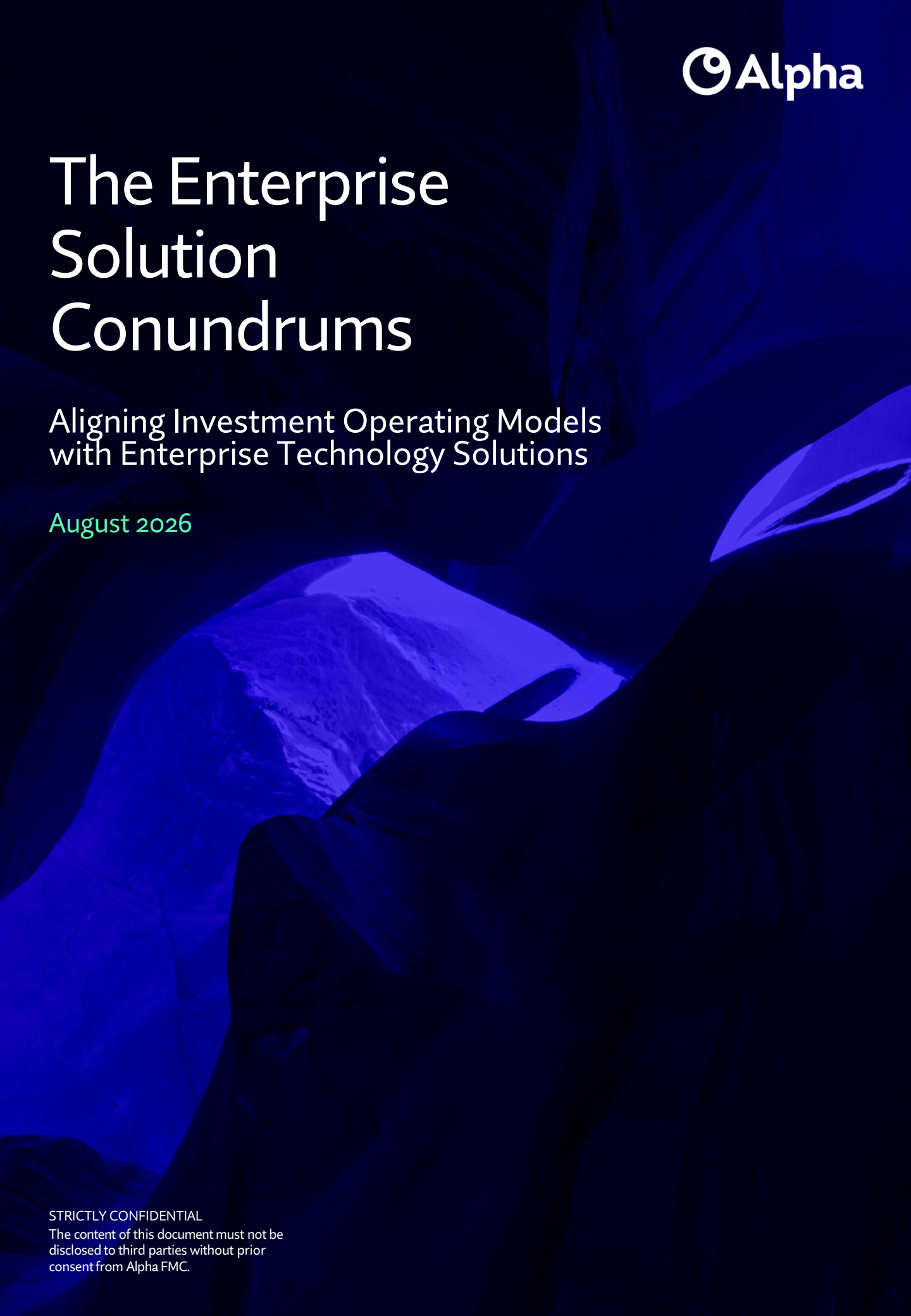

The Enterprise Solution Conundrums

Aligning Investment Operating Models with Enterprise Technology Solutions

August 2026

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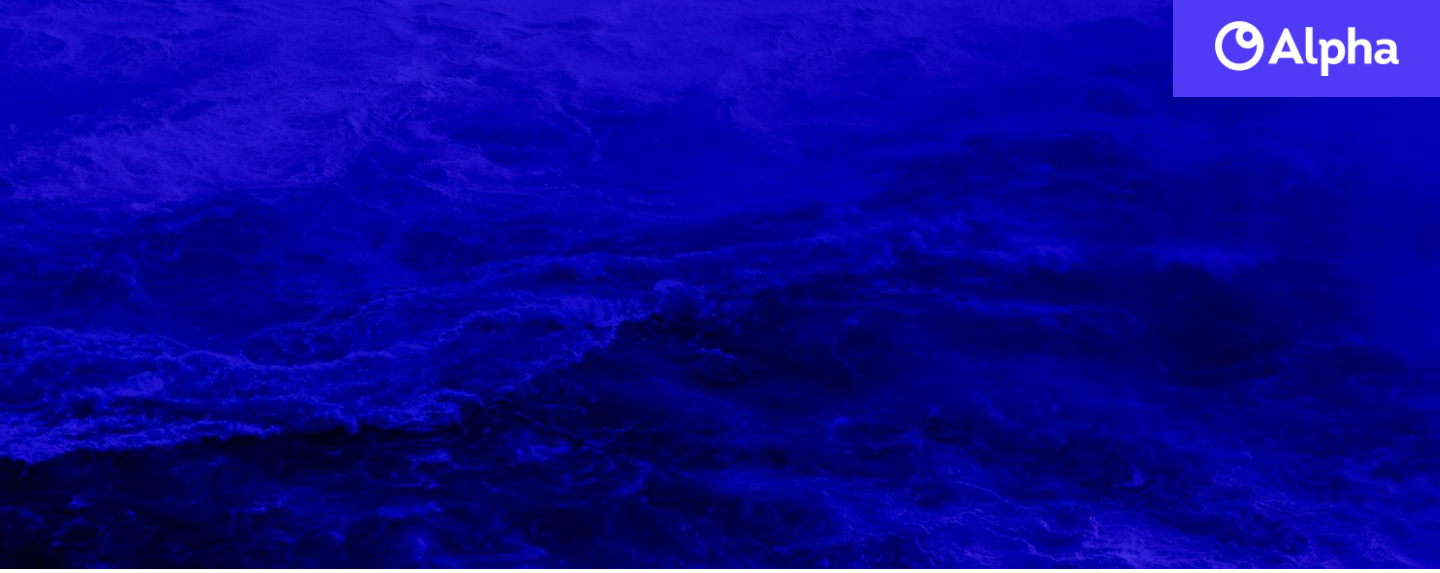


Introduction

"Houston, we have a Problem" is the iconic phrase delivered by Tom Hanks while portraying astronaut Jim Lovell in Ron Howard's 1995 classic Apollo 13.

The "problem" was that an oxygen tank exploded on the spacecraft's Command Module en route to the moon, leaving the astronauts in a fight for survival to return to Earth before running out of oxygen. For those unfamiliar with the film or the mission from 1970, although there were many moments where the astronauts endured turmoil to successfully navigate the crisis, one of the most pivotal was when they were forced to fit a square carbon dioxide filter into a round scrubber receptacle to prevent the astronauts from suffocating. Their lives depended on solving the timeless idiom of fitting a square peg into a round hole.

