

# Broadridge: RiskTech Quadrant®

## Collateral Management Solutions, 2022





Chartis Research is the leading provider of research and analysis on the global market for risk technology. It is part of Infopro Digital, which owns market-leading brands such as Risk and WatersTechnology. Chartis' goal is to support enterprises as they drive business performance through improved risk management, corporate governance and compliance, and to help clients make informed technology and business decisions by providing in-depth analysis and actionable advice on virtually all aspects of risk technology. Areas of expertise include:

- Credit risk.
- Operational risk and governance, risk management and compliance (GRC).
- Market risk.
- Asset and liability management (ALM) and liquidity risk.
- Energy and commodity trading risk.
- Financial crime, including trader surveillance, anti-fraud and anti-money laundering.
- Cyber risk management.
- Insurance risk.
- Regulatory requirements.
- Wealth advisory.
- Asset management.

Chartis focuses on risk and compliance technology, giving it a significant advantage over generic market analysts.

The firm has brought together a leading team of analysts and advisors from the risk management and financial services industries. This team has hands-on experience of developing and implementing risk management systems and programs for Fortune 500 companies and leading consulting firms.

Visit [www.chartis-research.com](http://www.chartis-research.com) for more information.

Join our global online community at [www.risktech-forum.com](http://www.risktech-forum.com).

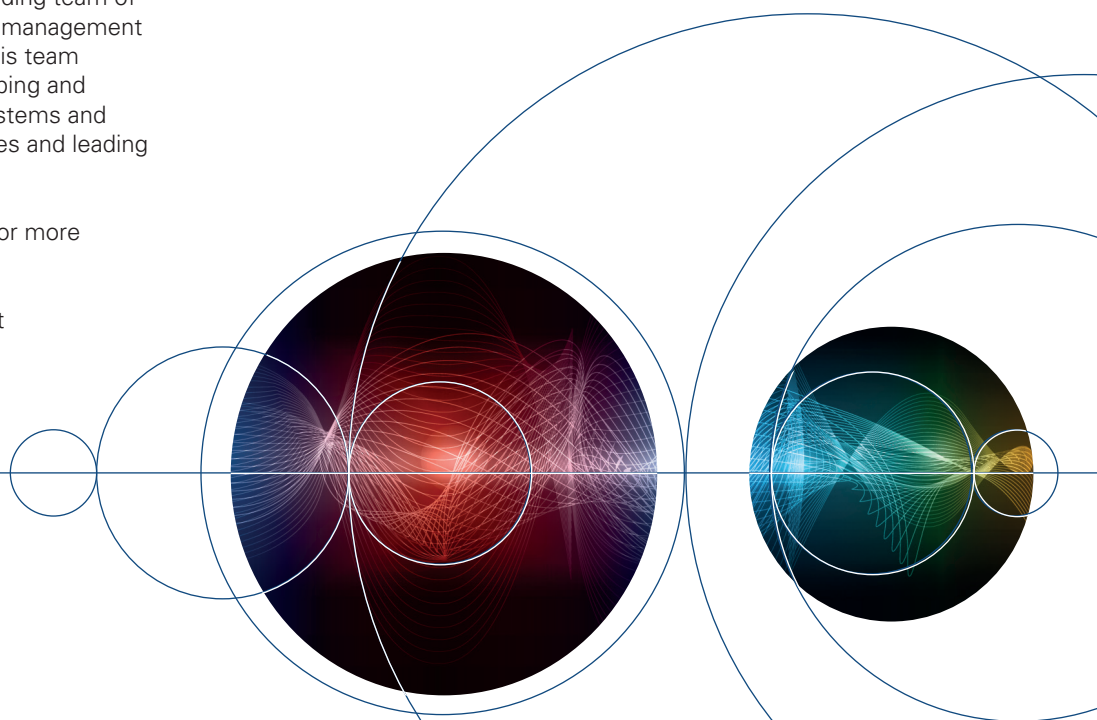
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## 1. In this research paper

This research paper is based on material originally published in the Chartis Research report *Credit Lending Operations, 2022: Market and Vendor Landscape*. It contains:

- RiskTech Quadrant® for collateral management solutions.
- Broadridge: collateral management market position and capabilities.
- RiskTech Quadrant® methodology.

