

All The

Right Moves

An Executive's Guide to
Implementing Open
Architecture



An Industry
Intelligence
Report By

3C Financial
Partners

Over the past decade, private bank and trust companies have slowly come to appreciate that open architecture is *the* way to go with respect to the many products and services they offer. This is particularly the case in the area of investment management, where proprietary-only offerings have significantly lagged industry averages with respect to investment results and overall quality.

Firms that eventually embrace open architecture travel a similar route to commercialization. They evaluate the economics, explore the feasibility, determine what to build or rent, identify their vendor partners, connect all the pieces, and then typically struggle with the final element: implementation.

This is because implementation is typically far more difficult than all the other elements combined. Successful implementation requires adding processes and practices that have likely not been conducted before (for example, manager selection and “overlay” portfolio management), eliminating methodologies that have been used for decades (for example, the job descriptions of portfolio managers, relationship managers, trust officers, and business development officers), and making significant changes to most of the other things that aren’t new or abolished (for example, sales, marketing, management, culture, reward systems, pricing, operations, and training).

Those firms that have surmounted the challenge of implementation report that their clients greatly value open architecture because it means their service provider is more objective, offers greater choice, provides higher quality solutions, and in the process, removes many of the protective cloaks that were previously necessary. The by-product is that customers end up having more trust in the institutions that employ the open architecture business model. They are also typically more satisfied, stay longer, make more referrals, and bring more of their own assets. These institutions, in turn, enjoy greater employee satisfaction and retention, faster growth, greater profitability, and higher enterprise valuations (*Platform Made Perfect: 3C Financial Partners*, September 2005).

All the Right Moves evaluates the adoption status of open architecture investment solutions by private bank and trust companies. Most importantly, this report provides valuable insights on the nine most important elements of implementation. Each section provides detailed checklists, action items, keys to success, and common pitfalls. The report has been structured as a workbook, making it easy to use and helpful in generating the outcomes firms desire to achieve.



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3C FINANCIAL PARTNERS (3C) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as wealth managers or investment product developers and distributors. Since that time 3C's professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business transactions and strategies. In short, 3C has helped these executives make the big decisions with respect to M&A, capital raising, investing, divesting, strategy, corporate development, and corporate governance.

3C's clients span in size from closely held investment advisory practices (with \$100MM in AUM) to global financial institutions (with >\$1 trillion in AUM) and range in maturity from startups to firms with more than 100 years of operating history. 3C's business is making companies more valuable through advice and transactions. Accordingly, 3C measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with 3C because of its deep and thorough understanding of their company, their clients, and their competitors.

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