

STOCK EXCHANGE

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Guide to Financial Services

Deep Dive – Segments, Business Activities and Personas

Financial Services provides tremendous opportunity for enterprise solutions. But the industry is complex and requires a detailed understanding of target organizations and personas.

BPM Works provides a knowledge base with valuable insights into Financial Services markets for product marketing and sales enablement teams.

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Industry Segments

Industry Segment Matrix

Asset Management

- Asset Managers
- Private Equity Firms
- Hedge Funds
- Proprietary Trading Firms
- Pension Funds
- Endowments
- Sovereign Wealth Funds
- Custodians and Fund Administrators

Brokerage and Securities Processing

- Brokerage Firms
- Prime Brokers
- Inter-Dealer Brokers
- Independent Broker-Dealers
- Correspondent Clearing Firms

Capital Markets and Advisory

- Investment Banks
- Specialist Boutiques

Exchanges and Venues

- Exchanges
- Electronic Communication Networks (ECNs)
- Alternative Trading Systems (ATS)

Governmental and Regulatory

- Central Banks
- Regulatory Agencies

Insurance

- Insurance Companies (Health)
- Insurance Companies (Life)
- Insurance Companies (Property and Casualty)

Retail and Commercial Banking

- Retail Banks
- Community Banks and Credit Unions
- Shadow Banking Firms

Wealth Management and Financial Advisory

- Independent Advisors
- Private Banks
- Family Offices
- Online Brokerage Firms
- Fintech Companies

Industry Segments – Deep Dive

The following is a comprehensive summary of the target segments in Financial Services. Depending on your products and solution, how you articulate customer challenges and the value you deliver will be different for different segments below.

Asset Management

Asset Managers

Firms that actively manage a range of securities (e.g. shares, bonds and derivatives) and other assets (e.g. real estate) in investment funds for investors to meet specific investment mandates. Many asset managers also offer passively managed index tracking funds and ETFs. Asset Managers design new investment vehicles to attract funds and/or to serve specific investment objectives.

Investors served may be institutions such as pension funds and sovereign wealth funds in pooled or dedicated accounts, and individuals in mutual funds. For asset managers who sell to individuals, they sell either directly through their own networks of advisors (e.g. Investors Group), or via independent advisors

The firm's business model is based on investment fees as a % of assets invested. They compete to win investments from investors including individuals and institutions (e.g. pension funds).

There are thousands of asset management firms but assets under management are increasingly concentrated under large managers such as Blackrock, Vanguard, Fidelity, PIMCO etc.

Private Equity Firms

Private equity is an alternative investment class and consists of capital that is not listed on a public exchange. Private equity is composed of funds and investors that directly invest in private companies, or that engage in buyouts of public companies, resulting in the delisting of public equity. Institutional and retail investors provide the capital for private equity, and the capital can be utilized to fund new technology, make acquisitions, expand working capital, and to bolster and solidify a balance sheet.

Examples of large private equity firms:

- Blackstone Group
 - Neuberger Berman Group
 - Apollo Global Management
 - Carlyle Group
 - KKR & Co.
 - Bain Capital
 - CVC Capital Partners
 - Warburg Pincus
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Hedge Funds	<p>Firms that manage a range of securities (e.g. shares, bonds and derivatives) and other assets (e.g. real estate) in pooled investment funds for both institutional and individual investors to meet specific investment mandates. They typically use proprietary research and aggressive leveraged trading strategies (using Options and Futures). As the name implies, many hedge funds seek to hedge investment risks, but this is not a prerequisite.</p> <p>Hedge fund managers usually have a significant amount of their own money invested in the fund. The funds managed by these firms are actively managed to deliver alpha. e.g. Mann Group, DE Shaw.</p> <p>Hedge Funds make money based on a combination of management and performance fees. The traditional model was “2 and 20” although this is changing with some Hedge Funds switching to a pure performance model.</p> <p>The 2 and 20 is a hedge fund compensation structure consisting of a management fee and a performance fee. 2% represents a management fee which is applied to the total assets under management. A 20% performance fee is charged on the profits that the hedge fund generates, beyond a specified minimum threshold (that is, a certain level of profit).</p>
Proprietary Trading Firms	<p>Independent firms trading their own money. These firms are often set up by ex-bank heads of proprietary trading and Investment Management.</p>
Pension Funds	<p>Public and Private Pension plans that provides retirement income. Pension Funds are typically managed by institutional investment managers on behalf of the employees and retirees. Many public sector (and some private sector) pensions funds are self-managed (e.g. Ontario Teachers, CALpers etc). In both cases the Pension Trustees provide oversight and style/mandate instructions to the fund manager.</p>
Endowments	<p>A financial endowment is a donation of money or property to a non-profit organization for the ongoing support of that organization. It is typically structured as a public charity, private foundation, or trust. Among the institutions that commonly manage endowments are universities, cultural institutions, healthcare organizations, charities and religious organizations.</p> <p>For example, the five largest university endowments are Harvard University, Yale University, the University of Texas System, Stanford University, and Princeton University.</p>
Sovereign Wealth Funds	<p>These are state-owned investment funds or entities which manage pools of money derived from a country’s reserves. Reserves are funds set aside for investment to benefit the country’s economy and its citizens.</p> <p>Some of the largest: Norway Government Pension Fund Global, China Investment Corporation, Abu Dhabi Investment Authority, GIC Private Limited (Singapore).</p>

Custodians and Fund Administrators	<p>Asset Servicers typically provide both fund administration and custodial services to institutional asset managers (e.g. mutual funds, pension funds) and alternative investment managers / hedge funds.</p> <ul style="list-style-type: none">• Custodians: Institution responsible for safeguarding investors assets held in a fund. Custody involves a wide range of securities services, including settlement of any purchases and sales, safekeeping assets/securities, cash management, record keeping, securities lending and corporate-action notification. A Custodian earns revenue from a number of streams, primarily by providing Custody and Safekeeping services to fund managers where fees are based on assets under custody. Custodians are also paid for trade Settlement per transaction volume. A secondary source of revenue for many Custodians is Securities Lending for trading, where revenues are typically shared with the fund manager who owns the securities• Fund administration is the name given to the set of activities that are carried out in support of the process of running a collective investment scheme, whether the scheme is a traditional mutual fund, a hedge fund, pension fund, unit trust, or something in between. These activities include portfolio valuation, fund accounting, pricing and risk analytics. <p>The largest asset servicing firms are:</p> <ul style="list-style-type: none">• The Bank of New York Mellon• State Street Bank and Trust Company• JPMorgan Chase• Citigroup• BNP Paribas Securities Services
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Brokerage and Securities Processing

