



# **An Introduction to Our Business and Operations Consulting Services**

Jan 2017



# Table of Contents

---

▪ <b>Introduction</b>	<b>3 – 5</b>
▪ <b>Business and Operations Consulting Practice</b>	<b>6 – 12</b>
▪ <b>Sample Projects</b>	<b>13 – 18</b>
▪ <b>Testimonials and Contact Information</b>	<b>19 – 22</b>



# Who We Are

<b>Experience</b>	<ul style="list-style-type: none"><li>▶ Established in 1995, Madison is a management consulting firm that provides issue-based, value-added advisory services and hands-on implementation services to financial institutions.</li></ul>
<b>Financial Services Specialists</b>	<ul style="list-style-type: none"><li>▶ Our clients include global banks, brokerages, insurance carriers and asset management firms in the global top tier of their chosen markets and products.</li></ul>
<b>Services</b>	<ul style="list-style-type: none"><li>▶ Madison believes that advisory and implementation are inextricably linked. We operate 3 practice areas, offering realistic recommendations that meet the client's business objectives and are deliverable and achievable based on our extensive implementation services experience.</li></ul>
<b>Compliance and Regulatory Consulting</b>	<ul style="list-style-type: none"><li>▶ Implementation of management structures and policies</li><li>▶ Response to regulatory actions including Dodd Frank Implementation work</li><li>▶ Preparation for a regulatory examinations and executive orders</li></ul>
<b>Business and Operations Consulting</b>	<ul style="list-style-type: none"><li>▶ Strategy execution based on current market requirements</li><li>▶ Market and competitive strategies development</li><li>▶ Operating model and business process redesign</li><li>▶ Risk and controls</li></ul>
<b>Resourcing Services</b>	<ul style="list-style-type: none"><li>▶ Project implementation - project managers and business analysts</li><li>▶ Temporary operational resources - interim managers, operations specialists, finance/accounting</li><li>▶ Compliance/regulatory - supervisory managers, researchers, document specialists, staff augmentation, regulatory advisors</li></ul>



## Where We Practice

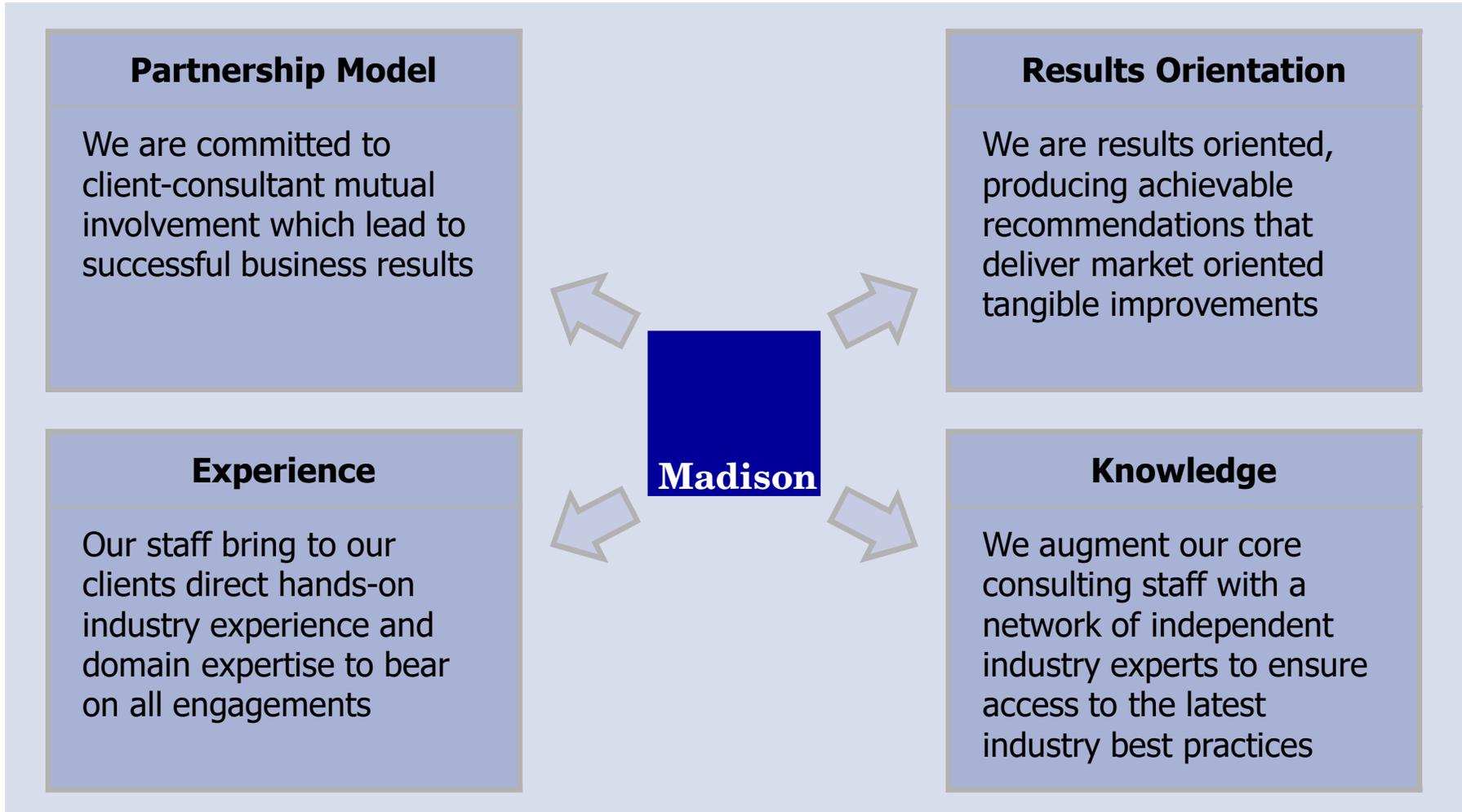
**Madison Consulting Group provides its clients with *deep functional expertise* in the following *financial industry verticals***

