

NAVIGATING REGULATORY CHANGE

The regulatory reforms facing the financial industry today stand to influence and affect every segment of the market. Regulatory mandates such as Dodd-Frank strive to achieve transparency and increase responsibility and ownership within the derivatives market. This will fundamentally change the way financial institutions manage and organize their business. Companies must take dedicated and methodical approaches to becoming compliant and competing in the new marketplace. Satori brings exceptional experience, strategic thinking, organizational change management, regulatory knowledge and technology skills to position our clients for success in this evolving environment.

THE SITUATION AT HAND

We have been following the effects of new financial services regulations closely and are prepared to give our clients the support they will need in re-positioning themselves and navigating the regulatory landscape. We have a track record of successfully implementing the right organizational changes, programs, tools and assessments to ensure transformational success, and allow the client to take full advantage of the opportunities in the evolving regulatory environment. The Dodd-Frank and Basel III acts in the US, the MiFID, EMIR and slew of regulations in Europe bring a massive expansion of regulation and scrutiny to the financial markets on a global scale. These legislations touch all parts of financial services and will change the way many types of products are bought, sold, reported and analyzed, and affect how businesses are organized as well as their strategic direction.

Key regulatory impact requirement

- Understand and satisfy evolving regulatory demands
- Reposition market players based on classification
- Enable robust data management and IT solutions
- Appropriately alter business strategy, structure, technology infrastructure and processes
- Identify new interfaces with emerging market sectors
- Accept and work with restrictions and costs added to financial transactions
- Focus on investor protection and market safeguarding
- Allow independent risk monitoring and reporting

These requirements will necessitate significant investment in better infrastructure including enterprise risk and

resource planning, business analytics technology, data depository reporting systems and program redesign. These advances, when implemented, will facilitate the strategic success of firms within their wider industry sectors.

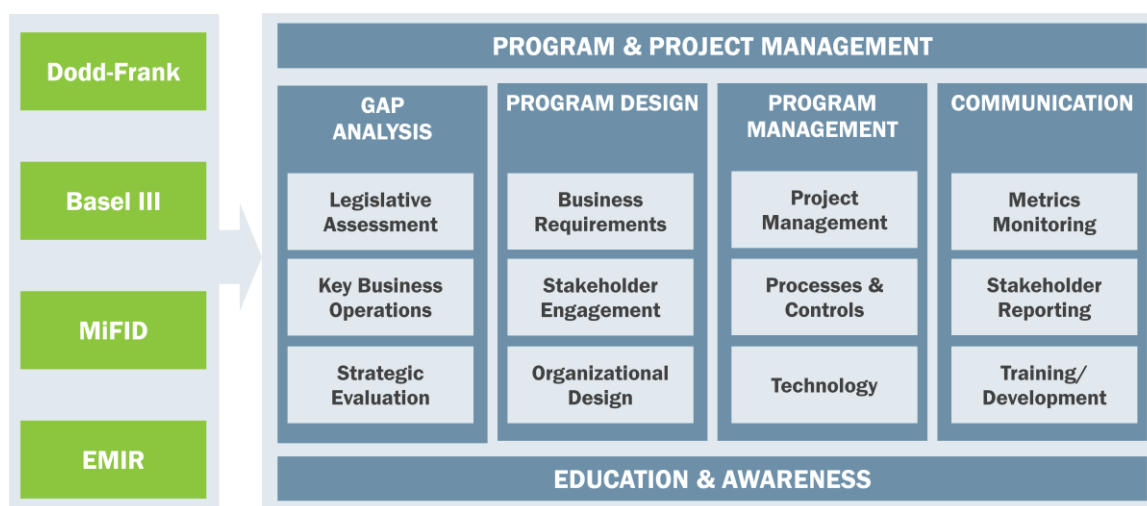
REGULATORY RISK MANAGEMENT

Regulatory trends and strengthening standards of accountability require that businesses fully embrace a culture of proactive risk management.

Our approach stems from a culture of risk management and regulatory acumen. We work with our clients to mitigate loss from inadequate or ineffective processes, systems, or people, and from external regulatory events by creating a framework of organizational change management, measurable metrics and sustainable programs of governance and control.