Brokerage Firms	<p>Brokers match buyers and sellers across a range of trading and investment vehicles and their success is dependent on the breadth of their connections across the industry. A broker must be connected to all exchanges they trade on, to their 'buy-side' clients, to other brokers and establish connectivity to market data, trading analytics and regulatory reporting entities. The regulated broker is mandated to provide 'best execution' for all trades.</p> <p>The broker business model is based on:</p> <ol style="list-style-type: none">1 Lending money to high volume traders (known as margin)2 Payment for order flow / maker taker exchange credits3 Market making4 Spreads on proprietary products5 Commissions on trades6 Re-marketing agreements from Asset managers (i.e. Mutual Funds)7 Advisory and research fees <p>The largest players include; Goldman Sachs, JP Morgan, Bank of America Merrill Lynch, Barclays, Citi, UBS, Credit Suisse.</p>
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Prime Brokers Provide trading services and technology to their high-volume traders such as hedge funds, commodity advisors, proprietary traders and family offices. The trading client commits capital to a prime broker and in return will receive financing, research, borrowed securities and technology to help them trade more profitably. Technology provided by the broker can include trading systems, venue co-location and connectivity, market data, compliance and portfolio systems.

Top 10 Prime Brokers of Hedge Funds (based on SEC filings by hedge fund managers):

- 1 Goldman Sachs
- 2 Morgan Stanley
- 3 J.P. Morgan
- 4 Credit Suisse
- 5 Bank of America
- 6 UBS
- 7 Citigroup
- 8 Deutsche Bank
- 9 Barclays
- 10 Wells Fargo

Inter-Dealer Brokers Specialized financial intermediary who helps with transactions between investment banks, broker-dealers, and other large financial institutions. The inter-dealer broker focuses on trades where there is no formal exchange or market maker system, typically large trades in illiquid markets. Revenues are driven by commissions and spreads that are larger than with mainstream securities as well as market data and analytics.

There are four large interdealer brokers in the world: TP ICAP, Tullett Prebon (TPI), Tradition, and BGC Partners.

Independent Broker-Dealers Independent broker-dealers function as full-service brokerage firms but remain free from the constraints and demands of a large Wall Street company. These firms support financial advisors who carry securities licenses and need back-office support for services such as compliance and trade execution.

They typically cater to more experienced advisors, allowing them almost complete freedom in how they do their business. Found primarily in the US, examples include: Raymond James, LPL Financial, Ameriprise, and Vanguard.

Correspondent Clearing Firms Provides clearing, custody, reporting, compliance, and execution services to broker dealers including full-service wealth management firms, retail and institutional brokerages, and FinTech.

Examples include Pershing, Fidelity or First Clearing. Known as the fully-disclosed model (where the clearing firms' clients do not have a "back office" operation and so are not able to "clear" their own trades).

Capital Markets and Advisory

Investment Banks

An investment bank is a financial services company or corporate division that engages in advisory-based financial transactions on behalf of corporations and governments. Traditionally associated with corporate finance, investment banks assist in raising capital by underwriting or acting as the client's agent in the issuance of securities, and in advising a corporation on mergers and acquisitions.

Their business is fee based and is typically broken into the following business lines:

- Equity Capital Markets
- Debt Capital Markets
- Mergers & Acquisitions

The 'bulge bracket' banks have, for a number of years, seen fees leaking away to smaller boutique firms who specialize in particular sectors or deal types. There's an imperative for the Big Banks to become more efficient to stay competitive.

Firms such as Refinitiv and Bloomberg maintain League Tables that capture market activity and deal leadership across the mergers and acquisitions, equity issuance, debt issuance, and other fixed income markets.

Leading players include:

- JP Morgan
 - Citi
 - Goldman Sachs
 - Bank of America Merrill Lynch
 - Morgan Stanley
 - Barclays
 - HSBC
 - Deutsche Bank
 - BNP Paribas
 - Credit Suisse
 - Wells Fargo
 - UBS
 - RBC Capital Markets
 - Mizuho Financial
 - Credit Agricole CIB
 - Societe Generale
 - Mitsubishi UFJ Financial Group
 - TD Securities
 - Sumitomo Mitsui Financial
 - UniCredit
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Exchanges and Venues

Exchanges	<p>Venues: Exchanges, Electronic Communication Networks (ECNs), Alternative Trading Systems (ATS)</p> <p>These are marketplaces where buyers and sellers are ‘matched’ using order routing, matching engines and execution feeds. Regulated, public exchanges can only be accessed by a brokers or a firm sponsored by a broker. Institutional Investors can access private exchanges, called dark pools, where trades are not reported publicly.</p> <p>Traditional exchanges earn revenues via trading, listing, and market data business activities. They are increasingly dependent on market data and analytics - driving them to acquire market data businesses (e.g. London Stock Exchange & Refinitiv; ICE & Interactive Data).</p>
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Governmental and Regulatory

Central Banks	<p>A central bank, reserve bank, or monetary authority is an institution that manages the currency and monetary policy of a state or formal monetary union, and oversees their commercial banking system. In contrast to a commercial bank, a central bank possesses a monopoly on increasing the monetary base in a financial crisis. Most central banks also have supervisory and regulatory powers to ensure the stability of member institutions, to prevent bank runs, and to discourage reckless or fraudulent behavior by member banks.</p>
Regulatory Agencies	<p>Financial regulation is a form of regulation or supervision, which subjects financial institutions to certain requirements, restrictions and guidelines, aiming to maintain the stability and integrity of the financial system. This may be handled by either a government or non-government organization.</p> <p>The following is a short listing of regulatory authorities in in the U.S.:</p> <ul style="list-style-type: none"> • U.S. Securities and Exchange Commission (SEC) • Financial Industry Regulatory Authority (FINRA) • Commodity Futures Trading Commission (CFTC) • Federal Reserve System (“Fed”) • Federal Deposit Insurance Corporation (FDIC) • Office of the Comptroller of the Currency (OCC) • National Credit Union Administration (NCUA) • Consumer Financial Protection Bureau (CFPB) <p>Regulators and authorities tasked with safeguarding the financial system from illicit use, combat money laundering, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.</p> <p>Includes organizations such as Financial Crimes Enforcement Network (U.S.), Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Australian Transaction Reports and Analysis Centre (AUSTRAC), European Joint Money Laundering Steering Group, Financial Conduct Authority (UK) etc.</p>

Insurance

Insurance Companies (Health) Carriers evaluate risks, write insurance policies and manage claims. The Carrier works with a variety of distribution methods for their insurance products including Agents, Wholesale Brokers, and direct distribution to potential policyholders.