<b>Asset Management</b>	<b>Wealth Management</b>	<b>Securities Services</b>
<ul style="list-style-type: none"><li>▶ Mutual Funds</li><li>▶ Retirement Services</li><li>▶ Private and Registered Investment Firms (PE, HF, IA, IM)</li></ul>	<ul style="list-style-type: none"><li>▶ Private Banking</li><li>▶ Managed Account Services</li><li>▶ Wealth Services</li><li>▶ Dual registered IA/BD</li></ul>	<ul style="list-style-type: none"><li>▶ Corporate Trust</li><li>▶ Securities Lending</li><li>▶ Trust and Custody</li></ul>

<b>Banking</b>	<b>Insurance</b>	<b>Investment Banking &amp; Brokerage</b>
<ul style="list-style-type: none"><li>▶ Trade Services</li><li>▶ Merchant Services</li><li>▶ Money Transfer</li><li>▶ Foreign Exchange</li><li>▶ Payments Processing</li></ul>	<ul style="list-style-type: none"><li>▶ Property &amp; Casualty<ul style="list-style-type: none"><li>▶ Commercial</li><li>▶ Small Business</li><li>▶ Personal Lines</li></ul></li><li>▶ Worker's Compensation</li></ul>	<ul style="list-style-type: none"><li>▶ Derivatives</li><li>▶ Retail Brokerage</li><li>▶ Sales and Trading</li></ul>

## How We Operate

**Madison uses a collaborative approach with our clients, bringing domain knowledge and expertise to bear to issues yielding results-oriented, actionable solutions**