## 2. RiskTech Quadrant® for collateral management solutions

Figure 1 illustrates Chartis' view of the vendor landscape for collateral management solutions (CMS).

The RiskTech Quadrant® is a proprietary research methodology that draws data inputs from a range of sources, including Chartis' request for information (RFI) questionnaire, vendor interviews and other market intelligence sources.

Appendix A describes the research methodology used for the RiskTech Quadrant®. Specifically, we analyzed the following factors in this study:

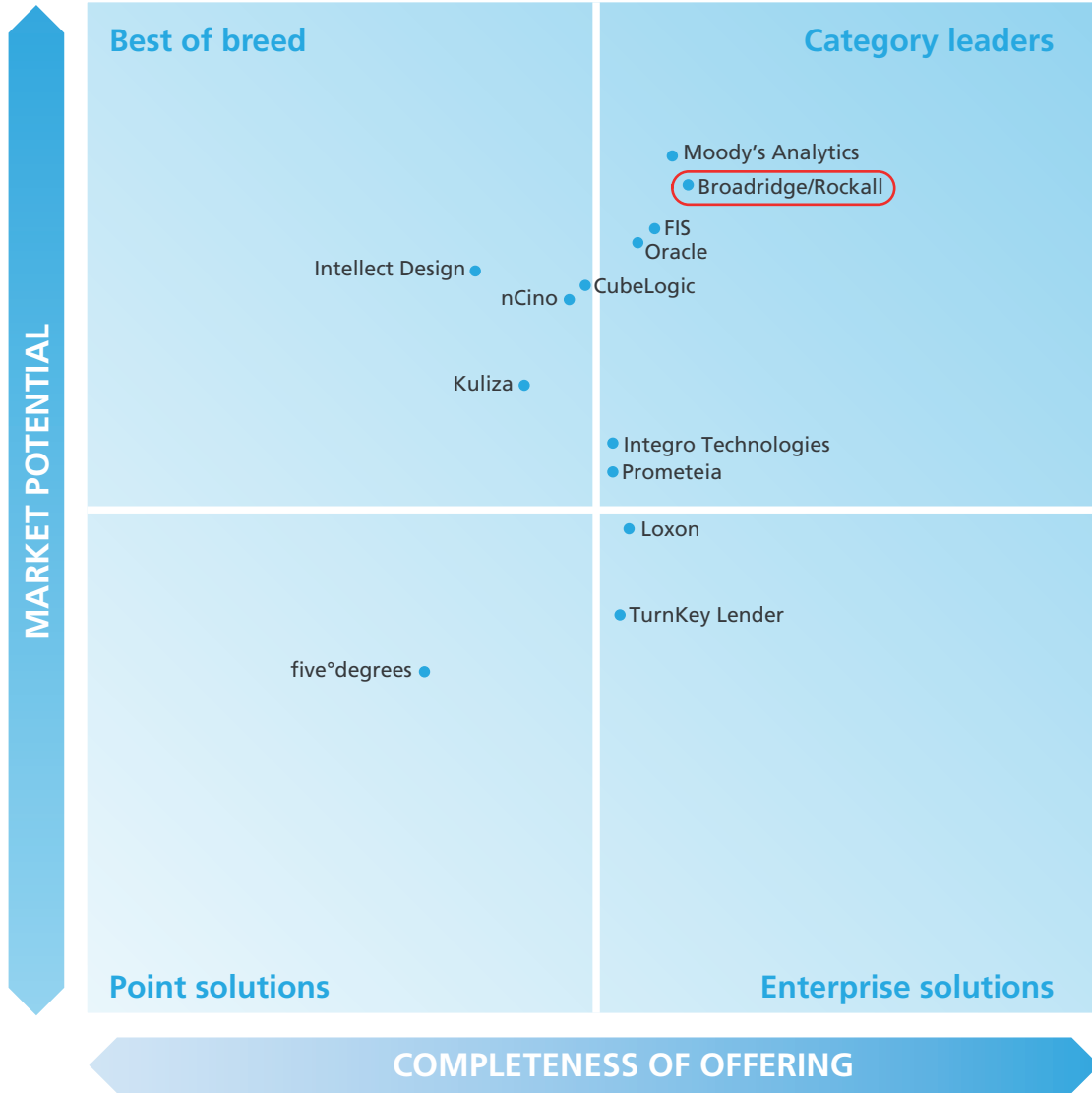
Completeness of offering:

- Platform capabilities.
- Product capabilities.
- CMS processing.
- Workflow management
- Adoption of emerging technologies
- Coverage for credit risk processing, analytics and portfolio management

Market potential factors:

- Customer satisfaction.
- Market presence.
- Growth strategy.
- Business model.
- Financials.

Figure 1: RiskTech Quadrant for collateral management solutions, 2022



Source: Chartis Research

## 3. Broadridge: collateral management market position and capabilities

### Broadridge: profile

Founded in 2007, Broadridge Financial Solutions is a global FinTech firm that provides infrastructure for investment, corporate governance and communications. Its technology solutions aim to help banks, broker-dealers, asset/wealth managers and public companies drive business transformation.

Broadridge's infrastructure provides a global communications hub for corporate governance, and its technology platforms underpin the daily trading of more than US\$9 trillion of equities, fixed income and other securities around the world. Broadridge acquired Rockall Technologies in 2019.

### Quadrant commentary

Multiple processes and system components are linked to the credit operations landscape and each has its own markets and competitors. Many firms now regard credit operations as a prominent concern requiring investment, and as a result the vendor market has enjoyed robust growth. Credit lending operations have evolved well beyond the standardized lending process, and now cater to different geographies, institution types and market areas. This can be a challenge for vendors, which have to integrate disparate technology tools to provide marketable solutions.

In analyzing the vendors for this research, we considered several key criteria:

- **Platform capabilities.** These include architecture, application programming interface (API) framework, integration with third-party systems, support for open-source languages, support for and adoption of low-code/no-code frameworks and cloud compatibility. As financial institutions implement more digital strategies, the market is moving from a traditional on-premise model to the adoption of cloud infrastructures on which vendors can host their solutions.
- **Product capabilities.** These include out-of-the-box offerings for credit lending products across corporate, syndicated and small and medium-sized enterprise (SME) lending, or a framework for building products based on financial

institutions' requirements and business models. This criterion also evaluates vendor capabilities in the areas of software as a service (SaaS) and lending as a service (LaaS). Most vendors today provide a SaaS model, while LaaS is more popular in the mid- to low end of the market.

- **Processing.** Includes out-of-the-box product offerings that comprise different components, events and frameworks.
- **Workflow management.** Includes end-to-end processing for loan origination/collateral management/limits management, and its integration with other front-, middle- and back-office functions as part of the credit lifecycle.
- **Adoption of advanced technologies.** Assesses firms' strategies for investing in technologies such as machine learning to make the end-to-end process simpler and more efficient and scalable.
- **Coverage of credit risk processing, analytics and portfolio management.** Assesses vendors' capabilities to integrate with other systems and their access to functionality around credit risk processing, credit analytics and credit portfolio management as part of the credit lending lifecycle.

### Broadridge: credit lending offerings

In this research, Broadridge rates as a category leader in all credit lending quadrants (loan origination, collateral management and limits management), with best-in-class functionality across platform and product capabilities, processing, workflow management and integration, adoption of emerging technologies and coverage.

