



Online Brokerage Firm

Process Improvements and Quality Control

Overview

A leading brokerage firm changed their profile from a “Day Trading Firm” to a Global Wealth Management Firm, which resulted in a need to improve their retail statements. The data contained in the existing statements was of poor quality, including missing security prices, invalid security categories, inconsistencies in detail and summary sections, and discrepancies between tax lots and positions. The CIO hired Acumen Solutions to assist with the overall strategy for enhancing the quality of the statements.

Solution

From discussions with various business process representatives and examination of actual customer statements, Acumen Solutions developed a mission statement and analyzed a comprehensive list of quality control requirements for the statement redesign.

Our initial findings were that the manual quality control review being performed by the statement services group could not scale to monitor quality for a larger and more complex set of statement issues and conditions without automation and a strong adaption rate.

Recommendations

- The Governance Executive establishes the goals and objectives of the Statement Quality Practice. These goals will include determining what operational and systematic enhancements need be implemented to significantly increase the level of statement quality.
- The Governance Executive has the authority to establish business objectives, and call on the appropriate business and IT professionals to execute on the objectives accordingly.

The quality of this firm’s statements did not reflect the standard required by their newer target market of high net worth individuals and investment firms.

The brokerage required strong management consulting guidance to assess how to improve the quality of their retail statements.

Acumen Solutions provided a framework to accomplish this objective.

We identified several simple and complex data and process issues that hindered the ability to produce accurate customer statements.



Recommendations

- Implement an infrastructure to create a Quality Control Framework. This framework would produce the data around the quality control categories of information and processes, to be leveraged by the operations and technology teams.
- Implement a Data Quality Executive Dashboard that measures critical data categories and reports the state of quality on a daily basis. The dashboard will measure all critical data components including: prices, security data, and tax lot/position breaks. The goal was to provide a quantifiable measure on quality, the modifications, and their effect on quality measures.

Return on Investment

Acumen Solutions provided the customer with a strategy to ensure the statement contained an accurate representation of their customer's portfolio. We also created a proof-of-concept framework utilizing web-based technology that showed the client how to design and engineer the Quality Control Solution.

Acumen Solutions provided a comprehensive Findings and Recommendations document, which included recommendations of organizational restructuring and delivery of a Quality Control Framework, as well as a Performance Dashboard to allow the firm's CIO to measure data quality.