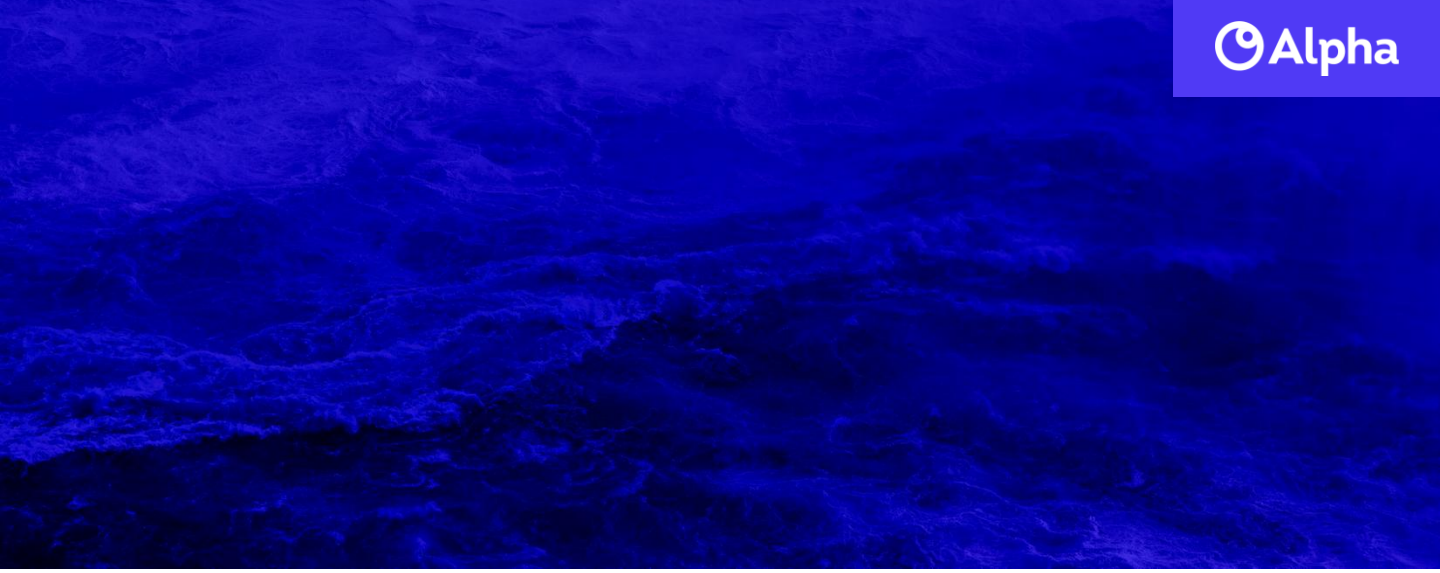
This idiom is also apt for firms transitioning their investment processes to an out-of-the-box (OOTB) enterprise solution. While these platforms are built to support the full investment lifecycle, firms will inevitably encounter requirements that do not align perfectly with standard functionality. When clients encounter these roadblocks to success, they, like the astronauts on Apollo 13, will often feel helpless and adrift trying to successfully navigate what might seem like unsurmountable odds. Although, each client might feel like theirs is a unique case, ultimately the challenges will come down to finding the right balance between process and technology to fit a square investment process peg into a round solution hole.

Alpha believes that successful enterprise transformations are not about forcing the business into the technology, they are about deliberately deciding where to adopt leading practice, where to differentiate, and where to innovate.

During these transformations, Alpha has identified four Enterprise Conundrums that prevent straightforward implementations:

- The Great On Paper Conundrum
- The We've Always Done It This Way Conundrum
- The Niche Service Conundrum
- The Build Conundrum

Clients that can navigate these conundrums effectively will ultimately be able to shape a solution that will meet the needs of all stakeholders while enabling firms to achieve the massive benefits and scalability offered by OOTB enterprise solutions.



The Great On Paper Conundrum

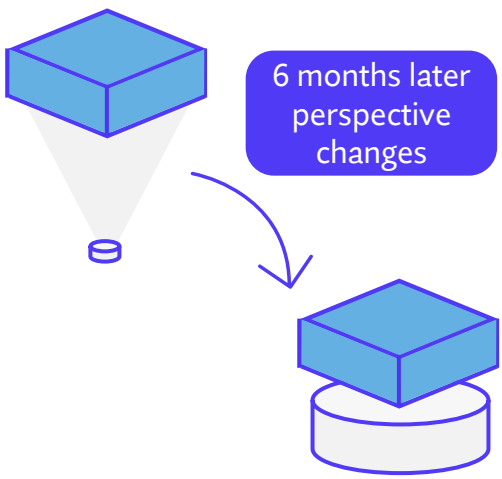
Prior to the Apollo 13 launch, Ed Harris, who plays Gene Kranz, the NASA Flight Director responsible for the management of the mission, checks with each group responsible for ensuring a successful launch.

Had any of those groups known that something on the spacecraft was not up-to-task; they would not have proceeded in their Go-for-Launch. This is comparable to the stakeholders that are responsible for deciding to launch an enterprise solution.