Rockall is a next-generation credit and banking book collateral software solution built to help clients digitize their operations, manage credit risk and enhance customer experience.

Rockall's NAVIGATOR, an end-to-end securities-based lending (SBL) solution for banks and wealth managers, combines intelligent automation and data-driven oversight with features that include intelligent prospecting, auto-decisioning and

underwriting, self-service operation, automated applications and e-signatures, and same-day funding.

FASTNET, a comprehensive, cloud-based SBL evaluation and monitoring solution, supports portfolio evaluation and credit risk operations. Its features include daily pricing and rating feeds, to deliver accurate portfolio valuations with full credit risk control.

COLLATE helps firms monetize collateral across a client's entire lending lifecycle by providing an accurate, up-to-date picture of banking book collateral in one view. Its features include an intuitive user interface, rules-based workflows, high scalability, granular reporting and an audit trail.



## 4. Appendix A: RiskTech Quadrant® methodology

Chartis is a research and advisory firm that provides technology and business advice to the global risk management industry. Chartis provides independent market intelligence regarding market dynamics, regulatory trends, technology trends, best practices, competitive landscapes, market sizes, expenditure priorities, and mergers and acquisitions. Chartis' RiskTech Quadrant® reports are written by experienced analysts with hands-on experience of selecting, developing and implementing risk management systems for a variety of international companies in a range of industries, including banking, insurance, capital markets, energy and the public sector.

Chartis' research clients include leading financial services firms and Fortune 500 companies, leading consulting firms, and risk technology vendors. The risk technology vendors that are evaluated in the RiskTech Quadrant® reports can be Chartis clients or firms with whom Chartis has no relationship. Chartis evaluates all risk technology vendors using consistent and objective criteria, regardless of whether they are a Chartis client.

Where possible, risk technology vendors are given the opportunity to correct factual errors prior to publication, but cannot influence Chartis' opinion. Risk technology vendors cannot purchase or influence positive exposure. Chartis adheres to the highest standards of governance, independence and ethics.

### Inclusion in the RiskTech Quadrant®

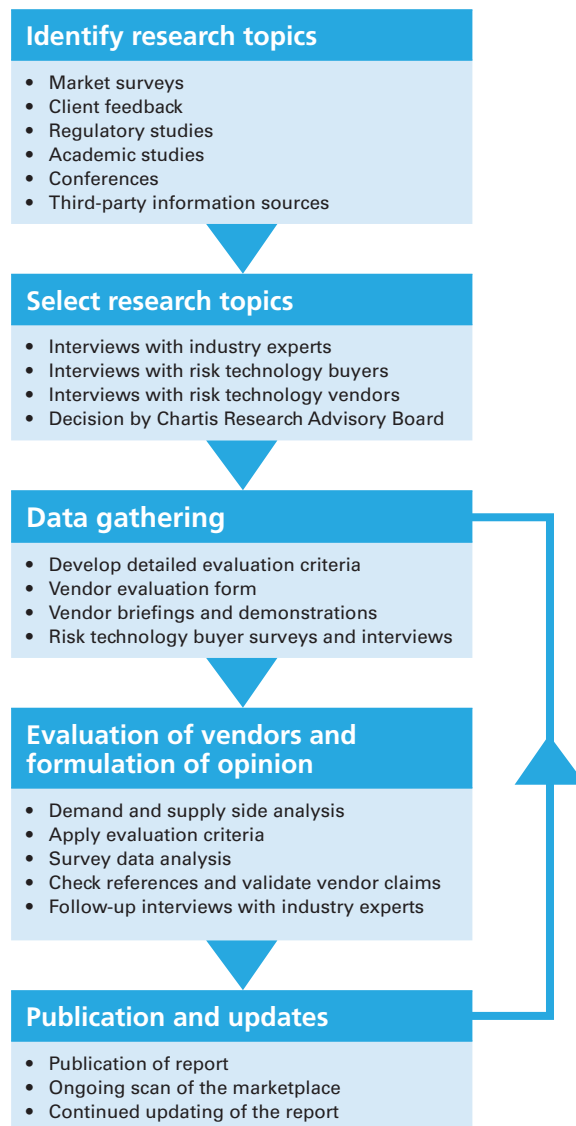
Chartis seeks to include risk technology vendors that have a significant presence in a given target market. The significance may be due to market penetration (e.g., large client base) or innovative solutions. Chartis does not give preference to its own clients and does not request compensation for inclusion in a RiskTech Quadrant® report. Chartis utilizes detailed and domain-specific 'vendor evaluation forms' and briefing sessions to collect information about each vendor. If a vendor chooses not to respond to a Chartis vendor evaluation form, Chartis may still include the vendor in the report. Should this happen, Chartis will base its opinion on direct data collated from risk technology buyers and users, and from publicly available sources.

