



CASE STUDY

Global U.S. alternative asset manager simplifies processes and increases efficiencies with Gresham's Managed Services

A global alternative asset manager based in Minneapolis, Minnesota invests across a wide range of asset classes, geographies and markets through the hedge fund vehicles and institutional accounts the firm advises. As a user of Gresham's Control for investment management (formerly Electra Reconciliation) and Data Services (formerly Electra Data), the firm was faced with an increasingly dynamic operation. It began looking at outsourcing options to help deal with heightened complexity, business growth, and staff workload challenges. It quickly realised the advantages of bringing on Gresham's Managed Services as an extension of its own operations team.

The challenge

Optimising talent and operational resources

The firm was using an in-house reconciliation tool when it realised its small internal development team could not compare to what an external vendor solely focused on reconciliation could provide.

After implementing Control and Data Services to address growing asset complexity along with custodian and counterparty data and regulations, the firm's management became concerned with the potential risk of process or technical knowledge remaining with only one or a few employees.

Due to current and anticipated business growth, the management team needed to make a decision on how to better utilise its existing resources and enable operations staff to focus on value-added tasks.

"We deal in complex asset classes that can create sudden ad-hoc reconciliations that require more investigation, and new regulations can add stress on our operations team," said the firm's Managing Director Operations. "Gresham is able to effectively handle the diversity of files our systems receive automatically from counterparties, which vary greatly in terms of data quality and workflows."

This asset manager found that it needed additional help redirecting work appropriately to enhance staff productivity and retention, as well as adding reconciliations for new and often esoteric asset types and bringing on new custodians.

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Managing Director Operations





The solution

Augmenting in-house operations with outsourced expertise

Gresham's Managed Services became an attractive alternative to managing the Control application themselves. Gresham's experienced, dedicated staff further enhanced the productivity of the asset manager's internal team by managing the workflows around reconciliations throughout the firm, eliminating team learning curves, and enabling them to start each day already several steps ahead in the process.

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"Gresham's understanding of our business, data analysis and setting up new reconciliations ensures our workflows are lined up properly and optimised for maximum efficiency."

Gresham's Managed Services team works daily on the firm's reconciliations by setting up and maintaining accounts, improving processes through ongoing data and business analysis, and assisting with optimising matching logic.

The firm continues to use Data Services which is included in Managed Services. It handles all data and file management, retrieval and normalisation for the firm's approximately 30 counterparties.

Results

Consistent service and efficiency improvement

The company says Gresham is able to present an enormous amount of data in meaningful ways:

"We quickly realised a big difference between our in-house application and the unparalleled productivity, effectiveness and accuracy Gresham's Managed Services provides," said the firm's Managing Director Operations.

Because Managed Services is an augmented service rather than full outsourcing, firms have the flexibility to choose which aspects of the reconciliation process to outsource and which to keep in-house. The cost efficiency is attractive as well, when compared to the installed model as well as other outsourcing options.

With Managed Services, the firm believes the consistent service delivery has provided a clear path to improved reconciliation processes and overall operations going forward.

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