Health insurance, also known as major medical insurance is offered through individual plans, qualified health plans supported by employers and catastrophic plans.

Leading health insurance companies in the U.S. include, UnitedHealth, Kaiser Foundation, Anthem and Humana.

Insurance Companies (Life) Carriers evaluate risks, write insurance policies and manage claims. The Carrier works with a variety of distribution methods for their insurance products including Agents, Wholesale Brokers, and direct distribution to potential policyholders. Life insurance products include term life, whole life and variable annuities.

Leading life insurance companies in the U.S. include, MetLife/Brighthouse Financial, Northwestern Mutual, New York Life, and Prudential.

Insurance Companies (Property and Casualty) Carriers evaluate risks, write insurance policies and manage claims. The Carrier works with a variety of distribution methods for their insurance products including Agents, Wholesale Brokers, and direct distribution to potential policyholders.

Within property and casualty, there are two distinct business lines: personal, providing automobile and homeowners policies and commercial, providing insurance in areas that support truck fleets or workers compensation.

Leading life P&C companies in the U.S. include, State Farm, Berkshire Hathaway, Progressive, Liberty Mutual.

Retail and Commercial Banking

Retail Banks Banks pool deposits together to offer cash management and lending services. Cash management can include deposits, checking, bill paying, lock box or automatic deduction. Lending services include mortgages, account receivable financing or business loans.

Traditionally delivered using a vast branch banking network, the banks today are moving rapidly to offer more value added services across electronic, mobile and edge devices.

Retail banks cater to the cash management and borrowing needs of individuals, while Commercial banks serve corporations. Mid-sized and larger retail banking groups typical provide wealth and financial advisory

The banker's business model is based on:

- Net interest income: Spread differential between interest paid on deposits and interest collected on loans.
- Loan origination fees
- Credit card Acquiring bank fees (can be 1.5% of every transaction)
- Checking and Cash Management Fees
- Treasuries and Municipals trading (in larger institutions)

The retail banking environment varies considerably across different markets. For example, in the U.S. there thousands of retail banking organizations. Larger banks include Chase Bank, Wells Fargo, Citibank, U.S. Bancorp, PNC, TD Bank, HSBC, Fifth Third Bank.

Community Banks and Credit Unions	<p>Member-owned financial cooperatives, democratically controlled by its members. Their purpose has been to promote saving, providing credit at competitive rates, and providing other financial services to its members. Services offered include online banking, investing, savings, mortgages and loans.</p> <p>In Europe, these financial cooperatives include Building Societies in London as well as Volksbanken and Raiffeisenbanken organizations in Germanic countries.</p>
Shadow Banking Firms	<p>Financial intermediaries facilitating the creation of credit across the global financial system but whose members are not subject to regulatory oversight.</p> <p>Examples include, non-bank lenders (such as Quicken Loans) who account for an increasing share of mortgages in the United States. Another fast-growing segments of the shadow banking industry is peer-to-peer (P2P) lending such as LendingClub.com and Prosper.com.</p>

Wealth Management and Financial Advisory

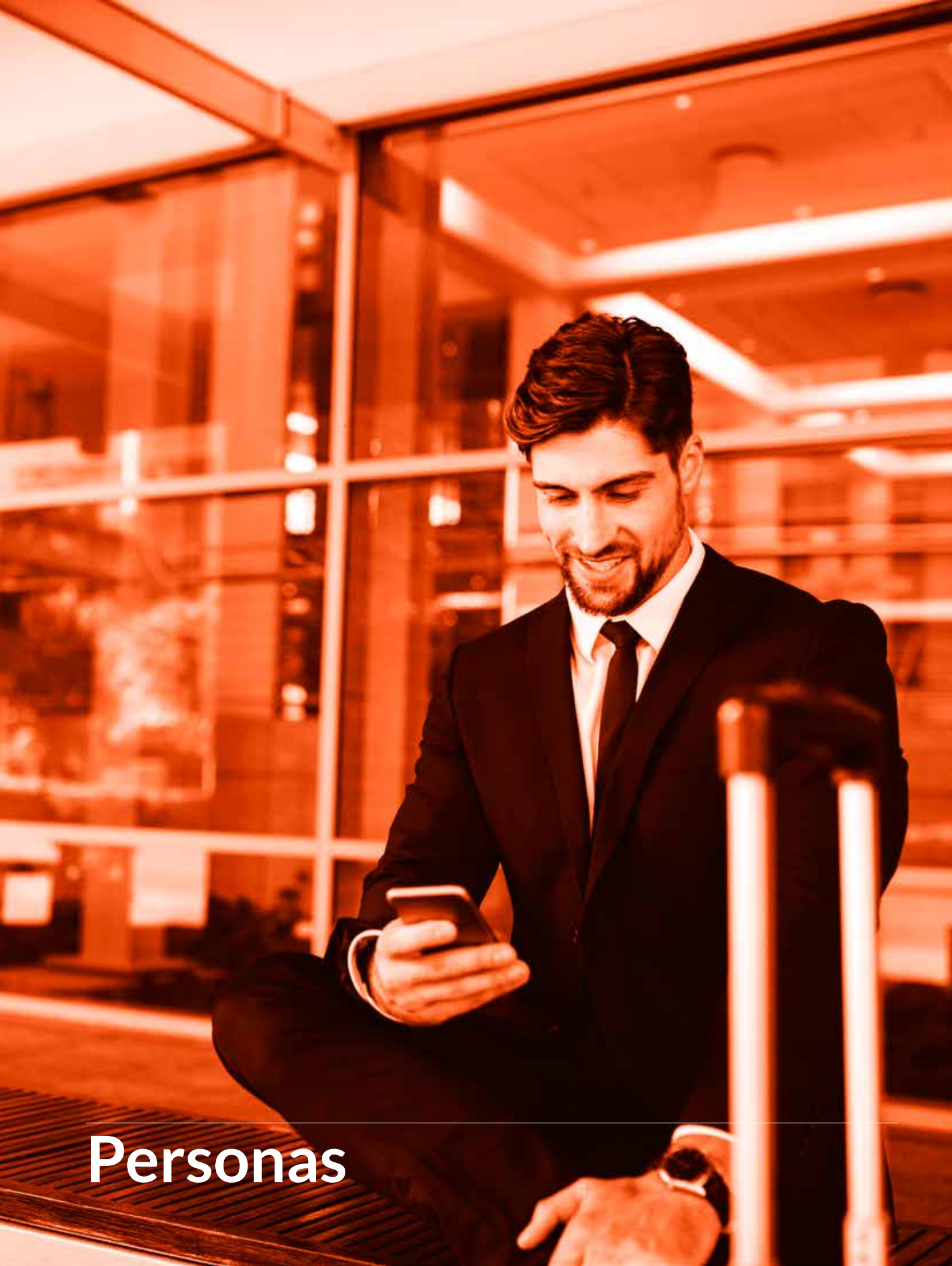
Independent Advisors	<p>Known as Registered Investment Advisors (RIAs) in North America and Independent Investment Advisors (IFAs) elsewhere, these are independent fiduciaries who may associate with several broker-dealers, selling a range of products and services.</p> <p>Regulated by the local banking authority (e.g. the Securities and Exchange Commission in the US) where the advisor or group of advisors operate. They manage the assets of investors ranging from the mass affluent to ultra-high net worth individuals.</p> <p>Examples of large firms of advisors include Fisher Investments, Hall Capital Partners, and Homrich Berg.</p>
Private Banks	<p>Private Banking is a term used to refer to banking, investment and other financial services provided by banks to high-net-worth individuals (HNWIs) and Family Offices with high levels of income or sizable assets.</p> <p>Services typically include deposit taking and payments, discretionary asset management, brokerage, limited tax advisory and some basic concierge-type services, offered by a single designated relationship manager.</p> <p>Leading players include:</p> <ul style="list-style-type: none"> • UBS • JPMorgan • Credit Suisse • Julius Baer • Citi • Pictet • BNP Paribas • HSBC • Goldman Sachs • Vontobel
Family Offices	<p>Family offices (also known as Independent / External Asset Managers) are private wealth management advisory firms that serve ultra-high-net-worth (UHNW) investors. They are different from traditional wealth management shops in that they offer a total outsourced solution to managing the financial and investment side of an affluent individual or family.</p>