### Research process

The findings and analyses in the RiskTech Quadrant® reports reflect our analysts' considered opinions, along with research into market trends, participants, expenditure patterns and best

practices. The research lifecycle usually takes several months, and the analysis is validated through several phases of independent verification. Figure 2 below describes the research process.

**Figure 2: RiskTech Quadrant® research process**



Source: Chartis Research

Chartis typically uses a combination of sources to gather market intelligence. These include (but are not limited to):

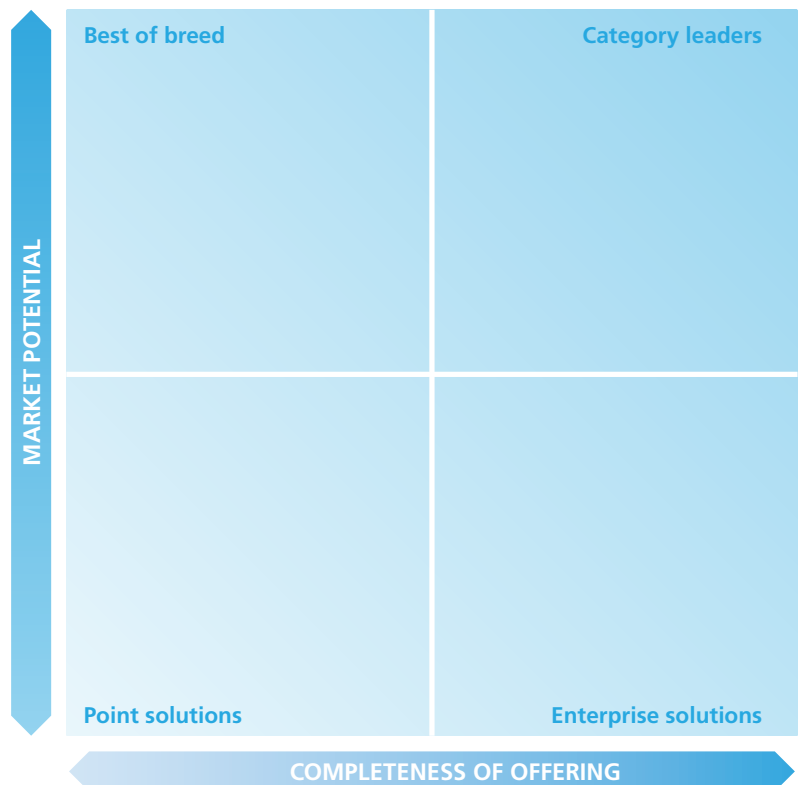
- **Chartis vendor evaluation forms.** A detailed set of questions covering functional and non-functional aspects of vendor solutions, as well as organizational and market factors. Chartis' vendor evaluation forms are based on practitioner-level expertise and input from real-life risk technology projects, implementations and requirements analysis.
- **Risk technology user surveys.** As part of its ongoing research cycle, Chartis systematically surveys risk technology users and buyers, eliciting feedback on various risk technology vendors, satisfaction levels and preferences.
- **Interviews with subject matter experts.** Once a research domain has been selected, Chartis undertakes comprehensive interviews and briefing sessions with leading industry experts, academics and consultants on the specific domain to provide deep insight into market trends, vendor solutions and evaluation criteria.
- **Customer reference checks.** These are telephone and/or email checks with named customers of selected vendors to validate strengths and weaknesses, and to assess post-sales satisfaction levels.
- **Vendor briefing sessions.** These are face-to-face and/or web-based briefings and product demonstrations by risk technology vendors. During these sessions, Chartis experts ask in-depth, challenging questions to establish the real strengths and weaknesses of each vendor.
- **Other third-party sources.** In addition to the above, Chartis uses other third-party sources of information such as conferences, academic and regulatory studies, and collaboration with leading consulting firms and industry associations.

