



## **Summary of Engagements December 2013**

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## Project Management Engagements

### Portfolio Management Platform Design and Implementation (June 2011 - present)

This manager of \$165 billion of pension assets was embarking on designing and implementing a new platform to facilitate its quantitative and fundamental market neutral corporate securities investment program and scale for anticipated dramatic asset inflows. We structured the multi-year program to identify the business outcomes desired; facilitated the solution design; defined the sequence of implementation; and analyzed the effects on business processes and organization. We led the implementation program to a successful first deliverable of fundamental investment portfolio construction tools and processes, and improved interactions with the trading desk. Activity under way includes development of a robust quantitative research platform and its underlying components.

### Global Investment Guidelines Compliance System, Process, and Organization Implementation

#### *Phase 1: Design, Functional Requirements Development, and Solution Selection* (November 2005 - August 2006)

In this engagement we led an international team in developing the functional requirements and standard process model for an investment guidelines compliance system and organization, and selecting the application to serve as the core of the process. The scope of this work was global and included both pre- and post-trade compliance requirements. We conducted a structured RFP process that incorporated the requirements and process model, as well as technology and vendor background considerations. This engagement culminated with the selection of a third-party application, and led directly into the implementation phase, discussed below.

#### *Phase 2: Implementation* (September 2006 - December 2007)

This followed directly from the above project. We were engaged as the global program manager. The program involved simultaneous deployments of a post-trade compliance application in Japan and Europe. The phases of the program included the extraction of investment rules from governing documents such as investment management agreements, prospectuses, and regulations; the development of data requirements for evaluating the rules; identifying the sources of data to populate the system; developing the data feeds; coding the rules into the system; deploying the application at multiple sites; staffing two regional teams and a central global center of excellence for the function; and testing the data feeds, system, and processes end to end. The system and process went live in Europe and Japan during Q4 of 2007.

This effort involved a global team across six locations, including a disparate mix of permanent, contract, and vendor personnel. Our role was direction and oversight of the complete program, including all aspects of program management: planning, staffing, budgeting, and tracking; reporting and stakeholder communication; risks and issues management; and vendor management.

Throughout both phases of this engagement, we brought capable, trusted leadership, judgment, and vision so that the senior executive sponsoring the project could focus her attention on projects experiencing difficulties or otherwise requiring her guidance.



### Asset Management Back Office Outsourcing (May 2001 - March 2003)

A global asset management firm was outsourcing the middle and back offices of its North American operations, and engaged us to manage the technology separation portion of the project. This “lift-out” involved the transfer of several applications from the asset manager to the custodian/administrator; the decoupling of tightly linked systems and implementation of arms-length interfaces between the two organizations; and the separation of the two networks.

Our primary role was to ensure that all linkages between systems staying in house and those migrating to the service provider were discovered and documented, that plans for their decommissioning and replacement were developed, and that those plans were then executed.

We also advised on business process matters and standardizing on industry best practices.

## **Process Analysis, Design, and Documentation Engagements**

### Trading Lifecycle Solution Definition (July 2013 - present)

This engagement followed directly from Trading Lifecycle Solution Business Case (page 5). In this effort we are the business project manager on behalf of a large national pension fund, leading a team of consultants and internal client staff to develop a target operating model and investment systems architecture, as well as to evaluate candidate solution providers.

### Retirement Tool Selection (January - May 2012)

A large U.S. mutual fund complex wanted to adopt a set of retirement income tools for use by investment advisors. We helped them build their business case, define the functional components, decide on a buy versus build approach, and create a high-level timeline for implementation.

### Quantitative Equity Application Duplication and Risk Analysis (January - June 2004)

An investment team found itself operating on four separate platforms for optimization and trade order generation for quantitative equity strategies. We were engaged to survey and document their applications, databases, and flows, and to make recommendations about reducing risk and duplication. We produced a set of detailed diagrams, accompanied by a sortable, filterable database, of all the components, and a report summarizing our recommendations.

### Quantitative Equity Portfolio Management System Functional Requirements and Operating Model (June 2004 - August 2005)

This project followed directly from the application duplication and risk analysis above. The quantitative equity investment team decided to replace the multiple legacy portfolio management platforms with a new strategic system, and engaged us to develop functional requirements to aid in the RFP process and the buy-versus-build decision. These were developed as a single, globally consistent set of requirements, incorporating and standardizing the principles of all in-scope locations.