Online Brokerage Firms Offer trading / investment tools to their clients through digital means or via broker-staffed call centers. This may or may not be a unit of a traditional brokerage firm and they typically will not have a large physical branch presence.

Examples include e*Trade, TD Ameritrade, Charles Schwab, Comdirect, Consors Bank.

Fintech Companies Technology-enabled firms who are disrupting the traditional marketplace with lower cost and more innovative services. Venture investment into FinTech companies has skyrocketed. These firms are concentrated around: financial account aggregation and analysis, mobile payments, loans, fundraising, trading analytics and asset management. They typically leverage modern open sourced technologies and utilize advanced digital marketing techniques.

Example in the wealth space include: Betterment, Robinhood, Future Adviser, Wealthfront, and Personal Capital.



Personas

Personas Segment Matrix

Asset Management

- Buy-side Trader
- Chief Investment Officer
- Head of Marketing (Asset Management)
- Head of Performance Analytics
- Head of Sales / Fund Distribution
- Hedge Fund Manager
- Portfolio Manager
- Quantitative Research Analyst
- Research Analyst

Brokerage and Exchange

- Economist
- Head of Brokerage
- Head of Electronic Trading
- Head of Execution Services
- Salesperson (brokerage)
- Trader
- Head of Listings

Capital Markets and Advisory

- Coverage / Industry Banker
- Head of Investment Banking Strategy
- Product Banker / Analyst
- Senior Banker / Managing Director

Insurance

- Chief Actuary
- Insurance Underwriter

Retail and Commercial Banking

- Credit Analyst / Officer
- Head of ATM Networks
- Head of Branch Operations & Delivery
- Head of Branch Transformation

Wealth Management and Financial Advisory

- Branch / Regional Manager
- Head of Wealth / Investment Advisory
- Wealth / Financial Advisor

Financial, Strategy, Marketing, & Procurement

- Chief Financial Officer
- Chief Marketing Officer
- Corporate Treasurer
- Head of Corporate Sustainability
- Head of Market Data
- Head of Procurement
- Head of Strategy
- Librarian / Information Professional

Legal, Risk and Compliance

- Chief Risk Officer
- General Counsel
- Head of AML / Financial Crime
- Head of Compliance
- Head of FCPA Monitoring
- Head of KYC / Due Diligence
- Head of Operational Compliance
- Head of Third Party / Supply Chain Risk
- Risk Manager (Credit Risk)
- Risk Manager (Market Risk)

Operational, Technology and Data

- Chief Data Officer
- Chief Information Officer
- Chief Operating Officer
- Chief Security Officer
- Chief Technology Officer
- Data Scientist
- Head of Business Continuity
- Head of Digital Strategy
- Head of Infrastructure
- Head of Networks
- Head of Online / Mobile

Personas – Deep Dive

Personas can be tricky because an individual may be a user of a product or a decision maker in its purchase; but usually not both. Users focus on their part of the process or workflow and see value in solutions that make life easier for them, enable them to perform more effectively, and prevent them from making mistakes. Decision makers see these same value points on behalf of their teams but look to translate them into increased revenue, lower costs, and reduced risks for the Business.

Users are typically influencers (sometimes important) in a buying process but are rarely decision makers. That said, they may be important to grabbing initial attention for an idea and getting early conversations going. Decision makers are usually busy departmental managers who avoid talking directly to vendors whenever possible! Understanding who these people are and what motivates them is critical to any selling effort.