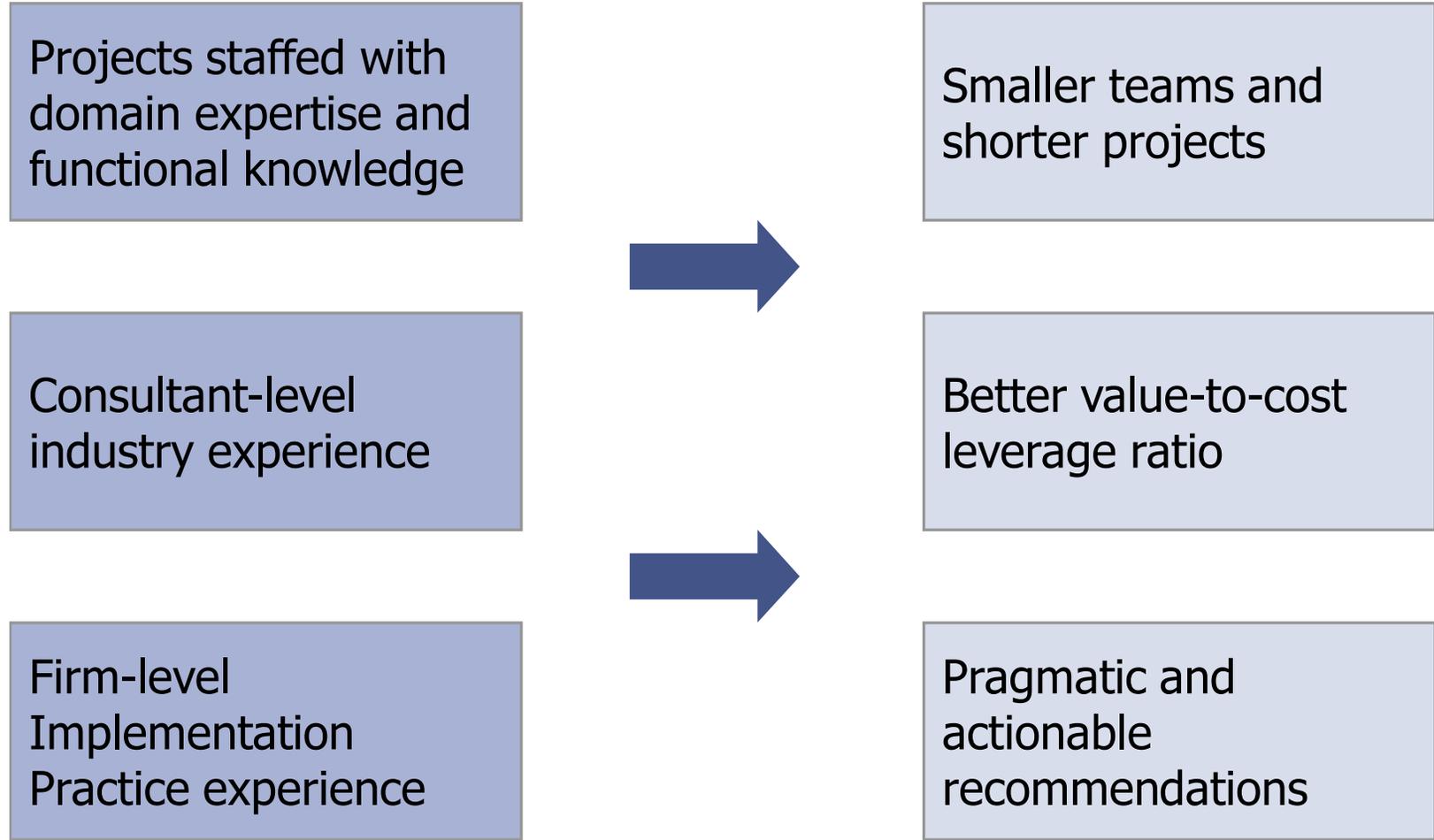


---

## **Business and Operations Consulting Services Practice**

## BOC Services: **Differentiation**

**What differentiates Madison from other consulting firms is the resourcing model used on projects**



## BOC Services – What We Offer

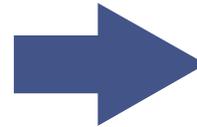
**Our practice areas allow us to service clients across most financial service industry segments, while our functional disciplines allow us to offer a broad array of services to all clients**

CONSULTING SERVICES		
Strategic Services	Operating Model Design	Risk and Controls
<ul style="list-style-type: none"> <li>▶ Business Model Review and Design</li> <li>▶ Marketing and Competitive Analysis</li> <li>▶ Customer Needs Assessment</li> <li>▶ Product Positioning &amp; Management</li> <li>▶ Profitability Analysis</li> <li>▶ Expense Reduction / Productivity Improvement</li> <li>▶ Key Performance Indicators</li> </ul>	<ul style="list-style-type: none"> <li>▶ Process Design and Re-engineering</li> <li>▶ Organizational Alignment and Redesign</li> <li>▶ Outsourcing Strategy Analysis</li> <li>▶ Business Architecture Definition</li> <li>▶ Vendor Evaluation and Selection</li> </ul>	<ul style="list-style-type: none"> <li>▶ Assess control environment using COSO framework and standards</li> <li>▶ Perform audit reviews as required by the client:                             <ul style="list-style-type: none"> <li>▶ SOX 404</li> <li>▶ SAS 70</li> <li>▶ FAS 133</li> </ul> </li> </ul>

# BOC Services: Resourcing Support

**Madison offers the highest quality domain expert staff resources to fill client needed roles while remaining cost competitive**

Our up front understanding of the clients' needs – skills, experience level, domain knowledge – results in shorter elapsed time from needs recognition to full productivity of temporary staff

