduced technology-related expenses, the firm still faced high costs related to its U.S. office space and payroll. To lessen these expenses and transform operations, the firm selected Broadridge Managed Services. Broadridge took over the core operations associated with running the firm's primary dealer business, including settlements, tri-party and funding, options processing, operations control and management, new accounts, data management and asset servicing. This allowed the firm to scale back its U.S.-salaried positions and reduce office space.

To ensure business continuity and swiftly reduce expenses, the firm transitioned to Broadridge Managed Services prior to moving onto Broadridge's technology platform. This allowed the company to leverage its new partner's deep industry expertise during the conversion.

A SMOOTH TRANSITION

As an initial step, Broadridge assigned 25 team members to learn the firm's existing in-house technology. Broadridge associates took over the day-to-day operations, which mitigated attrition risks.

Then, the Broadridge operations team guided the migration to the new fixed income platform. Broadridge took on the responsibility of user acceptance testing, since the team was already running day-to-day operations and knew the firm's specific requirements. This approach significantly reduced the time of conversion and ensured a smooth go-live.

Broadridge hired two of the firm's staff members, which helped the firm maintain its operating culture and created a sense of stability. After taking on Broadridge Managed Services, the firm reallocated more than 20 staff positions within six months. Most staff members were reassigned to other areas in the firm and several took on more strategic roles.

FOCUSING ON THE FUTURE

Broadridge helped this global banking and financial services firm change its business model and transform its operations so it could be ready to capitalize on industry opportunities. The firm realized significant cost savings by replacing its in-house technology with Broadridge's platform and outsourcing the core operations of its primary dealer business. The firm also benefited from industry best practices since 60 percent of all fixed income trade volume goes through Broadridge's technology and 30 percent of trade volume is handled by Broadridge Managed Services.

**Broadridge clears an average of
\$23 trillion in U.S. securities each month.**

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