Asset Management

Buy-side Trader	Highly competitive individual who is responsible for managing order flow to multiple brokers, choosing algos and monitoring their performance, and also for routing orders directly to venues and/or dark pools if the firm has direct market access. He/she is focused on best execution. Traders work in a high pressure, extremely fast paced environment where decisions must be made quickly and with confidence.
Chief Investment Officer	He/she determines the structure of the investment operation in terms of funds (how mandates are handed out) and how analysts are deployed (i.e. dedicated to a specific fund or shared across funds). The CIO sets and oversees the investment philosophy of the firm.
Head of Marketing (Asset Management)	<p>Responsible for marketing collective investment products to investors, advisors, and distributors / investment platforms (provided by for example: Broker-Dealers, Custodians, Wealth Managers, Wealth Platform Companies). This includes mutual funds, closed-end funds, exchange-traded funds (ETFs), retirement funds, pension funds, and insurance products.</p> <p>Must be adept at translating target audience insights into positioning and value proposition development, as well as marketing campaign development and management, and ultimately how to develop marketing strategies that support business objectives.</p>
Head of Performance Analytics	<p>Leads a team to ensure all analytics and performance reporting on portfolios is completed accurately and in a timely manner. Core team activities include:</p> <ul style="list-style-type: none"> • Calculation of monthly, quarterly and ad-hoc performance return and risk metrics at asset class and portfolio level, including performance attribution analysis • Presentation of performance data to key internal clients with detailed explanation of the results and attribution where required <p>Takes a lead role in projects enhancing the client offering, liaising with senior stakeholders, driving efficiencies through automation, and saving headcount. Will also get involved in redesigning performance reports to meet changing client requirements and to increase the value the reports add for clients.</p>

Head of Sales / Fund Distribution	<p>This person will manage business development in a given area or region with a view to growing the company's presence. They are tasked with generating inflows for the business across multiple products and clients.</p> <p>They will develop, manage and run a successful institutional sales team. They will look to build and maintain direct relationships with key Top Tier institutions e.g. pension schemes, insurance companies, sovereign wealth funds and local authorities.</p>
Hedge Fund Manager	<p>This is one of the people that actually owns and runs the fund management firm. They will have a significant sum of their own money invested in one or more of the funds managed by the firm and may also manage an individual fund themselves.</p>
Portfolio Manager	<p>The professional responsible for one or more securities portfolios (such as a mutual fund) in which individual investors or institutions (e.g. pension fund, profit-sharing plan, bank trust department, insurance company) invest funds in return for a fee.</p> <p>The manager has the fiduciary responsibility to manage the assets prudently and choose which assets are most appropriate over time with the aim of beating a benchmark - all in accordance with the mandate for the fund.</p>
Quantitative Research Analyst	<p>Typically educated to post graduate level (e.g. PhD in mathematics), this person is responsible for quantitative analysis in support of investment management, trading or structured products.</p> <p>Typical activities include normalizing and integrating data, correlation investigation and analysis, model building and backtesting.</p> <p>They report to Head of Research or Fund Manager depending on the organization. In smaller Hedge Funds, the Quant may also be the portfolio manager or founder. Because their skills in in such high demand they are very well paid.</p> <p>In addition to salary and bonus, they may get a cut of management and performance fees.</p>
Research Analyst	<p>Analysts will typically specialize by Companies / Sectors (e.g. Aerospace, Banks, Energy), but some others specialize by size (e.g. small cap stocks) or country. Responsible for delivering insight and providing commentary to the buy-side, they make buy/sell recommendations, publish company specific performance estimates, and deliver insight into company management. They evaluate the industry value chain from supplier/manufacturer through to consumer activity, in order to identify anything that might affect the performance of the company. Research Analysts maintain relationships with the Investor Relations departments of the companies they cover and members of the management team.</p>

Brokerage and Exchange

Economist	<p>Economists try to predict when a rise or fall in the economy will occur and deliver advice and guidance to support decision making. Generally they become sector specialist on one country or one particular area of expertise where they will become the reference point for any research on that area. They develop advice by analyzing new economic releases, and decomposing and isolating the components such as new fed calls, inflation predictions, trade figures etc. They apply analytical methods such as econometrics, statistics, and computational models to assess global performance.</p>
Head of Brokerage	<p>Responsible for soliciting clients, presenting proprietary products and executing trades on multi asset classes (Equities, Fixed Income, OTC, GDRS, FX, etc.) on behalf of clients. Adopts trading strategies that effectively result in best execution, and minimum market impact.</p>

Head of Electronic Trading	<p>The Head of Electronic Trading at a broker is responsible for efficient execution of buy-side client orders using algorithms. They are responsible for the revenue generated from processing trades on behalf of retail or institutional clients. If they can show an ROI, they can usually get the budget.</p> <p>Responsibilities include:</p> <ul style="list-style-type: none"> • Attracting new clients and more order flow by deploying innovative trading analytics, research, financing programs and excellence in customer service. • Ensuring regulatory compliance of their employees, this executive will sit on compliance, vendor and operational risk committee.
Head of Execution Services	<p>Responsible for having the technology and connectivity in place to get the best possible execution. Technology savvy but knows how the markets work, with a background in trading technology or trade support.</p> <p>Focused on:</p> <p>Faster time to market for new initiatives - anywhere in the world</p> <p>Low-latency feeds and proximity hosting for algorithms</p> <p>Protection of data and systems from cybersecurity threats</p>
Salesperson (brokerage)	<p>A sales person is responsible for bringing in new business and managing client relationships. This person must be very persuasive to be successful and must have complete command of the facts in talking with customers and prospects, who tend to be exceptionally sophisticated and discriminating.</p>
Trader	<p>Focused on executing trades at the right price. Highly competitive individual who is responsible for buying and selling securities for their clients. Success is measured on the basis of risk-adjusted P&L, and on the trader's success relative to their peers. Traders work in a high pressure, extremely fast paced environment where decisions must be made quickly and with confidence. Increasingly an endangered breed as more trading is executed electronically.</p>
Head of Listings	<p>This person oversees new listings and capital market business, often including overall responsibility for relationship management with the companies listed on listing markets. They lead IPO activity at the exchange and providing support and guidance to boards of private companies and their investors in their initial and on-going assessment of a potential IPO strategy.</p>

Capital Markets and Advisory

Coverage / Industry Banker	<p>Coverage or Industry Bankers cover clients in a specific industry as opposed to being specialists in a particular type of deal.</p>
Head of Investment Banking Strategy	<p>Responsible for ensuring the firm understands market trends and can track where business is going by sector and geography as well as by competitor. Focused on performance management and client base review (holding bankers to account for missed deals). Provides recommendations and guidance for how the firm should allocate resources to maximize revenue.</p>

