



TRG Screen Managed Services

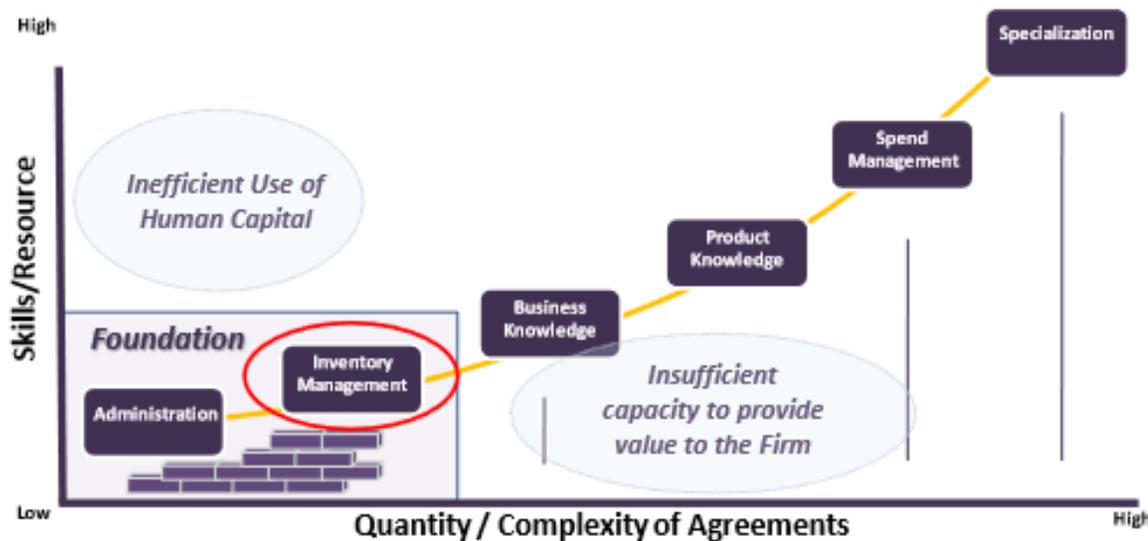
Offering & Client Case study



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A firm-wide, integrated Market Data inventory is the foundation for an effective, value-added spend management operation



Building the core foundation to achieve transparency and develop sustainable programs requires a clear understanding of the scope, expertise required and cost metrics of a firms' Market Data inventory. Only through understanding these elements can a firm allocate skills towards more strategic deliverables.

Figure 1 – Market Data Maturity Curve and deployment of human capital

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TRG Screen's Managed Services provides a full spectrum of services, from managing a sub-set of invoice processing, through complete management of all aspects of market data and information subscriptions spend administration.

- Leveraging the power of our spend management solution (Optimize Spend) and the experience of our experts, the TRG Screen Managed Service empowers you to *focus on value-added opportunities* while TRG Screen handles your spend management administrative duties. This enables your team to engage with internal clients, reduce operating costs, and increase savings and transparency, allowing you to *maximize the value* of your spend.
- TRG Screen will help you define your managed service in order to match your company's specific needs. We offer:
 - Invoice Managed Services
 - Inventory Managed Services
 - Bespoke Managed Service
 - Exchange Declaration Managed Service

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At-A-Glance



- ***Invoice Managed Service***

- **Invoice Entry and Reconciliation**

- Ensures invoice and inventory accuracy – invoice and inventory need to match or have justified variances
- Streamlines invoice payment process, minimizes delays
- Identifies and provides reasons for variances identified during reconciliation process
- Optional variance resolution: we can make minor changes to pricing and quantities as agreed to clear invoices for approval/payment

- ***Inventory Managed Service***

- **Spend Inventory Maintenance**

- Complete Vendor Inventory / Employee Data / Exchange Rate uploads & reconciliations
- Manage Fee/Pricing Tables, Service Entitlements, Account Information and other key data tables as required
- Service or Employee Moves/Adds/Changes in inventory
- Perform Month End Close Process – Quality Control and Inventory Archiving

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- ***Outsourced Exchange Declarations & Reporting (ADS)***

ADS is an outsourced solution for the exchange and vendor reporting process. By leveraging the ADS & PEAR software, the time-consuming elements of preparing exchange and vendor declarations are automated through the implementation of comprehensive exchange and client-specific rule sets. This systematic approach improves data accuracy by removing repetitive manual processes, while leaving the client in control of the workflow and approvals.

- **Rules Management:** Ongoing management of exchange and client-specific rules to produce accurate and compliant declarations, whilst ensuring clients benefit from favorable exchange policies where applicable.
- **Reporting:** Production and submission of reports in formats as specified by exchanges and vendors.
- **Cost Savings:** Maximizes the benefits of netting programs and fee waivers such as natural user netting, MISU and role-based exemption programs.
- **Efficiency:** Removes overhead associated with monthly and quarterly reporting obligations leaving high-value resources available to implement more strategic projects.

