

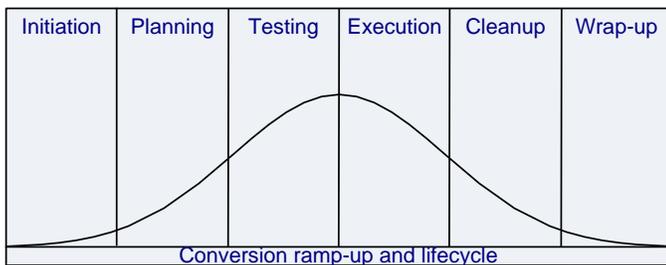
Problem Definition

Clearing systems are essential elements of an operational value chain that are often operated by a third party provider. When a firm decides to migrate clearing to or from a third party provider, there are numerous decisions and tasks that must be coherently planned and swiftly executed.

Because the conversion is a non-recurring event, most firms see the value in applying outside expertise. There is also the need for short term capacity as most organizations do not have excess manpower to dedicate to a conversion project.

Project Phases

In addition to project initiation and wrap-up, there are four major phases to a migration project as depicted in the effort graph below.



With most tape-to-tape conversions running a minimum of 12 weeks and a dedicated team assigned by the clearing firm, the need for resources on a clearing conversion is non-trivial. Meetings and decision-making workshops consume an aggregate of 2-5 full time equivalents on average.

Experience

Our consultants have experience with conversions of home grown systems in addition to the major platforms from Fidelity, Pershing, heritage Bear Stearns and others. By applying the operational and technical knowledge with conversion project experience, we are able to help correspondents effectively plan and efficiently transition to a new platform.

Project Elements

The majority of the effort occurs during planning, testing and execution. While cleanup can be minimized, experience shows that low priority tasks tend to be pushed into this phase. The following are some of the key activities that our consultants plan, drive and ensure seamless execution.

- ▲ Data conversion including semantics
- ▲ Product and platform configurations
- ▲ Communications including regulatory requirements
- ▲ Trading and OMS integration
- ▲ Trading services
- ▲ Operations infrastructure
- ▲ Network connectivity
- ▲ Operational risk and compliance
- ▲ Finance and accounting
- ▲ Core infrastructure
- ▲ Training
- ▲ Launch plan – detailed playbook

Solution Approach

Actionable Strategies provides the planning framework and guides execution in conjunction with client leadership. This will enable more rapid and less risky project implementation. Staffing impact on the client will be minimized by a mutually agreed upon resource plan that combines consulting resources and client staff.

Actionable Strategies represents the interests of the correspondent client. Clearing firms are not intimately familiar with the correspondent's specific business model, therefore, the correspondent bears the burden of ensuring accurate configuration to reflect requirements today and for future growth. By engaging the expertise of a consultant for a defined scope of work, our clients enjoy success while limiting risk and staffing impact on their operations.

For more information, please contact your Actionable Strategies Account Manager.