The investment team subsequently decided to build its own in-house system, using our functional requirements as a base. We were retained to lead the development of the operating model and use cases for the new system. We used this opportunity to similarly converge the multiple legacy operating models in the various regions, which was a primary goal of our client.



Fund of Hedge Funds Shared Data Strategy  
(April 2008 - August 2008)

A major provider of funds of hedge funds engaged us (via Cutter Associates in Europe) to help define a strategy and architecture for the sharing of data globally. We collaborated with the company's chief technology architect and main business stakeholders to design an achievable strategy and plot key milestones for its adoption.

Hedge Fund Process and Data Management Analysis  
(March 2008 - August 2008)

In this engagement we combined with another consultant to advise an investment management firm on developing its fast-growing quantitative strategies in a scalable manner. Acting as a "consultant's consultant," we reviewed the background materials and findings from onsite information gathering, and helped to target and fine-tune the recommendations and deliverable to the end client.

## **Management Consulting Engagements**

Trading Lifecycle Solution Business Case  
(January - June 2013)

For this large national pension fund, we developed the business case for redesigning the end-to-end trading lifecycle and undertaking a solution search. We started by establishing with senior management the long-term business drivers, then analyzed the readiness of the fund's current state solutions to react to those drivers, and finally, built consensus across a large stakeholder group to move into defining the architecture and selecting a solution. This led directly to the *Trading Lifecycle Solution Definition* engagement (page 4)

Data Management Advisory for Outsourcing  
(March - June 2011)

We provided guidance to the Alternative Investments division of a global asset management company regarding strategies for how to manage data relating to assets, clients, and funds in an outsourced environment. This included advising on their engagement model with an existing middle office service provider and on the selection of potential additional providers for other asset classes.

Strategic Planning  
(August 2010 - January 2011)

We helped this leading U.S. retail financial institution, which was embarking on a period of major expansion and an important merger, define its multi-year objectives, strategies, and initiatives. Working with its executive management team and key functional managers, we facilitated the development of quantifiable goals across its key divisions and subsidiaries, as well as several rounds of adjustments to its initiative budget.

Project Demand Management and Resource Allocation  
(March - May 2010)

One of the U.S.'s largest credit unions found itself with overwhelming demand for projects, leading to prioritization and human resource allocation challenges. We worked with the senior executive in charge of operations and the project office to establish principles and protocols to conduct strategic planning, control the flow of work to operational and technology teams, and manage the allocation of staff to different types of activities.



### Reduction of Technology Footprint (July 2003 - February 2004)

An asset management company that had experienced explosive growth around the globe was wrestling with the resultant multiplicity of applications serving similar functions across different products and geographies. This was leading to redundant support costs and the requirement to implement new functionality across multiple similar applications.

The company engaged us to analyze the application footprint in the organization, and to identify where multiple systems were serving essentially the same purpose. Then we identified the “strategic” application in the space, and built business cases for the decommissioning of some applications, whose functions were then to be subsumed into the strategic application. The result was a series of work initiation documents that were then submitted through the technology governance structure, with most of the projects completed in the next year.

### Global Data Management Organization Design and Engagement Model (September 2002 - January 2003)

This firm’s data management function was suffering from a poor reputation, and they sought advice on how to best counteract that through improving their organization, aligning with their business customers, and updating their engagement model. We were retained to provide an independent outsider’s perspective on the issues and to recommend improvements. Our recommendations were subsequently adopted, resulting in a highly professional well-regarded global data management organization.

### Securities Lending Project Review (June - July 2000)

The software development project we reviewed for this premier global fund manager was designed to position its securities lending business for growth and e-commerce.

The review included assessing the prospects of success for the project, which was well behind schedule and was consuming resources beyond the contracted amount; analyzing the underlying technology involved with the aim of placing it appropriately in the technology portfolio; advising the client about how to work with the vendor to complete the project; and assessing the risks and opportunities of working with this vendor again.

### Global Technology Board (March - April 2000)

A major international fund management company wanted to establish an empowered board of managers and technologists from its offices around the world to manage the firm's technology portfolio. We developed the charter for the board, the operating guidelines, and definitions of the technology categories to be used. We helped lead the inaugural meeting of the board. The success of this project was demonstrated during a subsequent assignment, which had as part of its mandate to advise the board about a particular technology product being evaluated.

