



CASE STUDY

London & Capital enhances trade settlement and notification process with Control for buy-side settlements

Reduces risk and complexity while enhancing efficiency and scale across expanding global custodian and broker relationships

Serving wealthy families and institutions since 1986, niche boutique wealth manager London & Capital manages more than \$5.2 billion of discretionary assets on their behalf. As the firm sought to grow its client base of larger and more sophisticated investors, its chief operating officer recognized the need for a more efficient custodian communication process to accommodate higher volume and complexity of trade notifications and settlement instructions (SIs) in a T+0 environment.

Having found Gresham's Control for buy-side settlements (formerly Electra Settlements) to be the answer to meet the unique notification requirements of wealth managers in addition to buy-side firms, London & Capital went live on the system in May 2021.

The Challenge

Manual trade notification process

London & Capital's manual process of filing SIs and trade/client notifications took significant time and energy as its trade volumes rose to more than 18,000 trades per month. Typically, the operations team would book trades throughout the day and run manual reports the next day, T+1. Once the process shifted to a T+0 for most banks, the firm struggled to process higher volumes of trade confirms/affirms and SIs across 20 total custodian banks with multiple branches across seven countries, plus 35 brokers.

With each entity using different file formats and connections per asset type, sending trade notifications to provide brokers with allocations and breakouts became complicated and inefficient. Adding to the complexity was navigating its on-call, white label custodian and sub-custodian relationships, managing its own trade executions, and adhering to different cash management regulations.

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Marc Graveney, COO, London & Capital

“We had three team members faxing, emailing, logging in to portals, and using spreadsheets to deal with 20 custodians on a daily basis, and with that comes inherent risk,” said Marc Graveney, Chief Operating Officer at London & Capital. “If trades are not executed properly, we have to make good on any errors or delays.”





The Solution

Higher accuracy and efficiency

London & Capital was ready to make a significant paradigm shift in its trade settlement and notification process. When Marc Graveney was introduced to Control, a light bulb went off.

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Supporting the needs of different types of asset management firms, Control automates custodian trade and client notifications, confirmations, affirmations, and SIs globally to reduce risk and errors and scale to high volumes and complexity.

Flexible, scalable cloud deployment

Control provides London & Capital with the scale it needs to efficiently manage bank SIs and notifications from one place.

Consistent with its desire for cost-efficient, cloud-based infrastructures, London & Capital chose to use the software-as-a-service (SaaS) version of Control for buy-side settlements. However, having the flexibility of an installed software option is also attractive.

“The availability of the on-premise version of Control is equally encouraging, to provide that flexibility if we decide to handle certain workloads away from the cloud,” said Graveney.

“We feel strongly that this is the start of a strategic partnership with Gresham, as we look to add more scalability into our operations.”

Marc Graveney, COO, London & Capital

Results

Reduced risk and cost

For London & Capital, reduced settlement risk is Control’s primary advantage. Increased transparency makes errors and delays harder to overlook.

“With Control, we’ve reduced errors, effort and risk, and our head of operations is no longer ‘in the weeds,’” said Graveney. “We can see what’s going on in real time, and give our higher-level management better visibility.”

In addition, the solution has paid for itself as the cost of the system is less than one person’s salary. When the firm lost a staff member, they did not need to replace them due to increased efficiencies across the department.

“In the past, we had three full-time people dedicated to trade notifications and settlement instructions every day, and now we need only one person with a manager overseeing the work,” said Graveney. “Our operations manager now has more time to do higher value work and handle other post-trade issues, and we need fewer individuals to focus time on this one task.”

Faster time to market and scalability

Over the last 12 months, London & Capital’s trade allocations increased by a third, and plans to scale up in the future. With Control, scaling to volume is no longer a concern.

With near-term plans to expand its use of Control as part of establishing a Spanish entity, bringing on another entity means more custodian and broker relationships and trade volumes to manage.

“With Control, time to market is faster, more simple and less concerning as we add more transactions and AUM into the book,” says Graveney. “We feel strongly that this is the start of a strategic partnership with Gresham, as we look to add more scalability into our operations.”