BEST PRACTICE: CUSTOM CONVERSION

BROKER/DEALER MIGRATES 350 CLIENTS TO ZMDESK SEAMLESSLY IN SIX MONTHS

Vining Sparks, headquartered in Memphis, Tenn., is a nationally recognized broker/dealer serving the investment and asset/liability needs of the financial industry. With approximately $100 million in capital and an annual trading volume exceeding $200 billion, Vining Sparks' customers are located in all 50 states and many foreign countries. These customers receive access to proprietary analytical tools that assist them in the investment portfolio decision-making process.

PROBLEM

Vining Sparks wanted to expand their service offerings and with a large client base they needed a more robust analytical model to move forward. Their search for a new ALM provider would be challenging because:

- Vining Sparks had been using their current provider for more than 10 years and had never undergone a change in software vendors.
- Their 350 customers would need to be switched over to a new model.
- These customers were used to a specific process for data input/output that Vining Sparks was reluctant to change.

Would Vining Sparks be able to find a vendor who could handle very specific requests for customization?

SOLUTION

After completing a due diligence process, Vining Sparks selected ZMdesk from ZM Financial Systems (ZMFS) as their solution provider. "We needed to switch to a model that would allow us to improve efficiencies, allow us to expand our service offerings but not compromise existing process," says Sheri Davis, CPA, Manager, Asset/Liability, Vining Sparks. "We wanted to make the transition for our customers as seamless as possible. For example, with our large customer base and extensive chart of accounts, the use of prepay tables in ZM was not feasible. Customization was key. "

RESULTS

Over the course of six months Vining Sparks' was able to convert all of their 350 customers to the ZMdesk.

"ZMFS developed a process that allowed us to import our customers' assumptions into ZMDesk," comments Davis. "We were able to keep the customer input in the same format making it a much easier transition."

financial systems
Practical Solutions to Complex Financial Problems

ZMFS' Implementation Team dedicated time to Vining Sparks to test and discover what needed to be modified during the conversion. Vining Sparks did have to internally rebuild some of their own processes, though Davis clarifies this was geared more for their own internal efficiency. Working in conjunction with ZMFS, Vining Sparks ran every customer twice, once in the old model and once in ZMdesk, conducting side-by-side comparisons to identify any discrepancies.

"By running the side by side comparison, we were able to see variances and identify software methodology differences," Davis points out. "Transitioning to instrument level processing from a model that combined positions on import, the results were expected."

Vining Sparks also wanted to be able to use the existing structure on both the front- and back- end of their process.

"The customization Vining Sparks had requested, because of the type of firm they are and they type of reports they offer, had to be consistent with what their clients are seeing within their ALM model," said Michael Van Zandt, CPA, Senior Financial Analyst, ZM Financial Systems. "We customized their deposit beta and decay, and their loan prepay tables since their customers were used to providing that information in a specific format."

"The way we designed ZMdesk to run for Vining Sparks is very easy for their users' base," said Butch Miner, Co-Founder, ZM Financial Systems. "Their clients didn't have to change what they were giving Vining Sparks, and we were able to identify that data as our prepay template and then use that, so nothing essentially had to change, making it a smooth process for both sides."

NEXT STEPS

"Throughout the implementation process ZMFS would often point out the different additional custom assumptions we could add on and offer to our clients, which is something we couldn't previously do," comments Davis. "Because we are working with a more sophisticated model, with more granularity, we know the output is better. We're looking at the additional product offerings ZMFS can provide, based on what our clients will need, to potentially add to our portfolio of solutions."

ABOUT VINING SPARKS

Vining Sparks is nationally recognized as a leading broker/dealer in serving the investment needs of institutional investors. The firm was started in 1981 by Jim Vining to primarily serve the investment and asset/liability needs of community banks. From an initial staff of 17 people, Vining Sparks now employs more than 300 people in 14 domestic offices and one in London. The firm has continued its presence in the banking industry and currently transacts securities business with more than 2,500 banks. The current customer base includes hundreds of other clients such as savings and loans, credit unions, municipalities, money managers, trust departments, insurance companies, pension funds, and investment advisors. For more information, visit www.viningsparks.com.

LEARN MORE ABOUT OUR IMPLEMENTATION PROCESS

ZM Financial Systems brings practical solutions to complex financial problems, offering complete solutions in securities and fixed-income analytics, credit-adjusted ALM, liquidity, risk management, budgeting and funds transfer pricing. With 1,5000 institutions depending on ZMFS products/analytics to identify, measure and monitor risk and value in their balance sheets, we also offer large bank solutions to meet the evolving regulatory risk reporting requirements. Contact us today to learn more about our solutions to complex financial problems:

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