Product Banker / Analyst	<p>This person's responsibilities include detailed analytical and numerical analysis, financial structuring, preparation of bid and transaction documentation and presentations, and researching information for companies in the sector. Typically, they are specialists in a particular type of deal and the associated services from the bank; hence the name Product Banker.</p> <p>As an Analyst progresses in the firm, their responsibilities may broaden to include the day-to-day management of transactions.</p> <p>Bankers working in Origination teams sit off the Trading Floor and are most closely aligned to Coverage Bankers. Syndicate teams, however, sit on the Trading Floor and are more closely aligned to Sales and Trading, as they need exposure to the base of investors who typically buy issues (connecting to them via chat functions).</p>
Senior Banker / Managing Director	<p>These are seasoned bankers, who have deep expertise and experience in serving corporates in a given area of investment banking. They strive to stay abreast of company strategy and future plans and look to position themselves as trusted advisors - providing new ideas and guidance on how to proceed to meet strategic objectives and financing requirements.</p> <p>Their primary role is to grow and retain profitable accounts for the firm, so they need proven client relationship skills and an ability to call at the CEO/CFO level.</p> <p>Typically, they will manage a mix of clients in order to originate different deal types and maintain fee earnings for the bank regardless of market conditions (i.e. during market upturns they look for IPO and merger opportunities and in downturns they look to advise on asset disposals and rescue rights issues).</p>

Insurance

Chief Actuary	<p>The Chief Actuary oversees and coordinates the activities of other actuaries in the collective performance of loss reserving, determining target capital and ROE standards, LOB pricing, financial reviews, research, reinsurance activities, and actuarial opinions.</p>
Insurance Underwriter	<p>An insurance underwriter will decide if applications for insurance cover (risks) should be accepted and what the terms and conditions should be. They work closely with actuaries, risk and claims managers, and brokers, to ensure a balance between attracting and retaining customers through competitive insurance premiums and being able to cover any potential losses from claims.</p>

Retail and Commercial Banking

Credit Analyst	<p>Analyzes credit proposals, recommends internal risk rating, and monitors events for deterioration of risk.</p>
Credit Officer	<p>Sets and approves the credit limits based on internal risk rating.</p>
Head of ATM Networks	<p>Responsible for managing and operating point of cash ATMs including responsibility for:</p> <ul style="list-style-type: none"> • Cost effective connectivity including video • Protect from theft, fraud, cybersecurity threats • Robust physical and logical security framework • Delivering high system availability / resiliency

Head of Branch Operations & Delivery	<p>Develops, implements, and maintains strategy, operating policies and procedures. Establishes success metrics, measures and manages to constant improvement. This executive maintains strong relationships with retail staff and with the IT department (for all operational system releases and updates to the core data processing systems).</p> <p>A key driver is successful launch of new products, services, and programs - for example, getting video out to the branch, wireless ATMs etc.</p>
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Head of Branch Transformation	<p>The Head of Transformation is accountable to identify, recommend and lead improvements to the overall bank distribution network. This executive must ensure the 'retail assets' can adjust to strategic shifts in the industry. They strive to drive simplicity through process improvements, to reduce expense and to improve the employee & customer experience. The role oversees a diverse set of functions including business, technology, retail network and distribution strategy. They may be directly accountable for retail technology platforms such as teller platforms, sales platforms, Coin Counters, the Branch equipment portfolio including Cash Recycling Units/Cash Dispensing Units and the branch banking equipment. They manage the relationships with technology vendors and other partners (for e.g. Digital, ATM, Real Estate and Marketing) to execute the strategy.</p>
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Wealth Management and Financial Advisory

Branch / Regional Manager	<p>This person owns the sales targets for the branch or region and in some cases will also have their own book. All wealth managers / financial advisors report to them and they are responsible for compliance oversight.</p>
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Head of Wealth / Investment Advisory	<p>Responsible for the wealth Advisory business and focused on growing AUM. This person oversees the entire Adviser team including making sales target and product selection decisions. He / she also sets the direction of the firm. They are very involved in the recruitment (of advisors) process.</p>
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Wealth / Financial Advisor	<p>Delivers investment management and financial planning services to high and medium net worth individuals. Generally, this includes financial-planning and retirement services; wealth structuring; tax, estate and trust planning; portfolio management.</p> <p>In Private Banks there is typically a three-tier hierarchy of personnel. At the top, managers set investment strategy and policy. Below them, Investment Advisors undertake research, construct model portfolios, and recommend products and assets for different types of investor. At the bottom, Relationship Managers work with customers to understand their needs, investment preferences and appetite for risk, and select products and model portfolios recommended by the firm.</p>
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Financial, Strategy, Marketing, and Procurement

Chief Financial Officer	<p>CFO is a corporate officer primarily responsible for managing the financial risks of the corporation. This officer is also responsible for financial planning and record-keeping, as well as financial reporting to higher management. The CFO typically reports to the chief executive officer and to the board of directors, and may additionally sit on the board. The CFO is focused on loss controls and improving efficiency.</p>
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Chief Marketing Officer	<p>Develops the strategy and manages the execution of marketing initiatives to acquire, retain and cross-sell customers. Analyze customer behavior and the results of marketing campaigns. Execute market research and trend analysis.</p> <p>He/she sets the marketing strategy to support product growth and sales targets. Their team is responsible for creating collateral for potential / current investors and sales tools for the sales team.</p>
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Corporate Treasurer	<p>Corporate treasurers undertake a range of risk, strategic and/or general financial management activities that enable companies to maintain or improve/maximise their financial position. This includes:</p> <ul style="list-style-type: none"> • Cash / liquidity / debt management • Capital markets / funding including interest rate exposure management • Financial risk management • FX operations and exposure management
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Head of Corporate Sustainability	<p>The Head of Sustainability monitors the company's performance and progress on sustainability, and advocates ways to improve it.</p> <ul style="list-style-type: none"> • Environmental issues - Climate change, carbon emissions, air / water pollution, energy efficiency • Social issues - Labor standards, supply chain management, health and safety, gender diversity • Governance issues - Board and executive compensation, lobbying, business ethics, political contributions
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Head of Market Data	<p>This person is responsible for sourcing all market data to meet the organization's requirements. They are also responsible for providing relevant services to the business divisions and negotiating vendor contracts. They often play a gatekeeper role.</p>
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Head of Procurement	<p>Negotiates contract terms trying to minimize cost and risk exposures caused by the vendor:</p> <ul style="list-style-type: none"> • Enforce contracts and budgets, works closely with legal. • Often act as gatekeepers, preventing sales people from getting direct access to line of business heads.
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Head of Strategy	<p>Typical responsibilities include:</p> <ul style="list-style-type: none"> • Communicating and implementing a company's strategy internally and externally so that all employees, partners, suppliers, and contractors understand the company-wide strategic plan and how it carries out the company's overall goals. • Driving decision-making that creates medium- and long-term improvement. • Establishing and reviewing key strategic priorities and translating them into a comprehensive strategic plan. • Monitoring the execution of the strategic plan. • Facilitating and driving key strategic initiatives through inception phase. • Ensuring departmental/unit strategic planning projects reflect organizational strategic priorities. • Partnering with institutional leadership, special committees, and consultants to support execution of key initiatives. • Developing inclusive planning processes. • Translating strategies into actionable and quantitative plans. • Mobilizing and managing teams of individuals charged with executing strategies. • Acting as a resource across an organization to increase broad cohesion for strategic plans.
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Librarian / Information Professional	<p>Sources data and other content to serve the information needs of people across the business.</p>
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Legal, Risk and Compliance

