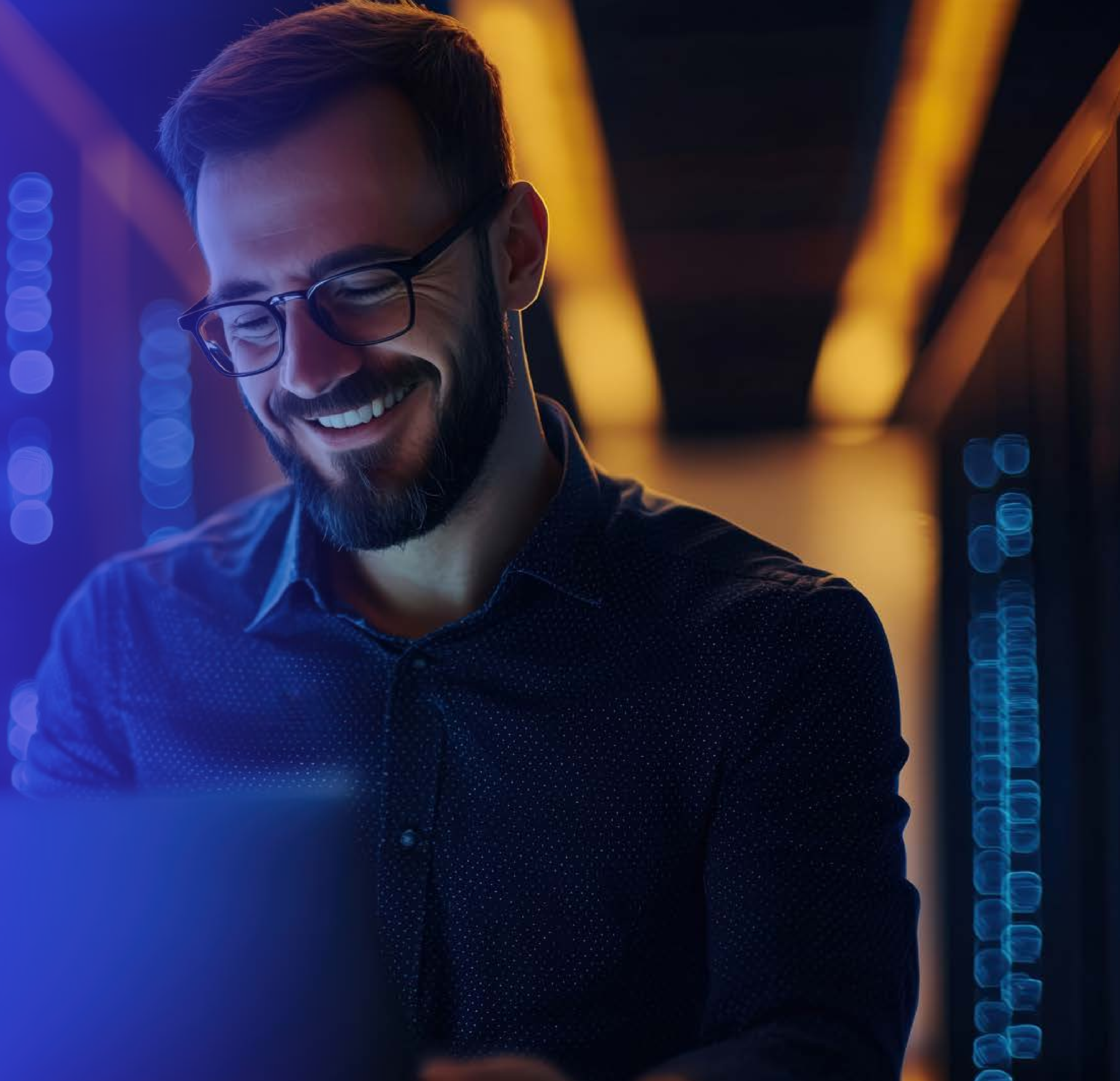
HEXAWARE

Captive Center Transformation for an Asset Manager

Automation and strategic process reengineering of middle and back-office operations.

Case study



Client

The client is a US-based asset management firm with over $800 billion in assets under management. With a strong presence across the Americas, EMEA, and Asia-Pacific, the client's captive center sought to transform its global operations while maintaining high standards of integrity, efficiency, and control by automating middle and back-office operations and enabling strategic process reengineering.