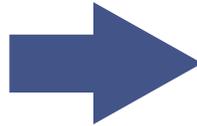


Higher correlation of candidates to clients' needs

Less time spent by client to find a suitable resource

Quality level of candidates shortens ramp-up time

Experience and expertise level of the resources that we offer can better ensure the successful implementation of business, operational, and technology initiatives



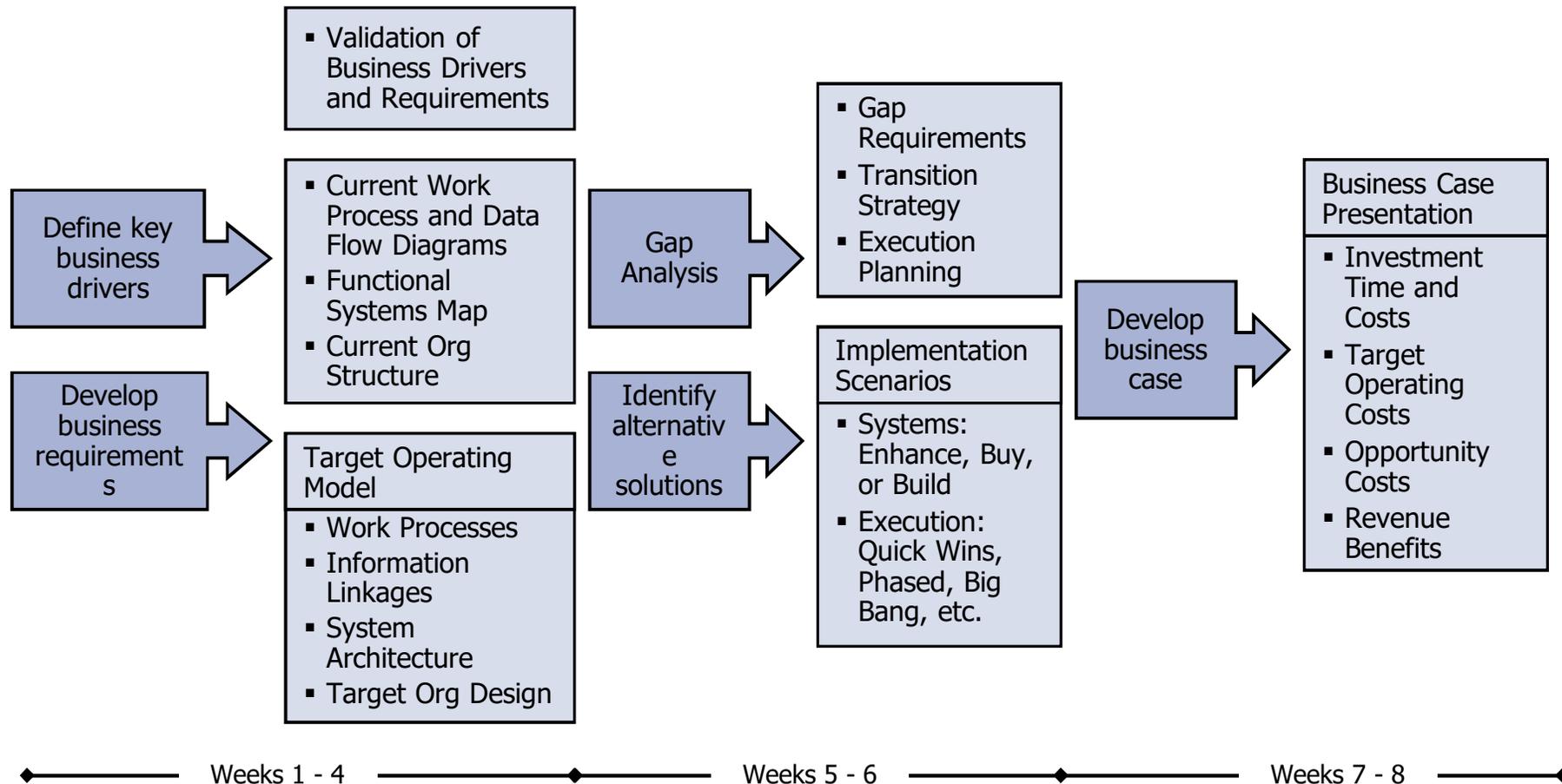
Direct hands-on experience in getting initiatives on-line