Chief Risk Officer	Responsible for setting and policing policies, procedures and systems to manage risk within the organization. They implement risk management systems and controls to acquire an overall risk profile of the company, which they are then responsible for reporting to the CEO and the board and in some cases regulators.
General Counsel	<p>General Council or Chief Legal Officer is the chief lawyer of the legal department of a company. The person holding the position typically reports directly to the CEO, and their duties involve overseeing and identifying the legal issues in all departments.</p> <p>General counsel often have broad roles encompassing crisis management, compliance reporting management and public policy advocacy. Many companies also hire in-house counsel to handle specialized tasks such as tax work, mergers and acquisitions, labor law and intellectual property, sometimes building in-house practice groups that rival the practices of major law firms.</p>
Head of AML / Financial Crime	<p>Proceeds of Crime and Terrorist Financing Legislation and Regulations typically require the appointment of a person who is responsible for the implementation and monitoring of a compliance program to report and combat Financial Crime and Money Laundering.</p> <p>In the UK for example, all businesses within the regulated financial services sector are required to appoint a Money Laundering Reporting Officer (MLRO). The MLRO provides oversight for their firm's anti-money laundering (AML) systems, and acts as a focal point for related enquiries.</p>
Head of Compliance	The officer primarily responsible for overseeing and managing compliance issues within the firm. This includes ensuring the firm complies with regulatory requirements, and the firm and its employees comply with internal policies and procedures. Increasingly this executive is personally liable for ensuring the organization is complying with certain regulations (e.g. financial crime).
Head of FCPA Monitoring	<p>The Foreign Corrupt Practices Act (FCPA) is a United States law passed in 1977 that prohibits U.S. firms and individuals from paying bribes to foreign officials in furtherance of a business deal. Other countries have regulations and laws in this sphere.</p> <p>This person is responsible for putting in place policies, processes and monitoring to avoid acts of corruption committed by employees, agents or subsidiaries; covers bribery of public officials and business-to-business bribery.</p>

Head of KYC / Due Diligence	<p>As part of prevention of money laundering and financing of terrorist activities, the Due Diligence team performs enhanced due diligence reviews of higher risk customers, and provides KYC-related advice to the business and KYC Operations.</p> <p>Their work typically includes:</p> <ul style="list-style-type: none"> • Complete KYC forms for compliance purposes • Conduct research on legal entities in the Bank's systems as well as in official government records and other public websites (Sedar, SEC, REQ, Banker's Almanac, etc.) • Conduct basic corporate financial research • Conduct research on the economic activities of legal entities using available internal documents, such as credit proposals, or on public websites • Evaluate client sensitivity • Communicate with clients, as needed, to gather information on beneficial ownership or on any other missing documents • Notify the compliance/financial security department if a client's identity or documents appear fraudulent or suspicious • Monitor problematic situations
Head of Operational Compliance	<p>Manages critical aspects of day to day compliance with applicable laws, rules and regulations (for example, in the U.S. this includes BSA, AML, KYC, USA PATRIOT Act of 2001, OFAC). Tasks include:</p> <ul style="list-style-type: none"> • Proactively identifies outstanding compliance issues. Advances compliance initiatives. • Manages and responds to all internal and external compliance audits and examinations; including central point of contact for all government agencies, required to keep current licensing obligations. • Conducts business impact and risk measurement assessments. • Performs bank-wide compliance testing and trains, develops, and supervises staff.
Head of Third Party / Supply Chain Risk	<p>Responsible for due diligence and risk mitigation around customers, suppliers and partner relationships.</p>
Risk Manager (Credit Risk)	<p>Manages credit risk activity across the business. Advises the company on all aspects of credit risk management including ensuring that the company understands its risks and has robust standards, controls and practices in place to mitigate the risks which could impact upon its capital, earnings, reputation, business operations, and opportunities.</p>
Risk Manager (Market Risk)	<p>The Market Risk Manager's job is to manage, monitor, identify, measure, analyze and mitigate market risks. This is a position that can be found throughout the financial services industry, particularly in banks but also in investment dealers, investment fund companies, and insurance companies.</p> <p>Others work for specialized risk management firms that consult and provide services to other firms. Within an organization, market risk managers contribute to an effective market risk management structure and process and communicate the importance of risk management throughout the organization. They utilize their mathematical and market expertise in developing and testing market risk models that measures the losses a company would suffer under a variety of normal and abnormal market conditions. Based on this, they help set risk limits and hedging processes to mitigate market risk.</p>

Operational, Technology and Data

Chief Data Officer	<p>Enables centralized repositories with common interface standards, tools, data models, and architecture. Protects and manages the data assets of the enterprise: creates data governance programs, builds and enforces standardized data architectures and deploys shared data analytical services. Depending on the priorities of the organization, their goals may be to: improve data quality, reduce redundancies (between lines of business), leverage customer insights (through a personalized customer experience) and/or to better respond to security and regulatory inquiries such as privileged access monitoring. Users of big data and data science programs.</p>
Chief Information Officer	<p>Enterprise-wide role to improve business solutions internally and externally. Primarily responsible for data and application management along with information security and the adoption of new business solutions. Typically, will be responsible for the information flows throughout the organization, procurement of content and software.</p> <p>The biggest fear of the CIO: missing delivery dates and the inability to respond to new requests from the lines of business. If they can't deliver, the businesses establish their own IT and the CIO role becomes diminished, they are not able to capture the economies of shared services.</p>
Chief Operating Officer	<p>Responsible for operations and administrative functions for the business. This person is concerned with operational cost, system efficiency and regulatory compliance in relation to operational risk. He/she typically reports findings to the Board of Directors or President/CEO. The COO is one of the main influencers and potentially decision makers in relation to systems and platforms.</p>
Chief Security Officer	<p>The Chief Security Officer (CSO) leads security steering and advisory committees to assess weaknesses in personnel, architecture, operations and vendors. He / she devised and implements new security procedures and enforces current procedures to identify emerging threats. May lead investigations and internal audits.</p> <p>Specifically, may include:</p> <ul style="list-style-type: none"> • Develops information security programs and policies with an affirmative obligation to the regulators to protect sensitive data from hackers of all sorts - from terrorists, to activists or disgruntled employees. • Carries personal liability, and the reputation of the firm. • Works with heads of businesses to implement new security procedures, enforce current procedures and to identify emerging threats. • CSO will lead security steering and advisory committees to assess weaknesses in personnel, architecture, operations and vendors. • May lead investigations and internal audits. This person can also be responsible for physical security • In a regulated bank, broker or exchange, this person must report to the board and the chairman of the risk committee (if risk in their titles).
Chief Technology Officer	<p>Leads the firm's strategic IT plans and is responsible for delivering the capabilities the firm needs to meet its business objectives. Looks out over a 3 year time frame.</p> <p>Measured on business metrics (not technology) and owns the budget for application development, infrastructure, and data.</p> <p>As an innovator, they look for partners and best practices that can inform and enable the future. They like to tinker and experiment.</p> <p>A mix of business and engineering skills allows the CTO to spot trends, propose competitive business strategies enabled by IT and to experiment with new business / technology models.</p>

