

## PROCESS OUTLINE

All firms are unique. Or should be. There is no solution which will solve all problems. There is no "one size fits all" package or process to follow. Tailor-made does not rhyme well with predefined.

Yet, as a client, we know you want a rough sketch of what to expect. Below is an outline of the phases a project with White Raven Group might follow. For the process to be meaningful, it entails working with a client who shares White Raven's ideas: to contain the main unforeseen risks, as perceived by the client.

*Areas and people involved will be (in the extent these functions are in place):* management, the board, trading, the dedicated risk management team, portfolio management, IT/infrastructure and IT-security, investor services and reporting, accounting, internal communication (ex. intranet), legal and compliance, employees with other functions (involved to the extent it is possible, depending on the size of the firm).

## PHASE #1 - INTERVIEWS

Interviews will be conducted with the top management of the firm, to gain insight of their view on the problem at hand, and their involvement in it.

Interviews will also be conducted with people employed directly and indirectly to deal with the issue at hand and external consultants (ex. external auditing firm).

If the main problem relates to risk, interviews will most importantly abridge the subject of risk communication, i.e. how employees and management communicate regarding risk.

## PHASE #2 - DOCUMENTATION AND DATA COLLECTION

Documents relating to the firm's issue at hand are needed. For the risk management example, such documents may be

- I. Documentation which is used by the firm, which by their nature create situations of risk (ex. trading philosophy).
- II. Compliance document/book - legal aspects Internal auditing material
- III. Risk management process documentation
- IV. Board or advisory board material and their work on risk management

Data which may be needed, incorporates

- I. Quantitative models that are used by the firm, which by their nature create situations of risk (ex. models creating transaction signals).
- II. Data models meant to manage the firm's risk

### **PHASE #3 - ANALYSIS**

The project is defined on the basis of the material obtained from Phase #1 and #2. This phase will focus on the "unsaid" problems of the firm, ex. lacking communication and inappropriate models and measures.

### **PHASE #4 - RECOMMENDATION AND IMPLEMENTATION**

Based on the previous phases, recommendations will be given in the form of written documentation and verbal communication and education.

The written documentation will include the current situation, the wished for state, which steps needed in order to reach the desired state and what added value that state will generate.

Implementation will also be conducted when part of the project.

A handover process will end the process, where further educational sessions may be involved.

### **WORK FLOW**

The work flow will mainly follow an 'Agile' process. Where warranted, other types of processes (i.e. waterfall based) will be used.

## THE AGILE METHODOLOGY

On a ski trip in February 2001, 17 software developers met up and wrote 'The Agile Manifesto', where they describe the twelve principles of agile software. A new way of developing IT systems was born.

Agile is a set of iterative and incremental development methodologies that aim to improve quality and success rates in development processes.

SCRUM can be described as an agile development process consisting of a set of "sprints" lasting for about one to four weeks each. Tasks are described and prioritized in a log (so called backlog), which is continuously updated at the beginning of each sprint. The buyer typically meets the development team when each sprint starts, but does not influence the team in-between such meetings.

SCRUM is an iterative process, unlike the traditional linear waterfall process, which makes it possible to go back and change specifications from the buyer organization. This also makes it difficult however, to plan in advance how to develop a project in a straight line fashion.

*Text for Appendix A has been taken from the paper by Roula (2011): "Usability in financial firms - a distant dream or reality?"*

## TIME PLAN

The time plan will depend on the size of the firm and the current documentation and data used. A time plan needs to be discussed on-site. White Raven is not in the business of guesstimating.