Our firm level experience can be leveraged by our consultants

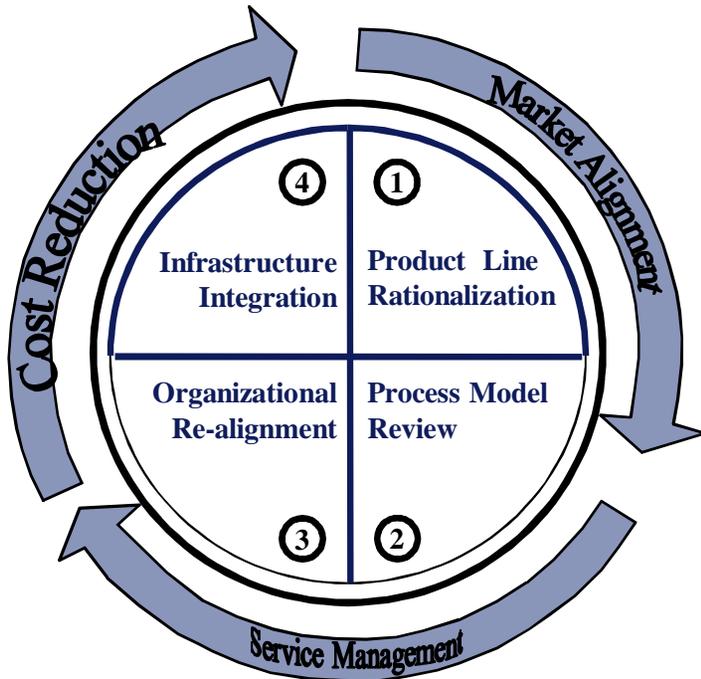
Technology Implementation	Operations Support
<ul style="list-style-type: none"> <li>▶ Program Managers</li> <li>▶ Business Integration Managers</li> <li>▶ Project Managers</li> <li>▶ Business Analysts</li> <li>▶ Data Analysts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Interim Management Support                             <ul style="list-style-type: none"> <li>▶ Marketing/Product Managers</li> <li>▶ IT and Operations Managers</li> <li>▶ Internal Consultants</li> </ul> </li> <li>▶ Derivatives Operations Specialists</li> </ul>

# Sample BOC Offering: **Operating Model Redesign**

**Development of a target operating model can be initiated for a variety of purposes - cost management, risk management, scalability, new product introduction, service improvement, and/or business strategy re-alignment.**



# Sample BOC Offering: **Business Integration Services**



Service Areas	Sample Project Tasks
<b>Product Line Rationalization</b>	<ul style="list-style-type: none"> <li>▶ Review market and product strategies</li> <li>▶ Evaluate product line</li> <li>▶ Recommend product integrations</li> <li>▶ Review legal and regulatory implications</li> <li>▶ Define client communications strategy</li> <li>▶ Develop and execute transition plan</li> </ul>
<b>Process Model Review</b>	<ul style="list-style-type: none"> <li>▶ Review current process model(s)</li> <li>▶ Develop target process model</li> <li>▶ Identify transition requirements</li> <li>▶ Develop and execute transition plan</li> </ul>
<b>Organizational Re-alignment</b>	<ul style="list-style-type: none"> <li>▶ Develop geographic strategy</li> <li>▶ Align roles to target process functions</li> <li>▶ Define staff communications strategy</li> <li>▶ Identify transition requirements</li> <li>▶ Develop and execute transition plan</li> </ul>
<b>Infrastructure Integration</b>	<ul style="list-style-type: none"> <li>▶ Review current systems architecture</li> <li>▶ Define target architecture</li> <li>▶ Recommend systems to be retained</li> <li>▶ Identify transition requirements</li> <li>▶ Develop and execute transition plan</li> </ul>

A key success factor of integration projects is ***effective communications***, both internal and external

## Sample BOC Offering – Business Performance Improvement

**Madison uses Initiatives Lifecycle Management (ILM) process, an organized means to manage initiatives from idea generation through evaluation to implementation.**

	Setup	Core Project	Implementation
Duration	<b>1 month</b>	<b>100 days</b>	<b>Ongoing</b>
Main Activities	With guidance from Senior Management & Madison:  1. Defines the Organizational Units 2. Selects the Project Team 3. Communicates their “compelling reason” for the Project to the organization	With specific deliverables due each week of the project, the Units, Project Team and Madison work in four key areas:  1. Developing ideas 2. Analyzing ideas and determining project impact 3. Assessing risk / benefit tradeoffs 4. Building consensus.  <i>The Steering Committee reviews all ideas 3 times</i>	Implementation tracking software is used to manage the implementation of approved projects  Six months into the Implementation Phase, the Company seamlessly transitions to a continuous improvement process
Deliverable	Ready to start Core Project	Hundreds of initiatives ready for implementation	Portfolio of ideas implemented. Continuous improvement process supported by tracking platform