At the onset of the project, there are high hopes that every requirement will be documented and each risk will be known and properly accounted for. When clients begin to evaluate these solutions during the sales process and align those requirements with what these products offer, these solutions look like a great match on paper.

By design, each OOTB solution is positioned to support the broader investment lifecycle and with sufficient configuration, integration, customization, and investment, can address many client requirements. However, each OOTB solution was not designed to support every aspect of an individual client's investment lifecycle and might not account for the many unique and custom investment processes that have been baked into a client's existing business. Not all clients operate the same way. Supporting the unique investment processes, controls, and workflows that have evolved within an organization often requires trade-offs around what should be standardized versus customized, what can be fully automated versus manually supported, and where best practice should take precedence over existing business processes.

These disparities between OOTB functionality and client requirements become a large source of contention between the client and vendor and what once looked like a perfect fit, now becomes the square peg that does not fit into the round hole.



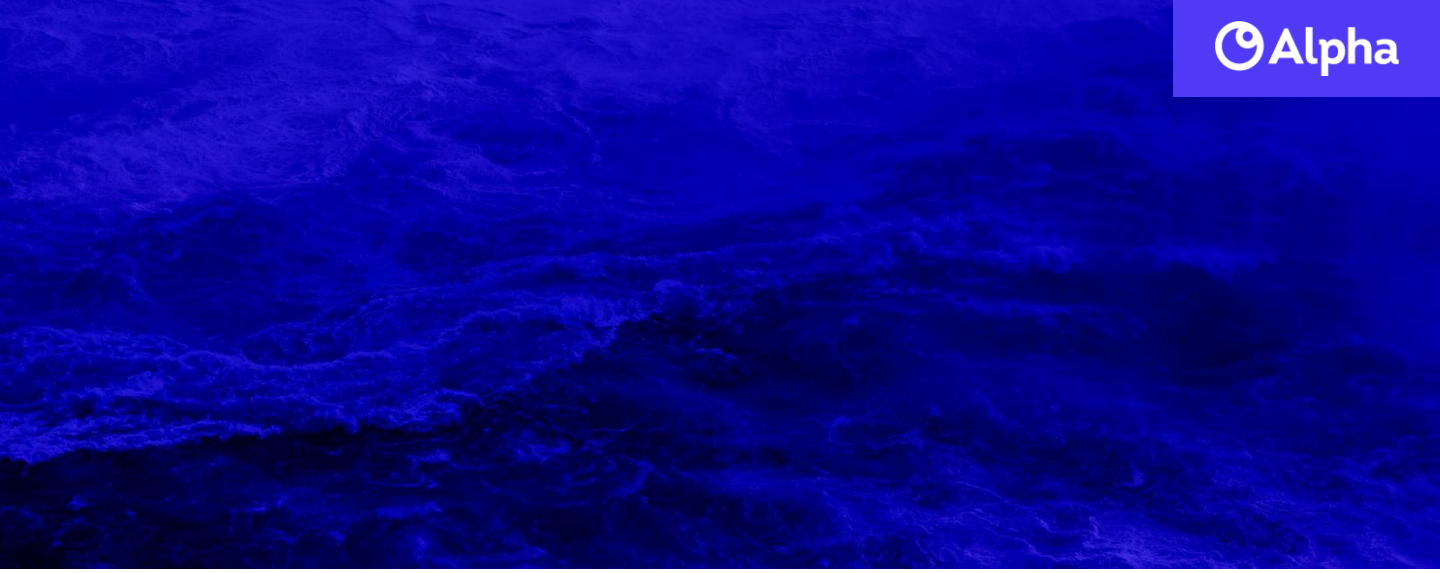
We have seen this scenario play out during enterprise implementations across different types of organizations and different solutions. In one case, we worked with a large asset management organization who sought to migrate to an enterprise investment solution and believed a niche part of their business could be supported through standard configuration and limited enhancement work. Through conversations with the vendor and with the best intentions, they began the implementation believing a solution could be delivered within existing product frameworks. However, as detailed discovery and knowledge transfer sessions progressed, it became clear that the operations involved highly specialized accounting treatments and proprietary workflows that were not natively supported. The gap between perceived capability and actual product readiness grew significantly, transforming what was expected to be a minor implementation effort into a large-scale development initiative with extended timelines, unclear ownership, and substantial delivery risk. Ultimately, the situation demonstrated how solutions that appear ideal during the sales and evaluation phase can prove far more complex during execution.