Because of the unbiased view we brought to this effort, we were able to

- brainstorm with the project sponsor – the global head of Information Technology – about his vision and the true mandate of the board, and
- focus on developing effective operating guidelines within a constrained timeframe.



## International Information Technology Management (March - May 2000)

We conducted a review of this top-tier asset manager's Tokyo IT organization. Our review covered project management skills, key projects underway, alignment of initiatives and resources with local and global business objectives, resourcing levels, and management effectiveness. It was conducted via on-site interviews over a period of weeks with IT staff, business personnel, and senior management, and resulted in a detailed analysis of issues and a set of urgent recommendations for action on the part of the client, all of which have since been implemented.

Based on our experience with the Japanese asset management environment, we were able to provide the client with

- a clear and comprehensive exposition of IT issues in its Japan office, and
- a set of specific recommendations that the client was able to act on quickly.

Our written report was accompanied by an oral presentation to senior IT and business management.

## Database Management System Strategy (October 2000 - February 2001)

This firm's database management system (DBMS) strategy had been called into question because of several third-party packages requiring the use of a product other than their standard. The chief technology officer engaged us to evaluate the field of choices of DBMSs from a business perspective and to make recommendations regarding the client's future strategy (i.e., we were not evaluating these products on the technical merits, but rather focusing on such attributes as the vendors' market shares, their commitment to further developing the DBMS products, total cost of ownership, and appropriateness for enterprise-wide applications). We partnered with internal staff to create the evaluation model and perform the research, which culminated in a set of compelling recommendations adopted by the client.

## **Teaching**

### Making the Case for Change (October 2010)

We taught a workshop in Cornell University's MBA program about how to construct business cases and develop support for them.

## **Other Engagements**

- Advisory services on outsourcing the middle and back offices of a global firm's Japanese asset management subsidiary (April - July 2003).
- Advisory services on specification of a securities lending data warehouse and reporting system (November 2004 - May 2005).
- Structuring a portfolio of tactical improvement projects for a front office investment management system (November 2004 - May 2005).
- Structuring a program of work to remediate an aging database platform and address Japanese regulatory findings (October 2004 - January 2005).
- Documentation of static data maintenance procedures for an international implementation of Sungard's Decalog portfolio management platform (July - October 2000).
- Identification and management of dependencies within and outside a complex investment system implementation program (August 2005 - February 2006).
- Not-For-Profit Board Retreat Facilitation (December 2007)



## Engagement Chronology

March - April 2000	Global Technology Board [page 6]
March - May 2000	International Information Technology Management [page 7]
June - July 2000	Strategic Securities Lending Project Review [page 6]
July - October 2000	Static Data Maintenance Procedure Documentation
October 2000 - February 2001	Database Management System Strategy [page 7]
April 2001	Human Resources Data Analysis
May 2001 - March 2003	Asset Management Back Office Outsourcing [page 4]
September 2002 - January 2003	Global Data Management Organization Design and Engagement Model [page 6]
April - July 2003	Japanese Middle and Back Office Outsourcing Advisory
July 2003 - February 2004	Reduction of Technology Footprint [page 6]
January - June 2004	Quantitative Equity Application Duplication and Risk Analysis [page 4]
June 2004 - August 2005	Quantitative Equity Portfolio Management System Functional Requirements, Operating Model [page 4]
October 2004 - January 2005	Database Platform Remediation for Japanese Regulatory Purposes
November 2004 - May 2005	Tactical Improvement Program for Investment Management System
November 2004 - May 2005	Securities Lending Data Warehouse Advisory
August 2005 - February 2006	Investment System Dependencies Management
November 2005 - December 2007	Global Investment Guidelines Compliance System, Process, and Organization Implementation [page 3]
December 2007	Not-For-Profit Board Retreat Facilitation
March 2008 - August 2008	Hedge Fund Process and Data Management Analysis [page 5]
April 2008 - August 2008	Fund of Hedge Funds Shared Data Strategy [page 5]
March - May 2010	Project Demand Management and Resource Allocation [page 5]
August 2010 - January 2011	Strategic Planning [page 5]
October 2010	Making the Case for Change Workshop [page 7]
March 2011 - June 2011	Data Management Advisory for Outsourcing [page 5]
June 2011 - present	Portfolio Management Platform Design and Implementation [page 3]
January 2012 - May 2012	Retirement Income Tool Selection [page 4]
January - June 2013	Trading Lifecycle Solution Business Case
July 2013 - present	Trading Lifecycle Solution Definition