---

## Sample Projects



## Sample BOC Projects: **Strategic Services**

Client Profile	Issue	Challenge	Results
<b>Regional Bank</b>	▶ Revenue Enhancement Strategy	▶ Develop business operating model to increase assets gathered from the wealth market segment in fee earning products	▶ Conducted market analysis of wealth segment, developed recommended product suite & sales model & presented business case that demonstrated significant potential revenue contribution upon implementation.
<b>Investment Manager</b>	▶ Product Strategy	▶ Recommend entry strategy for CBO market and assessed attractiveness, growth, and competitive situation for CBO collateral managers relative to their core strengths.	▶ Completed market sizing & segmentation, needs & purchasing patterns, compiled competitive data outlining the strategies & tactics employed by other firms in the market, defined market structure, key parties, & interrelationships & identified risks & potential financial impact to client's entry strategy.
<b>Investment Manager</b>	▶ Product Spinoffs	▶ Manage the spinoff of 2 equity product groups as separate independent IM firms.	▶ Assisted in the selection of technology platform and operational outsourcing partner for each group. ▶ Managed the implementation and transition of clients and assets to newly created entities
<b>Diversified Financial Institution</b>	▶ Market Strategy	▶ Design a market strategy and product development plan for foreign exchange services division for the small business community.	▶ Presented build vs. buy vs. JV recommendation, developed market entry strategy, designed product specifications and requirements, identified cross-marketing opportunities & key industries to target in to achieve volume & value projections.
<b>Internet Brokerage Firm</b>	▶ Product Development	▶ Design product development strategy / implementation plan for client's lead Internet-based electronic brokerage service	▶ Completed market segmentation analysis and competitive assessment, recommended approach for customer management, pricing and service level goals, and potential approaches for differentiated service offerings to specific market segments



## Sample BOC Projects: **Operating Model Design**

Client Profile	Issue	Challenge	Results
<b>Investment Manager</b>	▶ STP	▶ Define strategic operations and technology model to achieve STP while focusing on core competencies and holding operational costs in check.	▶ Designed target end-to-end technology & operating model. Defined requirements and selected vendor trade order management system. Designed back office business architecture & STP capabilities.
<b>Investment Firm</b>	▶ Outsourcing Strategy	▶ Determine feasibility of outsourcing operations and administrative functions	▶ Evaluated partner capabilities and strengths against client needs (current and future) and developed model to evaluate economic benefits and risks.
<b>Global Insurer</b>	▶ Process Design	▶ Recommend changes to speed premium collections and reduce lost float income.	▶ Identified areas where inefficient/obsolete processing was causing delays in premium collection, developed changes in receivables processing on divisional level and client-detail basis reports to identify annual lost float income of > \$5 million.
<b>Global Bank</b>	▶ Operating Model Redesign	▶ Develop target operating model for a institutional trust business	<p>▶ Designed new target operating model based on a partial centralization of key functions, and replacement of existing infrastructure.</p> <p>▶ Assisted in the selection of new vendor system, and in the functional review and gap analysis</p>
<b>Investment Management</b>	▶ Outsourcing implementation	▶ Provide project management and business analysis support for outsourcing investment operations	▶ Provide project management services to meet project requirements and deadlines. Develop business requirements and functional specifications for the target environment. Act as liaison to the outsourcing vendor project counterparts and the program coordinator to provide two-way communication for the project. Assist in the development of test plans and test cases.



## Sample BOC Projects: Risk and Controls

Client Profile	Issue	Challenge	Results
<b>Investment Manager</b>	▶ Operational Risk	▶ Assess operational risks of large managed account (wrap) operation for an investment manager	▶ Analyzed end-to-end investment and operational processes, identifying key control risk areas ▶ Made recommendations to mitigate identified risks, including procedural changes, staffing levels and organizational design
<b>International Institution</b>	▶ Performance Measurement Review	▶ Perform detailed review and assessment of performance measurement process	▶ Recommended changes to achieve industry practices in performance measurement reporting ▶ Improved benchmarking and risk analysis
<b>Investment Bank</b>	▶ Operational Risk	▶ Perform SAS 70 pre-audit	▶ Comprehensive review of the securities lending operation, identifying key control points, assessing control weaknesses, and offering recommended improvements to mitigate weaknesses.
<b>Treasury Group of International Institution</b>	▶ Risk and Controls Review	▶ Provide review and assessment of treasury and investment functions	▶ Detailed review of policies and procedures, and assessment of activities against the documentation ▶ Identified operational control risks and recommended changes to mitigate those risks.



