

Launched a multi asset MRM team for a US Asset Manager

7 models documented and tested every 2 months

60% cost savings achieved

Fully offshore operation

CLIENT CHALLENGES

- The second line of defense (LOD) at the bank had raised concerns about insufficient documentation and testing of 59 models
- The model owners did not have enough bandwidth to allocate to remediate these concerns
- The CRO's team came up with a plan to create a team of model owners and validators dedicated solely to complete entire model documentation and testing on behalf of the model owners

OUR SOLUTION

- Deployed a team of 10 model developers and validators in a span of 3 months from over 40 candidates
- **Phase 1:**
 - Conducted a series of interviews to gain an in-depth understanding of each model, its scope and use, inputs and outputs, the workflow, the process, downstream and upstream impacts, model monitoring, etc
 - Documented each model with periodic reviews and feedback from the model owners
- **Phase 2:**
 - Created testing plans and processes for each model through discussions with the model owners taking into account the scope and use of the models
 - Performed tests on models based on the plans and documented the results
- **Phase 3:**
 - Submitted the documentation and testing to the second LOD
 - Received ongoing support for the models during the validation process

IMPACT DELIVERED

- Achieved 60% cost savings

- Successfully met [model risk management](#) (MRM) objectives, while consuming a limited bandwidth of model owners
- Maintained a seamless model validation process
- Successfully met intermediate periodic milestones for completing the documentation and testing of the planned model list

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