## Evaluation criteria

The RiskTech Quadrant® (see Figure 3) evaluates vendors on two key dimensions:

1. Completeness of offering
2. Market potential

**Figure 3: RiskTech Quadrant®**



Source: Chartis Research

We develop specific evaluation criteria for each piece of quadrant research from a broad range of overarching criteria, outlined below. By using domain-specific criteria relevant to each individual risk, we can ensure transparency in our methodology and allow readers to fully appreciate the rationale for our analysis.

## Completeness of offering

- **Depth of functionality.** The level of sophistication and number of detailed features in the software product (e.g., advanced risk models, detailed and flexible workflow, domain-specific content, etc.). Aspects assessed include: innovative functionality, practical relevance of features, user-friendliness, flexibility and embedded intellectual property. High scores are given to firms that achieve an appropriate balance between sophistication and user-friendliness. In addition, functionality linking risk to performance is given a positive score.
- **Breadth of functionality.** The spectrum of requirements covered as part of an enterprise risk management system. This will vary for

each subject area, but special attention will be given to functionality covering regulatory requirements, multiple risk classes, multiple asset classes, multiple business lines and multiple user types (e.g., risk analyst, business manager, CRO, CFO, compliance officer). Functionality within risk management systems and integration between front-office (customer-facing) and middle/back office (compliance, supervisory and governance) risk management systems are also considered.

- **Data management and technology infrastructure.** The ability of risk management systems to interact with other systems and handle large volumes of data is considered to be very important. Data quality is often cited as a critical success factor and ease of data access, data integration, data storage and data movement capabilities are all important factors. Particular attention is given to the use of modern data management technologies, architectures and delivery methods relevant to risk management (e.g., in-memory databases, complex event processing, component-based architectures, cloud technology, software-as-a-service). Performance, scalability, security and data governance are also important factors.
- **Risk analytics.** The computational power of the core system, the ability to analyze large amounts of complex data in a timely manner (where relevant in real time) and the ability to improve analytical performance are all important factors. Particular attention is given to the difference between 'risk' analytics and standard 'business' analytics. Risk analysis requires such capabilities as non-linear calculations, predictive modeling, simulations, scenario analysis, etc.
- **Reporting and presentation layer.** The ability to present information in a timely manner, the quality and flexibility of reporting tools, and ease of use are important for all risk management systems. Particular attention is given to the ability to do ad hoc, 'on-the-fly' queries (e.g., what-if analysis), as well as the range of 'out-of-the-box' risk reports and dashboards.

