

# Building a MRM team for the investment management arm of a US Investment Bank

All outstanding models documented

2x increase in model risk management (MRM) bandwidth

60% cost savings achieved

## CLIENT CHALLENGES

- The CRO's team did not have enough bandwidth to complete the validation of 35 models within a short deadline of 12 months
- Models included quantitative pricing, valuation, investment risk and portfolio construction
- Difficulty in hiring quants specialists with relevant buy side experience

## OUR SOLUTION

- Deployed a team of 8 model validation experts in a span of 3 months from over 50 candidates
- **Phase 1: Initial set-up (3 months):**
  - Understood [model inventory](#)
  - Classified models based on materiality, business use and regulatory requirements
- **Phase 2: Ramp-up (9 months):**
  - Staffed a team of validators based on the skillset assessment in phase 1
  - Designed and implemented a validation framework specific to the family of models
- **Phase 3 (ongoing):**
  - Model governance
  - Ongoing monitoring
  - Revalidation

## IMPACT DELIVERED

- 2x increase in [MRM](#) bandwidth
- Achieved 60% cost savings
- All validations deemed satisfactory in rigor and adequacy as per regulatory guidelines
- Successfully met internal deadline to complete the validation of the entire model inventory

## About Acuity Knowledge Partners

Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 350+ financial institutions and consulting companies through a team of over 3,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.

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