Challenge

Fragmented processes and limited automation hinder operational efficiency for the asset manager

The client faced several operational hurdles:

- **Fragmented operations** between the parent company's captive center and an incumbent vendor in Pune.
- **Lack of automation** and persistent quality concerns within the captive setup leading to delays and errors in processes.
- **Integrity risks** due to sub-contracting by the incumbent vendor, leading to data quality and compliance issues.
- **Operational inefficiencies,** inconsistent service delivery, and limited transparency in both costs and performance.
- **Barriers to scaling and modernization** due to legacy processes and vendor inertia.
- **Attrition risks** during a key migration of operations from New York to Nashville.
- **Risk of de-merger** from the parent group, making the captive vulnerable.

Client Requirements:

- Establish a **captive-like model** with full control and transparency for operational efficiency.
- **Consolidate operations** to improve accountability and process ownership.
- Ensure **continuity through rebadging** of existing staff.
- Drive measurable productivity gains through **transformation and automation.**
- Deliver **cost savings** without compromising service quality.
- **Minimize business disruption** and retain key subject matter experts.

Solution

Multi-phase reengineering approach to automating middle and back-office operations

Hexaware's solution was anchored in a multi-phase transition strategy that prioritized continuity and minimized disruption for the client. We established a tripartite governance model, ensuring transparent and aligned operations between the client, incumbent vendor, and Hexaware. Rather than simply replicating existing processes, Hexaware reengineered operations to drive improvements in accuracy, timeliness, and scalability.

Multi-phase Transformation Plan:

- Transitioned key operations (MO Reconciliations, FI Settlements, SSI, EQ Settlements, Client Setup) from incumbent vendors and captive centers to Hexaware's managed operations in Mumbai and Pune.
- Led a large-scale rebadging initiative, ensuring smooth transition and retention of domain expertise.
- Established a captive-like operations model, managed end-to-end by Hexaware, covering SLAs, infrastructure, and support, with a strict no sub-contracting policy.
- Rolled out a cost-plus commercial model for maximum financial transparency and control.
- Introduced asset management automation across reconciliation, settlements, SSI management, corporate actions, onboarding, and pricing.
- Optimized platforms to reduce false positives and timing breaks in processes.
- Supported the migration of roles from New York to Nashville, preventing knowledge loss and mitigating attrition risks.
- Maintained client governance and strategic oversight, while Hexaware managed day-to-day operations.
- Collaborated closely with the client to co-create transformation initiatives tailored to business needs.

Key Solution Features:

- Direct accountability, full transparency, and no sub-contracting.
- End-to-end middle and back-office services, including trade processing, settlements, reconciliation, client onboarding, pricing & valuation, shadow accounting, and reporting.
- Automation and process optimization for sustainable productivity.
- Seamless role migration and rebadging for business continuity.

Post-transition, Hexaware implemented over 12 automation use cases tailored to the asset manager's environment, resulting in significant effort reduction and faster turnaround times.

Benefits

Operational efficiency gains for the financial services leader

Immediate Outcomes:

- Zero-disruption transition with full team rebadging and operational continuity.
- Improved control and visibility over critical operations.
- Automation delivered a measurable reduction in manual effort, errors, and resolution times.

Immediate Outcomes:

- 40% committed FTE reduction over 5 years.
- 15% productivity benefit from pyramid rationalization and de-skilling.
- 60% reduction in false positives and 80%+ reduction in timing breaks.
- 50% effort elimination in corporate action scrubbing.
- 30% effort saved in settlement cashflow outreach.
- Stronger operational efficiency, reduced vendor dependency, and sustainable productivity gains.

Summary

Client
Challenge
Solution
Benefits
Summary

Setting a new benchmark in captive center transformation and asset management automation

Hexaware's partnership with a leading US asset manager set a new standard for captive center transformation by unifying fragmented operations and rebadging key talent. Through intelligent automation and platform optimization, Hexaware reduced manual effort and error rates, while a cost-plus model ensured financial transparency. The team's expertise enabled seamless migration and reengineering of processes, delivering improved accuracy, scalability, and business continuity. With over 12 automation use cases implemented post-transition, the client achieved significant efficiency gains and is now positioned for further automation, expansion, and ongoing modernization in financial services IT operations.

HEXAWARE

Ready to accelerate your asset management automation?

Connect with Hexaware's experts at marketing@hexaware.com and see how our strategic solutions can accelerate your modernization and performance goals!

About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at https://www.hexaware.com.

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