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The Team

- Experienced industry professionals with an average 15+ years of industry experience
- Strong management team with over 25 years of industry experience
- TRG Screen employees with years of experience administering Market Data in inventory systems
- Located in our New York, London, Singapore, Den Bosch, Paris and Belfast Offices
- Managing administration & exchanges for 40+ clients – giving us insights on how to address a wide range of invoice processing & exchange reporting issues and providing automation opportunities
- Highly knowledgeable in industry best practices

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Value Add

- Unravel complex market data challenges and **increase spend transparency**.
- Control inventory, **improve market data management** and simplify operations.
- Capture, reconcile and summarize **complex invoices**.
- **Optimize negotiations** and renewals and streamline vendor relationships.
- **Minimize turnover and compliance risk** with unparalleled scalability.
- Take advantage of **support** across North America, Europe and Asia Pacific.
- Rely on our team to handle operations while you ***focus on value-added activity***.
- Access unmatched market data administration and inventory management **expertise**

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TRG Screen Versus Traditional Outsourcing

- Best Practices – The TRG Screen team will maintain your data according to best practices
- No training required – Our team consists of Inventory Management and Market Data experts
- No risk of staffing or coverage issues – Turnover is always an issue but not at TRG Screen
- Work is completed in the US Eastern, Central, Asian or GMT Time Zones – No geographical issues
- Team is physically and logically aligned with other TRG Screen teams
- We identify and resolve inventory, billing and allocation issues in order to save you money
- This is a Premium Service – we go above and beyond

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Example US client – Current State

TRG Screen completed a high-level review of clients' inventory management processes

Billing Accounts vs. Invoices: *(There should be recent invoices for each open billing account)*

- Number of Active Billing Accounts that **have not had an invoice posted** to them in more than **60 days**: **353**
- Number of Active Billing Accounts in the system that **have not had an invoice posted** to them in more than **300 days**: **274**
- Number of Active Billing Accounts in the system that **have not had an invoice posted** to them in more than **2,000 days**: **91**
- ***TRG Screen Invoice Managed Service will clear these numbers and maintain billing accounts to ensure expected invoices are received and reconciled. When an invoice is not received, the TRG Screen team will notify the client to escalate with the vendor to resolve.***

Invoice Reconciliation: *(All invoices should be fully reconciled against inventory (meaning contract to pricing to invoice); any variances need to be explained.*

- Between 1/1/2019 and 11/15/2019, 873 invoices were entered into the inventory system with variances greater than 5% or over \$100. Of those invoices:
 - 592 invoices had a variance greater than \$100. The **total amount of these variances was \$4,322,769** (invoiced amount > inventory amount)
 - 281 invoices that had a variance less than -\$100. The **total amount of these variances was -\$3,565,979** (invoice amount < inventory amount)
- **What this means:** Client invoices have not been leveraging the inventory software to ensure accuracy. The team were simply creating adjustments to allocate the invoice without regard to accuracy based on inventory. Additionally, since inventory is not being maintained, reporting to business lines is not accurate.
- ***TRG Screen Invoice Managed Service will reconcile all invoices to eliminate unexplained variances (and potential under/overbilling) to ensure that paid invoices reflect the contract terms and pricing.***

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Example US client – Opportunities

Based on the review, TRG Screen has identified opportunities for savings:

Terminated Users with Spend (Services for terminated users should be cancelled or reassigned)

- There is more than \$84,000/month (\$1,008,000/year) of services associated to users that are marked as terminated.
- Of the terminated users in the system, \$69,000/month (\$828,000/year) of spend is associated to users that were terminated prior to Jan 1, 2019.

What this means: When an employee leaves the Client, it appears that their services have not been cancelled or reassigned. If services have not been cancelled with the vendor, significant savings opportunities are available. At a minimum, reporting to business lines (and for use in contract renewals) is not accurate.

TRG Screen Inventory Managed Service will ensure inventory is accurate by maintaining inventory and escalating issues on terminated users as they appear on the HR Employee upload. The "Terminated User Report" will be leveraged to contain these issues.

MISU Reporting: (Gaining savings by reporting on a "multiple instance – single user" basis.)

- NYSE: potential 51 duplicates: possible monthly savings. \$16,800/year
- AMEX: potential 46 duplicates: possible monthly savings: \$12,696/year
- OPRA: potential 18 duplicates: possible monthly savings: \$6,804/year

What this means: Once the spend management inventory system has been made current, there is an opportunity for savings by more accurately reporting access to exchanges, as well as participating in the exchanges' MISU programs.

TRG Screen ADS will assist in identifying and executing on MISU opportunities and minimizing risk of exchange audit.

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High Level Volume-Based Pricing & Next Steps

- **Accounts Payable Data Interface Module “DIM”:**
 - One Time Fee: \$37,064 (subject to annual Hosting & Maintenance: \$12,231)
- **Invoice Managed Services Fees**
 - Client currently averages 127 invoices per month. Based on current volumes, fees (reset quarterly) are projected to be USD \$6,300/month.
 - This is scalable to absorb client branch invoices into the future state.
- **Inventory Managed Services Fees**
 - Client currently averages an estimated 200-250 inventory changes per month. Based on current volumes, fees (reset quarterly) are projected to be USD \$4,900/month.
 - This is scalable to absorb client branch invoices into the future state.
- **TRG Screen ADS Managed Services Fees**
 - To be provided at a later date – based on Client’s exchanges and volumes.
- **Next Steps**
 - Statement of Work – this will define the work to be done, the division of labor as well as the touchpoints and handoffs
 - Creation of Run Book (once SOW is executed) – the Run Book is essentially a handbook of agreed upon procedures on the Client/TRG Screen invoice processing workflow
 - Kick Off / Implementation