## Client List

We have provided consulting services to the following companies, among others, in the financial industry:

Barclays Global Investors	Canada Pension Plan Investment Board
AIG	Kinecta Federal Credit Union
Man Investments	Credit Suisse Asset Management
Vyas Capital Management	Major mutual fund distribution company



## Barry Chester

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Barry N. Chester is principal of Barry Chester & Company, L.L.C., founded in 2000. He has managed projects in the financial industry, notably in the asset management area, for more than twenty years. Such projects have revolved around the application of technology to business, and have included strategic planning; developing applications that assist investment decision-making and reporting; transforming the way application development and delivery are managed in a global firm; and managing global programs to outsource investment operations and to implement applications and associated business processes.

Since forming Barry Chester & Company, Barry has worked on numerous projects for major global asset management firms, as well as smaller firms such as credit unions and hedge funds. These projects have included business case development; strategic planning; organizational reviews; managing a back-office outsourcing initiative; documenting complex business processes; specifying functional requirements for portfolio management systems; and leading a global initiative to implement software and the associated business

organization and processes to monitor and ensure compliance with contractual and regulatory restrictions on investment activity. In his capacity as global program manager, he has led globally-distributed teams with members and senior stakeholders located in London, Tokyo, San Francisco, Sacramento, and Sydney.

An acknowledged expert on Investment Book of Record (IBOR), Barry moderated the “What’s in Your IBOR?” panel at Incisive Media’s Buy-Side Technology North America Summit in October 2013, and will be speaking at the IBOR Breakfast Briefing in February 2014.

Barry has also been a guest lecturer at Cornell University’s Johnson Graduate School of Management.

Before the establishment of Barry Chester & Company, Barry held positions with Kidder, Peabody & Co., and then J.P. Morgan Investment Management (JPMIM). He spent six years on assignment for JPMIM to Japan, where he was responsible for managing all aspects of the technology environment. He also headed the development of the Tokyo office’s business continuity and disaster recovery plans, and served on the New Product Committee and the Senior Management Team. On his return to the United States, he assumed leadership of JPMIM’s North American Euro implementation. He chaired the Asset Managers Forum’s Euro subcommittee, where he helped shepherd the U.S. investment management community through the euro implementation. He also served as a member of the Securities Industry Association’s (SIA) STP Buy-Side Committee, where he co-authored the SIA’s STP Buy-Side White Paper. He was on the buy-side workshop panel at the May 2003 STP conference run by the SIA in New York.

Barry brings a wide array of skills to bear on his projects. To complement his thorough knowledge of the institutional asset management industry, he has the ability to maintain focus on the business objectives and drivers for an initiative, while also being able to delve into detail when needed. Combined with talents for business case development and forward planning, this makes him an effective manager of project risk and stakeholder communication. He is universally known for maintaining an independent point of view, and total honesty. Among his strongest points are the ability to manage diverse sets of stakeholders, to align and manage teams who are broadly dispersed – both geographically and organizationally – around common goals, and to deliver those goals. Barry operates effectively in a multicultural context, having delivered projects on three continents. He is committed to upholding the standards of the English language and produces written communications at the highest level of quality and with attention to nuance.

Barry includes among his clients many of the world’s most prestigious firms, including Barclays Global Investors (acquired by BlackRock), Canada Pension Plan Investment Board, Credit Suisse Asset Management, and SSB Citi Asset Management (acquired by Legg Mason). He has also advised Kinecta Federal Credit Union, Man Investments (in collaboration with Cutter Associates), and Vyas Capital Management.

Barry is on the board of the Kitchen Theatre Company, a professional equity company in Ithaca, New York, where he lives. He is also an amateur musician, and plays the French horn whenever he can find an orchestra. He was the first foreigner ever to play with the *Takadanobaba Kangengakudan*, a prestigious Japanese amateur orchestra. He has played with orchestras in New York City, and is currently a member and board member of the Ithaca Community Orchestra.

Barry is a graduate of the University of Pennsylvania.

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