## Sample BOC Resourcing Services – **Technology Implementation**

Client Profile	Issue	Challenge	Results
<b>Investment Manager</b>	▶ Business Analysis	▶ Provide business analysis for the implementation of Charles River Trade Order Management System	▶ Assimilate into business analyst team, focusing on data requirements and mapping, trade support and operations requirements, and testing planning and management.
<b>Investment Manager</b>	▶ Project Management	▶ Provide project management support for the integration of all equity trading onto a single platform	▶ Coordinate project parties across 2 locations, including business management PMO, Operations, IT, risk, compliance, reporting. Identify and track critical items, and work to resolve critical issues quickly and efficiently. Communicate status reports to key stakeholders: steering committees, workstream and transition teams.
<b>Investment Manager</b>	▶ Business Analysis	▶ Develop new process model and functional specifications for new allocation investment product	<ul style="list-style-type: none"> <li>▶ Designed process model to support new product, leveraging existing operating processes</li> <li>▶ Defined functional specifications for technology additions and changes required. Client subsequently implemented using 3<sup>rd</sup> party development firm.</li> </ul>
<b>Alternative Investments Group</b>	▶ Project Management/ Business Analysis	<ul style="list-style-type: none"> <li>▶ Implement new investor services platform</li> <li>▶ Implement data warehouse</li> </ul>	<ul style="list-style-type: none"> <li>▶ Manage projects against schedule, coordinating all constituents involved.</li> <li>▶ Develop functional specs and oversee development for system enhancements (vendor) and integration requirements with operating systems and product distribution networks.</li> </ul>
<b>Transaction Bank</b>	▶ Program Management	▶ Infrastructure and operations integration resulting from merger	<ul style="list-style-type: none"> <li>▶ Oversee development of target strategy and operation model and transition strategy and plan</li> <li>▶ Manage tactical projects back on track and develop program plan to support target and transition strategy</li> </ul>
<b>Global Transaction Bank</b>	▶ Solutions Implementation	▶ Design and build a pricing analysis database application	<ul style="list-style-type: none"> <li>▶ Assisted client in developing business requirements</li> <li>▶ Designed and built client pricing database to provide analysis recommending product repricing at the individual client level</li> </ul>



## Sample BOC Resourcing Services – Operations Support

Client Profile	Issue	Challenge	Results
<b>Investment Management</b>	<ul style="list-style-type: none"> <li>▶ Management services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide interim support for data management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identified and resolved data related exceptions that were found during testing phase and ongoing production of a newly installed trade compliance system</li> <li>▶ Identified new market data sources required to support previously untested client investment guidelines</li> </ul>
<b>Institutional Bank</b>	<ul style="list-style-type: none"> <li>▶ Management services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Develop new proof process for securities lending operation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Developed new spreadsheet tracking and reporting spreadsheet</li> <li>▶ Staffed and managed proof process through testing and initial production stages, before turning it over to client</li> </ul>
<b>Global Bank</b>	<ul style="list-style-type: none"> <li>▶ Program coordinator</li> </ul>	<ul style="list-style-type: none"> <li>▶ Manage change management initiative</li> </ul>	<ul style="list-style-type: none"> <li>▶ Took over responsibility from another resource</li> <li>▶ Manage change programs across all business units – coordinating project schedules, managing all work streams, reporting status to management</li> </ul>
<b>P&amp;C Insurer</b>	<ul style="list-style-type: none"> <li>▶ IT Management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Manage IT unit</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provided interim management resource to run an IT unit, until replacement hire found.</li> <li>▶ Developed and managed budgets, interfaced with user community, prioritized user needs, oversaw projects in pipeline.</li> </ul>
<b>Global Markets</b>	<ul style="list-style-type: none"> <li>▶ Derivatives Operations</li> </ul>	<ul style="list-style-type: none"> <li>▶ New product control unit</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide interim staffing for new product control unit for futures and options area, similar to middle office function</li> </ul>
<b>Hedge Fund Operations</b>	<ul style="list-style-type: none"> <li>▶ Fund of fund administration</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide interim staffing support for reconciliations area supporting fund of hedge fund administration group. Verified account system positions to hedge fund investment statements and purchase and redemption execution documents.</li> </ul>



---

## Testimonials and Contact Information



## Representative Client Testimonials

“Madison’s fundamental understanding of the securities industry and knowledge of the investment management business are core to their value proposition. Their ability to thoroughly analyze the situation, leading to the quick definition of the key issues and identification of alternative solutions, helped us to move forward in a shortened timetable. The direct industry experience of the Madison staff helped to ensure that the recommendations offered were pragmatic and achievable.