Project Leaders and executives can take several steps to help protect themselves against this conundrum and do their best to mitigate their risk. The first is to ensure that during the vendor evaluation process, all customized workflows are identified and addressed during the Sales Phase. When working with the vendors, you want to ensure that any bias towards vendors is removed and use a vendor agnostic scoring system to ensure that clients find the best solution to meet their outlined requirements.

In the case of special workflows or vendors that are especially unique, requesting to speak with Product experts beyond the sales specialists can be helpful in determining whether workflows will be covered by existing product capabilities.

Once a vendor is selected based on a requirement-driven criteria, during contract negotiations with vendors, ensure that language addresses risks associated with an unforeseen misalignment between requirements and solution to ensure there is a clearly defined process for addressing gaps within the vendor Statement of Work. Ensuring that project governance is in place and followed will also ensure that complex items are given the appropriate attention and review by stakeholders on both the vendor and client side.

Enterprise transformations should be viewed as opportunities to leverage technology as a catalyst for organizational change. Understanding the technology and its associated risks early in the process can help organizations proactively mitigate implementation challenges and drive successful outcomes.



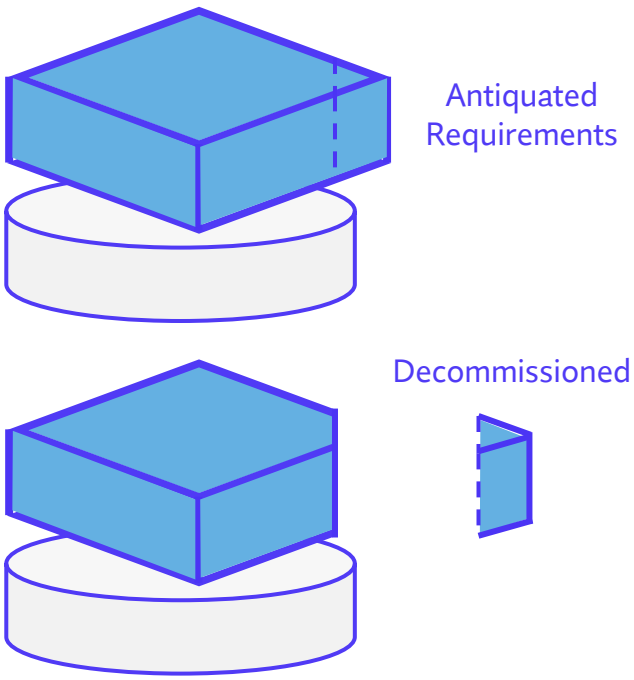
The “We've Always Done It This Way” Conundrum

Much like the issues that clients experience on projects, it was not a single issue that caused the failure during the Apollo 13 mission, but a series of decisions and processes that led to the disaster.

Upon the astronauts returning home safely, NASA conducted an in-depth analysis of the failures that caused the issues during the mission. Included in the findings was that the failed oxygen unit used components and procedures that had been developed for a different mission. It was found that some parts of the system were already “legacy” by the time Apollo 13 flew, and they would have been better served to reevaluate the construction of the parts and equipment.

It is often the case that when undergoing an implementation and submitting your organization to change, you will find that it is the antiquated procedures and processes that are the most difficult to solve for - and cause the most issues. Things that were implemented because “that one time” or “remember when”, become part of the corporate psyche and construct roadblocks to progress. We have found that when these roadblocks are properly scrutinized and risk assessed, they can be solved by different functionality or removed from the program scope entirely.

For this reason, it is essential to thoroughly analyze each requirement that will drive your solution design. Each requirement should be assessed to identify the underlying business need and determine whether it must be included in the program. Requirements are



easy to add but difficult to remove once registered, so it is critical to evaluate their necessity and the risk of leaving them unaddressed. A governed, risk-focused requirements gathering approach helps establish a clear Minimum Viable Product.

