



Case Study

Radica

Conquering the paper mountain

Organisation: Brewin Dolphin

Using technology from Corero, Brewin Dolphin successfully transformed its paper-based corporate actions administration into a straight through electronic process.

"Our philosophy was to provide something really useful for the minimum IT spend and prove the backbone really works."

Gary Sims, Brewin Dolphin

Brewin Dolphin Securities is the largest independent private client portfolio manager in the UK. The group manages £19 billion of funds on behalf of more than 100,000 clients, and of this £8.8 billion is on a discretionary basis. Brewin Dolphin Securities has 36 offices and is corporate adviser to around 133 small and medium sized quoted companies.

More information at
<http://www.brewindolphin.co.uk>

UK private client investment manager and stockbroker, Brewin Dolphin Securities, initially decided to install Radica CAPS from Corero at the turn of the new millennium. At the time, the company was struggling to meet deadlines in the corporate actions department due to a combination of rising volumes, manual processing and a large number of offices. Gary Sims, the firm's assistant director of customer services at the time, commented, "We have 34 offices spread all over the UK, and the process of getting all the relevant information out to the offices on paper and back again, with client elections noted, was problematic in terms of hitting deadlines." "In addition, paper-based data is essentially static and cannot be quickly adjusted to reflect market conditions, quickly becoming out of date", added Mr Sims.

Radica CAPS presents the solution

The solution to this problem was to work with Corero to implement the Radica CAPS system throughout the firm, using a phased approach. Radica CAPS allows a firm to implement a single electronic process to allow straight through processing of corporate actions.

A daily corporate actions feed comes into Radica CAPS and the data scrubbing features allow the data to be quickly verified and checked by experienced staff before being released into the corporate actions process. Once verified, a corporate action is notified to all investment managers within a matter of minutes, through the fully integrated desktop application created to mirror the Brewin Dolphin process.

Radica CAPS also extracts the relevant static and transactional data from various internal systems and communicates this to the desktop to support the corporate actions data. This includes security static data, client static data and open trades.

In addition, Radica CAPS also takes the client holding data from three different nominees, based in London, Edinburgh and Newcastle, and distributes it to the relevant investment manager's desktop. This process allows elections to take place on-line, with the resulting instructions sent back to the relevant nominees electronically, removing the potential for the mistakes commonly introduced through a paper-based process.

Radica CAPS provides Brewin Dolphin with a full audit trail, so the potential for mistakes is also reduced; there can be no doubt about the instructions given by the fund managers and clients.

The efficiencies introduced by Radica

CAPS in this first stage produced immediate improvements, as the communication issues inherent in the paper-based process simply disappeared. In the words of Mr Sims, "There is now no delay in preparing the information and the time it takes to arrive on the investment manager's desktop".

Radica CAPS integrations

Brewin Dolphin was confident in Corero's ability to provide a reliable system, based on the firm's experience of the enquiry system Corero had interfaced to Brewin's settlement engine.

Corero application

Radica CAPS

Initial implementation

6 months

Key functionality

Event notification

Entitlement calculation

Election capture

Client notifications

Outcomes reporting

Technical platform

Microsoft SQL Server

Integrations

Exchange Data International

Telekurs Financial

Fiscal

FEZ

Brewin Dolphin chose Electronic Data International (EDI), to provide its corporate actions data because, says Mr Sims, "they had a number of products on the Internet, were strong on the dividends and corporate actions side and were easy to work with".

Overall, the project delivered immediate benefits to Brewin Dolphin; has continued to show those benefits and has proven to be a robust and integral part of the corporate infrastructure.

Radica CAPS Success

Radica CAPS went live at Brewin Dolphin in April 2001 and is now used on 830 desktops. Stage one, described as an "information mover" phase, produced immediate benefits and proved that the platform could produce a high return on investment. As a result of this, Brewin Dolphin went on to implement further phases, covering direct integration to legacy systems and an extension of functionality to cover new issues and placings.

The implementation of the system was not without its challenges, the greatest of which was the fear of change amongst the user base. However, the immediate benefits delivered by the system helped to overcome the user concerns and resistance. The turning point was the way in which Radica CAPS dealt with the BT rights issue, being a considerable size and the first to be handled in Crest. As Mr Sims says, "the staff were highly impressed with the performance of Radica CAPS."

The success of the project was also partly due to the team at Corero Financial Markets who were experts in the business of corporate actions processing, and the related technologies. Sims says. "It is a rare thing to work with a company whose people understand the business and are technically proficient. The Corero people had that gift in abundance and that made life easier. Corero also excelled in delivery." He adds, "Corporate actions is an area of our industry's business that has traditionally been neglected in IT builds. Senior directors at Brewin Dolphin have had the foresight to start reducing risk in this area and I think Corero will reap the rewards of having developed a safe and efficient system to remove some of that risk."

About Radica CAPS

Radica is Europe's leading software system for corporate actions processing. It addresses the needs of asset serving operations for the global banking and securities sector. It fully automates the life-cycle of corporate actions, including taxation and new issues and placings. Radica electronically captures event notifications and processes election decisions in a straight through processing (STP) environment. Auditable, compliant and paperless, it substantially reduces operational risk and transaction costs.

Radica is designed for a global market and can address the needs of financial institutions in Europe, North America or Asia Pacific.

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