

Top Benefits of Hiring a Consultant To Manage Your Front-Office Transformation



The front office of an investment management firm is rarely, if ever, managed by a consultant. Key functions such as Head of Portfolio Management and Head of Trading are roles best suited for internal personnel. However, there are certain scenarios when it's more effective to leave the work to an external resource. Here, we explain how front-office consultants can help your firm through a business transformation in ways internal resources can't.

NEW PLATFORMS REQUIRE NEW PERSPECTIVES

Senior front-office roles, such as Directors of Portfolio Management, Trading and Risk, are hard-won positions that take years of training and hard work. This is one of the main reasons most front offices can't conceive the notion of handing over control to a consultant.

On a daily basis, much of the front office can operate without external intervention. Yet there's one critical aspect the team can't function without: Technology. Trading and portfolio management software will evolve and new innovations will continue to enter the marketplace at rapid speed. When it's time to evaluate or transition platforms, a consultant will provide an objective perspective and deliver a solution with minimal disruption. With this, your team will maintain focus on the primary (and important) activities of working with clients, monitoring the markets and managing portfolios. You can't hire someone to backfill a portfolio manager or trader, but you can rent system transformation expertise.

PROJECT MANAGEMENT – EXPEDITED

In addition to providing platform-specific expertise, a consultant will offer concrete project management value. This includes:

- Setting a proper plan for all activities with an estimated duration to reach the finish line
- Creating a budget inclusive of all project activities. For example, an initiative that may take one meeting to address should really have two additional "buffer" meetings to accommodate schedule changes or prolonged decision-making
- Holding meetings on the desk as much as possible. While one might think this is disruptive, anything that can be done deskmounted is logistically more convenient for the team
- Keeping any required meetings on the same floor as the team, or as close to their desk as possible. With large office buildings in particular, it can be frustrating for front-office teams to travel to multiple floors – or even building towers – to hold meetings
- Setting meetings in a way that the intention is crystal clear
- Communicating to the team whether they are optional or required for certain meetings, thereby allowing the opportunity for input and control

AN EXTENSION OF YOUR FRONT OFFICE

Any activity the portfolio manager or trader handles that can be done by the consultant should be handled by the consultant. This builds trust across the team, as well as an appreciation for how hard the consultant is willing to work.

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AN EXTENSION OF YOUR FRONT OFFICE (CONTINUED)

Project-specific tasks, such as portfolio reconciliations, defect validation, test case writing, required documentation and team-wide configuration can be handed off to a consultant.

It's not just about project management, but also people management. Great consultants can observe the group and pick up on moods – individual or team, stress, anxiety, etc. – and, on the flip side, positive sentiments like happiness and cooperation. The latter is typically a great time to accomplish key tasks.

Ultimately, a consultant is a viable solution for managing front-office transformation projects as internal employees would never be expected to go to such lengths. Naturally, internal team members likely have pre-conceived notions or certain expectations for how a project might go based on their experiences with the rest of the group. A consultant does not have that conflict. They are there for the front office, all-in, plain and simple.

HOW MERADIA CAN HELP

Meradia consultants bring objective and professional guidance to help you reach your operational transformation goals. With expertise in the front office, we understand the unique challenges firms face when implementing new technology in this area and evolving their business accordingly. Our goal is to work with parties across the firm while impinging as little as possible so portfolio managers and traders can continue doing what they do best.



Elizabeth M. Colebrooke

is a Principal Consultant who has deep expertise in large, technical front-office trading and portfolio management platform implementations.

She brings 20 years of experience in the areas of performance, risk, data and asset allocation derived from working with a breadth of hedge fund, fund of hedge fund and mutual fund strategies.

Elizabeth has served as Front Office Project Manager on two *global* BlackRock Aladdin implementations. Additionally, she has executed as Project Manager and Business Analyst within other technical asset management implementations, including post implementation clean up.

About Meradia

Founded in 1997, Meradia provides strategic advisory and implementation services to the investment management industry. Our team of experts has a global reputation for excellence leading and executing transformational and operational initiatives across the entire investment process. In pursuit of unparalleled credibility and client service, we are a dominant niche provider of investment operations and technology consulting services. We align front-, middle- and back-office organizations and technical platforms with your business's direction and vision.

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