“Madison’s analysis of the fixed income business provided us with a blueprint for reducing operational risk through process automation and improved controls, and for defining investment decision tools required by the portfolio managers to better incorporate portfolio risk analysis into their investment process.”

*CIO, Global Investment Management  
Global Bank*

“Madison’s experience in the investment industry and their expertise in business process analysis and design, were key determinants in our decision to use them to assist on several projects to achieve greater cost efficiency and improve control risk within our business. They staffed the engagements very lean, yet were able to deliver results quickly and cost effectively.

“Their thorough analysis of the separately managed account business offered valuable insights that proved useful both strategically and operationally. Analyzing the process model in detail, and performing quantitative analyses on operational control risks, they helped to assess and make recommendations regarding the risk and controls. Reviewing the client concentrations across several different consolidation categories, helped to highlight profit sources, and areas of concern based on sales effort-to-return analyses.”

*CIO, Global Asset Management  
Investment Bank*

“The versatility of Madison’s consultants has been evident across the variety of projects on which we have engaged them over the years. Their ability to look at a situation both at a broad level and on a detailed drill-down basis gives them a unique ability to be wide ranging yet thorough in their analyses and recommendations. Their knowledge of the industry and understanding of the organizational constraints and realities is remarkable being outsiders to our organization.

“Each project Madison has worked on has been transformational in nature for the business. They analyzed the investment management process, from investment decision through dealing and allocation, to processing and settlement, identifying areas of inefficiency and control risks. They assisted with the integration of a major acquisition by recommending a target infrastructure based on the existing infrastructures of the two organizations. They developed a straight through processing model and a transition strategy for the organization to achieve the target model, helping with the first implementation to install a dealing system for both equities and fixed income.”

*Global COO, Investment Management  
European Financial Institution*



# Management Team

---

## **Bernard Chen**

Mr. Chen is a partner of the Madison Consulting Group. He oversees the management team and provides strategic direction to the company. Under his guidance, Madison has developed a strong investment management practice, with areas of expertise in investment process design, straight through processing, outsourcing, and client servicing. He began his financial services career at Bankers Trust Company as an internal management consultant. He then joined the bank's retirement services business where he worked as a product manager, and also headed the re-engineering efforts. He later joined the bank's investment management division as business manager for fixed income and also spent time as a high yield research analyst and as a lead project manager on a major portfolio management systems implementation. Prior to joining Bankers Trust Company, he worked in manufacturing management for General Electric. Mr. Chen holds a BS and MS in mechanical engineering from MIT and an MBA from Columbia Business School.

## **Annette Corbin**

Ms. Corbin is a partner in the Madison Consulting Group. In addition to her consulting responsibilities, she acts as Madison's Chief Financial Officer. With over 20 years of operational, banking, and consulting experience, Ms. Corbin's areas of expertise include wealth management, private banking, and global cash management. She also runs the Anti-Money Laundering Compliance and Regulatory practice for firm. Much of this expertise is a result of her work as a business manager for the US Private Bank at Bankers Trust Company. She has spent her entire career in financial services. She began her career as a bank trainee at JP Morgan Chase working in Foreign Exchange and Institutional Banking. At Banker's Trust Company, she worked in the internal consulting group with her primary focus being in capital markets, global cash management, retirement & securities services and the credit business. Ms. Corbin holds a BS in economics and political science from St. Peter's College and an MBA from New York University Stern School of Business.

*30 Montgomery Street  
Jersey City, NJ 07302  
201-434-5678  
[www.madisoncg.com](http://www.madisoncg.com)*



## Contact Information

---

**Bernard Chen**  
**201.434.5678 x201 (w)**  
**646.645.1593 (m)**  
[bchen@madisoncg.com](mailto:bchen@madisoncg.com)

**Annette Corbin**  
**201-434-5678 x205 (w)**  
**210-259-8518 (m)**  
[acorbin@madisoncg.com](mailto:acorbin@madisoncg.com)

*30 Montgomery Street  
Jersey City, NJ 07302  
201-434-5678  
[www.madisoncg.com](http://www.madisoncg.com)*