Data Scientist	Data scientists utilize their analytical, statistical, and programming skills to collect, analyze, and interpret large data sets. They then use this information to develop data-driven solutions to difficult business challenges. Data scientists commonly have a bachelor's degree in statistics, math, computer science, or economics. Data scientists have a wide range of technical competencies including: statistics and machine learning, coding languages, databases, machine learning, and reporting technologies.
Head of Business Continuity	Leads all Business Continuity/Disaster Recovery plans and systems. Has overall responsibility across planning, engineering and implementation of a 'no single point of failure' operation. Conducts a complex engagement process to document and aggregate interconnections across multiple lines of business and corporate functions, including linkages with the broader industry. Often brings in matrix teams across subject matter experts, consultants, legal advisors, and both regulatory and technical analysts. Tracks and reports on issues and risks.
Head of Digital Strategy	<p>This is a strategic and business focused role that interacts at the highest levels of the firm to design the next generation business models. The person driving innovation around digital technologies, including how they can be leveraged to enhance the customer experience.</p> <p>Working with teams of consultants, the executive may use big data and data science programs along with multiple experimental projects to build a new strategy. Common projects include enhancing the customer experience and increasing customer engagement across digital channels. This executive will be keenly interested to explore innovative partnerships and follow business models from other industries.</p>
Head of Infrastructure	Senior IT professional responsible for the infrastructure that the firm needs to run the business - that is, data centers and everything in them, including hardware, operating systems and databases.
Head of Networks	Responsible for putting in place the network connectivity - delivering a balance between reliability, high availability and cost, depending on the service or application.
Head of Online / Mobile	Leads product strategy for customer-facing online products, including mobile and web banking, investing and trading. This person may have a broad mandate to look at digitization across the business, especially as it concerns improving the customer experience.



Business Activities and Workflows

Business Activities and Workflows – Examples

Business Activities are the business processes and workflows that go on inside a company that your products support and serve. So when you work with knowledgeable people across the business to capture insights on customers and their businesses, the most useful way to frame these conversations is around the business activities you serve and the challenges or opportunities customers face along the associated workflows / business processes. Below are examples of Business Activities for two important segments.

Asset Management

Business Activity	Workflow
Asset Allocation	<ul style="list-style-type: none"> Determine which geographies, asset classes, industry sectors, specialist areas (e.g. ESG, Islamic Finance), etc. to create fund mandates / products around or allocate investment funds to.
Idea Generation	<ul style="list-style-type: none"> Looking for and researching for new investment opportunities.
Analysis	<ul style="list-style-type: none"> Analyze opportunities to create an investment hypothesis/view Develop forecasts and scenarios
Portfolio Management	<ul style="list-style-type: none"> Construct and optimize the portfolio Monitor market events which may impact the risk tolerance of the portfolio Increased monitoring of problem holdings
Reporting	<ul style="list-style-type: none"> Track and report risk and return performance against benchmark (monthly, quarterly and annually) Regulatory reporting

Wealth Management and Financial Planning

Business Activity	Workflow
Business Development	<ul style="list-style-type: none"> Developing strategies and activities to grow the business including acquisition and retention of clients, recruiting advisors to capture their book of business, up-selling additional services, digital marketing to mass affluent, seminars and workshops, etc.
Financial Planning	<ul style="list-style-type: none"> Developing a financial plan focused on the goals of the client including budgeting, cash flow planning, and saving for college and retirement. For High Net Worth Individuals, this is extended to include capital gains planning, estate planning, and risk management, etc.
Securities Research	<ul style="list-style-type: none"> Research into equities and other securities including analysis of their fundamentals, reviewing 10-K's/10-Qs, reading analyst reports, etc.

Business Activity	Workflow
Mutual Fund Evaluation and Recommendation	<ul style="list-style-type: none"> • Making and supporting recommendations on open end, closed end and exchange traded funds, indexes, variable annuity, and variable life contracts.
Asset Allocation / Portfolio Construction	<ul style="list-style-type: none"> • Determining where to allocate assets (e.g. geographies, asset classes, industry sectors, specialist areas), and providing actionable investment recommendations for the asset allocation strategy.
Proposal Generation	<ul style="list-style-type: none"> • Creating multi-asset investment proposals with supporting content to match a client's personal time horizon and risk tolerance.
Portfolio Monitoring	<ul style="list-style-type: none"> • Monitoring news, research and prices for securities in clients' portfolios.
Market Monitoring	<ul style="list-style-type: none"> • Monitoring financial markets, macroeconomic news, and political events.
Portfolio Performance Attribution and Risk Analysis	<ul style="list-style-type: none"> • Analysis of how a portfolio is performing and why.
Client Reporting	<ul style="list-style-type: none"> • Generating and distributing performance reports across multiple accounts and asset types.
Regulatory Compliance and Reporting	<ul style="list-style-type: none"> • Rules and regulations that wealth management must abide by; including fiduciary obligations that advisors act in the best interests of their clients and put their clients' interests above their own.
Book Management	<ul style="list-style-type: none"> • Managing the book of business across multiple clients including visibility of targets, commissions, accounts, top clients, cross-book asset, sector and security type allocation, etc.
Online Services	<ul style="list-style-type: none"> • The development and operation of web portals and mobile apps to deliver tools and information to advisors and directly to investors.
Practice Management	Managing the overall wealth advisory business.



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