

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, formerly part of Moody's Corporation, is a leading provider of bespoke research, analytics, staffing and technology solutions to the financial services sector.

Headquartered in London, Acuity Knowledge Partners has nearly two decades of transformation experience in servicing over 300 clients with a specialist workforce of over 2,500 analysts and delivery experts across its global delivery network.

We provide our clients with unique assistance not only to innovate, implement transformation programmes and increase operational efficiency, but also to manage costs and improve their top lines.

These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offer domain-specific contextual technology.

Acuity Knowledge Partners is backed by Equistone Partners Europe, a leading private equity organisation that backs specialist growth businesses and management teams.