## Market potential

- **Business model.** Includes implementation and support and innovation (product, business model and organizational). Important factors include size and quality of the implementation team, approach to software implementation and post-sales support and training. Particular attention is given to 'rapid' implementation methodologies and 'packaged' services offerings. Also evaluated are new ideas, functionality and technologies to solve specific risk management problems. Speed to market, positioning and translation into incremental revenues are also important success factors in launching new products.
- **Market penetration.** Volume (i.e., number of customers) and value (i.e., average deal size) are considered important. Rates of growth relative to sector growth rates are also evaluated. Also covers brand awareness, reputation and the ability to leverage current market position to expand horizontally (with new offerings) or vertically (into new sectors).
- **Financials.** Revenue growth, profitability, sustainability and financial backing (e.g., the ratio of license to consulting revenues) are considered key to the scalability of the business model for risk technology vendors.
- **Customer satisfaction.** Feedback from customers is evaluated, regarding after-sales support and service (e.g., training and ease of implementation), value for money (e.g., price to functionality ratio) and product updates (e.g., speed and process for keeping up to date with regulatory changes).
- **Growth strategy.** Recent performance is evaluated, including financial performance, new product releases, quantity and quality of contract wins, and market expansion moves. Also considered are the size and quality of the sales force, sales distribution channels, global presence, focus on risk management, messaging and positioning. Finally, business insight and understanding, new thinking, formulation and execution of best practices, and intellectual rigor are considered important.

## Quadrant descriptions

### Point solutions

- Point solutions providers focus on a small number of component technology capabilities, meeting a critical need in the risk technology market by solving specific risk management problems with domain-specific software applications and technologies.
- They are often strong engines for innovation, as their deep focus on a relatively narrow area generates thought leadership and intellectual capital.
- By growing their enterprise functionality and utilizing integrated data management, analytics and BI capabilities, vendors in the point solutions category can expand their completeness of offering, market potential and market share.

### Best-of-breed

- Best-of-breed providers have best-in-class point solutions and the ability to capture significant market share in their chosen markets.
- They are often distinguished by a growing client base, superior sales and marketing execution, and a clear strategy for sustainable, profitable growth. High performers also have a demonstrable track record of R&D investment, together with specific product or 'go-to-market' capabilities needed to deliver a competitive advantage.
- Focused functionality will often see best-of-breed providers packaged together as part of a comprehensive enterprise risk technology architecture, co-existing with other solutions.

### Enterprise solutions

- Enterprise solutions providers typically offer risk management technology platforms combining functionally-rich risk applications with comprehensive data management, analytics and BI.
- A key differentiator in this category is the openness and flexibility of the technology architecture and a 'toolkit' approach to risk analytics and reporting, which attracts larger clients.
- Enterprise solutions are typically supported with comprehensive infrastructure and service

capabilities, and best-in-class technology delivery. They also combine risk management content, data and software to provide an integrated 'one-stop shop' for buyers.

### Category leaders

- Category leaders combine depth and breadth of functionality, technology and content with the required organizational characteristics to capture significant share in their market.
- Category leaders demonstrate a clear strategy for sustainable, profitable growth, matched with best-in-class solutions and the range and diversity of offerings, sector coverage and financial strength to absorb demand volatility in specific industry sectors or geographic regions.
- Category leaders will typically benefit from strong brand awareness, global reach and strong alliance strategies with leading consulting firms and systems integrators.

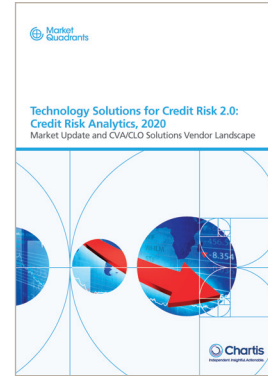
## 5. Further reading



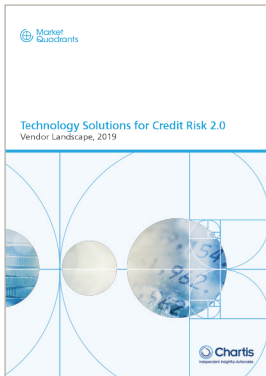
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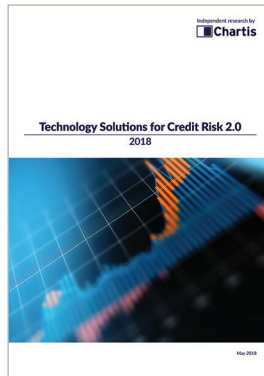
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