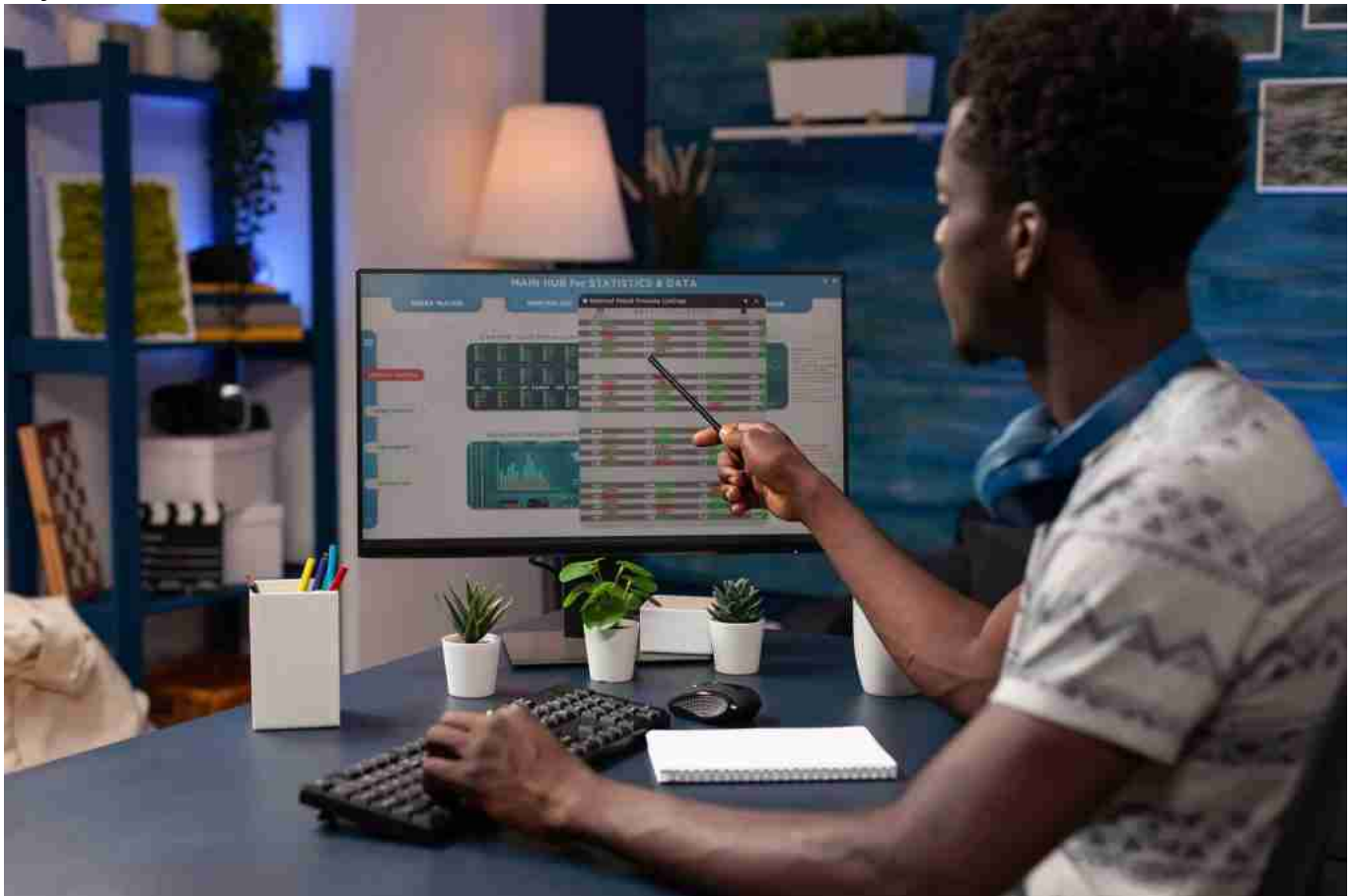


Enhancing Automation and Asset Management for Financial Services Firm

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The Slow Uptake of Crucial Automation

Despite the rapid advances in automation and artificial intelligence, financial services firms in the trading and securities industry continue to rely on traditional methods and manual processes. According to a survey conducted by EY, only 10% of asset managers have fully automated their investment processes, and 29% have not started at all. These hesitations roots in the perceived complexity and unpredictability of financial markets making it difficult to develop automated systems that can consistently generate profits, and the cultural mindset of many highly skilled traders and investment professionals who are resistant to change.

McKinsey & Company report suggests that automation can cut operational costs by up to 80% for certain processes in the financial services industry, including those used by asset managers. Automating processes can reduce the need for manual labor and streamline workflows, freeing up resources to invest in research and development, which can lead to more innovative and profitable strategies. Despite these advantages, many financial services firms remain hesitant to adopt automation due to fear of entrusting trading decisions to a machine or simply lacking the resources or technical expertise to develop and implement automated systems. One of Novo's partners wished to

overcome this predominant fear in the industry and Novo aimed to provide the technical expertise required to conquer it.

Operational Challenges: Identifying the Problem

Our partner, a financial services company that specializes in trading stocks and other securities, faced a number of operational challenges related to its internal order and portfolio management system, which were impacting its ability to efficiently manage day-to-day trades, communicate with external counterparties, and stay up-to-date with its Profit and Loss statements.

One of the key challenges the client was facing was related to its system for buying and selling stocks. The company was manually updating an Excel sheet at the end of each day and sending it to its custodian bank to check its Profit and Loss statement. This process was slow and prone to errors, and it also made it difficult for the client to cross-check its Excel sheet with its accounting system to ensure accuracy.

Additionally, the custodian bank already had a system in place for receiving files, but the client wanted to connect its own system to the bank to streamline the process. However, the company was facing difficulties in integrating its system which was slowing down the process and causing timely issues in communication.

Prime: A One-Window Order and Portfolio Management System

To solve these problems, Novo devised a customized interface for its order and portfolio management system. The new system would feature a one-window web interface that would provide a centralized location for all of the company's trade information, as well as automate communication and integration with external systems, including their primary bank. It helped to automate communication and integration with external counterparties and improve the company's ability to manage its trades, Profit and Loss statements, and cross-check with accounting systems. This allowed the company to improve its efficiency, manage information better and make communication timely.