Situational Assessment and Program Design

- **Gap Analysis** – Evaluate key business operations in light of regulatory mandates; determine business readiness
- **Strategic Evaluation** – Determine optimal business strategy in the framework of legislative directives
- **Program Design** – Gather stakeholder requirements and develop organizational and change management program work streams
- **Project Management** – Provide project structure and manage multiple work streams
- **Measurement** – Create metrics that can be adjusted to the changing environment and easily monitored
- **Communication & Training** – Promote acceptance, clarity and understanding for long term success



Regulatory Risk & Compliance

In a changing regulatory landscape, failure to comply can have tremendous costs. Satori works with each client to evaluate and implement cost effective and scalable control regimes that ensure timely and effective compliance. Incorporating the upcoming mandates into the overall business will affect the firm's overall competitiveness. Satori handles each project with a view towards strategic success.

GAP ANALYSIS

A Gap Analysis determines the organization's appetite for and readiness to face regulatory reform. The analysis informs whether to implement a new program or enhance the existing risk and compliance program. The results will position the organization for success within the new regulatory environment and changed market place

- **Legislative Assessment** – Review the state of legislation and what it means to the client
- **Key Business Operations Review** – Determine the impact on business operations and analyze the client's new responsibilities given emerging definitions and requirements
- **Define scope**– Articulate key changes to both structure and processes
- **Strategy** – Define the strategy and program goals that position the organization within the new regulatory framework
- **Document gaps** - Identify gaps between client's current capabilities and requirements for the new environment

PROGRAM DESIGN

We design the program to automate and streamline processes and minimize data loss, human error and overhead associated with manual aspects of risk management or reactionary tactical solutions to the changing regulatory environment

- **Identify Requirements** – Gather business and technical requirements and define regulatory compliance programs
- **Stakeholder Engagement** – Identify all stakeholders and define communication strategy for information sharing
- **Develop Taxonomy** – Ensure that the language used at the client is consistent with that of the industry and the regulators
- **Identify Metrics** – Define KRIs and metrics to monitor program success and adjust where necessary
- **Develop Tools** – Perform a tool and vendor capability review, identify gaps and provide options to remedy gaps

PROGRAM MANAGEMENT

Provide insight and institutionalize a culture of transparency across the client to ensure that stakeholders are empowered with actionable tools and usable consistent data to make timely informed decisions

- **Implement Metrics** – Implement actionable metrics and controls to promote accountability and knowledge transfer
- **Build Dashboards and Reports** – Work with the client to develop status, risk and recommendation reports for the implementers, regulators and stakeholders involved in making the financial system and client systems robust
- **Technology** – Advise on the selection and implementation of appropriate technology solutions to address requirements
- **Define Monitoring Process** – Develop a sustainable and flexible monitoring process that accommodates evolving regulatory demands and works within available resources with minimal disruption to the business

COMMUNICATION AND MAINTENANCE

We create comprehensive communication programs that deliver key messages to stakeholders and provide the training and knowledge transfer necessary for employees to operate successfully in the evolving regulatory environment

- **Communication Needs Assessment** – Reach out to stakeholders to define and deliver usable information to make strategic decisions while adapting to the regulatory environment changes
- **Stakeholder Reporting** – Automate robust risk and compliance reports appropriate to the involved stakeholders
- **Training and Development** – Develop a transition plan that provides the client with the expertise and tools necessary to monitor and manage the compliance and risk reporting program
- **Sustainability and Maintenance** – Design a program that requires minimal maintenance and maximum flexibility to adjust to and stay ahead of evolving regulatory requirements

At Satori Consulting, our mission is simple: to work side-by-side with clients to discover opportunities and solve problems. We strive to provide both comprehensive and expert service, mindful of every client's unique needs. Our team of highly-skilled management consultants brings a wealth of industry and functional experience to provide wide-ranging services in project and program management, risk management, change management, organizational effectiveness, strategy and advisory, business process engineering, performance management, and infrastructure and technology



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