

U.S. Broker Case Study: Securities Settlement Efficiency

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Project Type: Diagnostic and Design | **Client Type:** U.S. Broker | **Duration:** 4 weeks

BACKGROUND

DTCC Consulting Services was engaged by a U.S. Broker to perform a comprehensive health check of their current state of securities settlement. The goal was to identify potential improvements across the entire front-to-back securities post-trade flow. The key objectives of the engagement included:

- Performing a comprehensive current state assessment of the client's existing business processes and procedures.
- Delivering an in-depth data analysis of the client's institutional trade data from trade execution through to settlement and clearing.
- Identifying strengths and weaknesses of the existing operating model by conducting a detailed gap analysis.
- A prioritized list of actionable recommendations to enhance the client's securities settlement processes.

OUR APPROACH

➤ PHASE ONE: CURRENT STATE ASSESSMENT

- Analyzed the client's settlement efficiency data and benchmarked it against industry best practices to highlight potential areas of improvement.
- Reviewed the efficiency of the client's securities processes and effectiveness of their control framework, incorporating an assessment of inherent and residual risk.
- Conducted a high-level review of the client's technology stack that impacted the securities settlement process to ensure the current state assessment was comprehensive.

➤ PHASE TWO: RECOMMENDATIONS DEVELOPMENT

- Undertook a root cause analysis identifying issues driving most significant risks and problems with client's securities settlement processes. These included manual touchpoints and data quality issues.
- Conducted a gap analysis comparing the issues identified across the client's securities processes, controls, and technology against industry best practice and peer benchmarks.

➤ PHASE THREE: RECOMMENDATIONS

- Defined a set of prioritized recommendations categorized into short, medium, and long-term actions to help the client increase their end-to-end settlement efficiency, assessment, key themes, and knowledge of industry best practices.

WHAT WE DELIVERED

- **CONTROL ASSESSMENT** - Conducted a detailed assessment of the client's controls, identifying the highest priority controls to improve through the creation of a RAG status rating across the client's existing securities settlement post-trade flow.
- **TRANSACTION DATA** - Provided detailed transaction process performance data, enabling targeted and measurable performance enhancement.
- **COMPREHENSIVE RECOMMENDATIONS** - Provided a comprehensive set of recommendations that covered the client's end-to-end securities settlement workflow and operating model and enabled them to achieve greater efficiency.

FOR MORE INFORMATION

To learn more about how DTCC Consulting Services can partner with you to help your firm, [contact us](#) via our website.

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