As clients begin to start the process of trimming requirements and streamlining or eliminating antiquated processes, stakeholders will naturally be resistant to

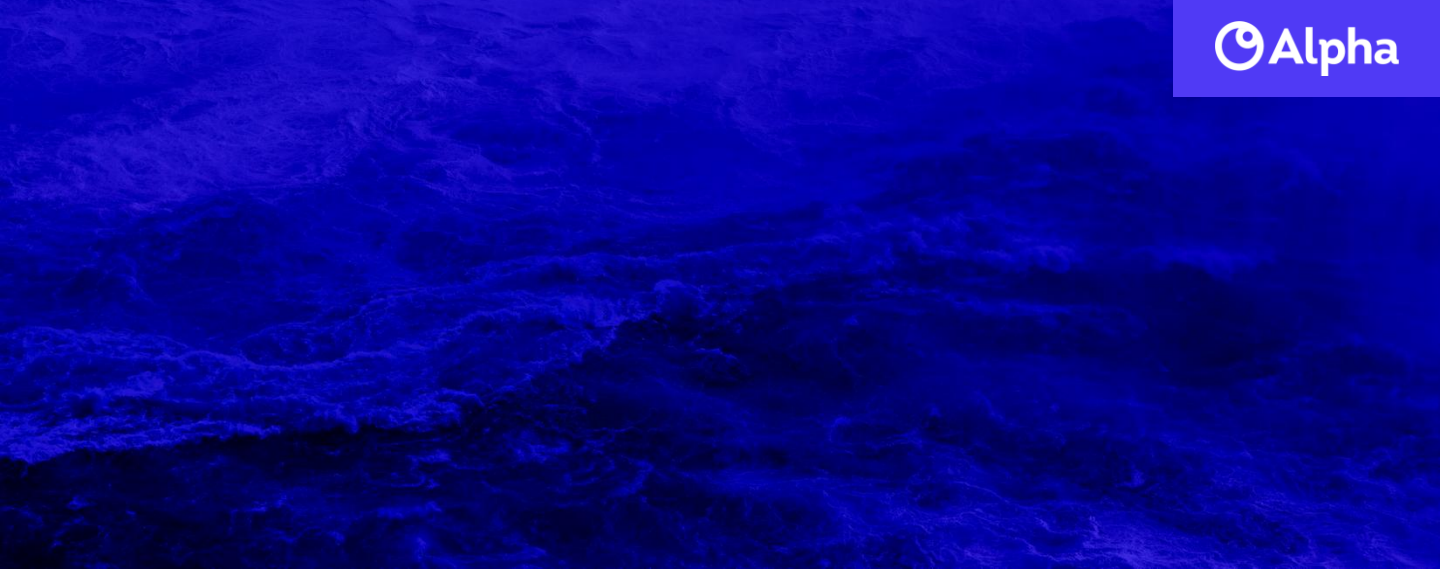
to change. It is imperative to implement change management practices as part of the implementation to help stakeholders transition to new workflows while addressing their concerns related to decommissioning outdated practices.

This “We’ve Always Done It this Way” phenomenon was experienced by a large insurance investment organization that Alpha worked with who embarked on an enterprise transformation program to modernize its investment operations, data architecture, and portfolio management capabilities with an OOTB enterprise vendor.

During discovery, stakeholders repeatedly identified a series of homegrown systems, custom reports, and manual security master maintenance processes that they deemed as being "critical" requirements because they had relied upon these processes for years. Initial feedback suggested that these custom tools and reports would need to be recreated or maintained in the future-state environment to avoid disruption. However, through detailed requirements analysis, operating model reviews, and change management workshops, the project team determined that many of these functions were already available as standard functionality in the enterprise platform and descoped the majority of these initially “must-have” requirements.

As a result of their due diligence, the organization was able to reduce unnecessary development effort, retire redundant systems, streamline operational responsibilities, and tailor their investment processes to align with the OOTB solution capabilities. By challenging their original assumptions, evaluating the true business need behind each requirement, and supporting stakeholders through organizational change, the firm was able to define a more effective solution while reducing complexity, cost, and implementation risk.

Organizations often discover that their greatest source of value comes not from preserving legacy processes, but from identifying which capabilities truly differentiate the business. Transformation programs provide a rare opportunity to redesign an operating model for the future rather than preserving decisions made in the past.



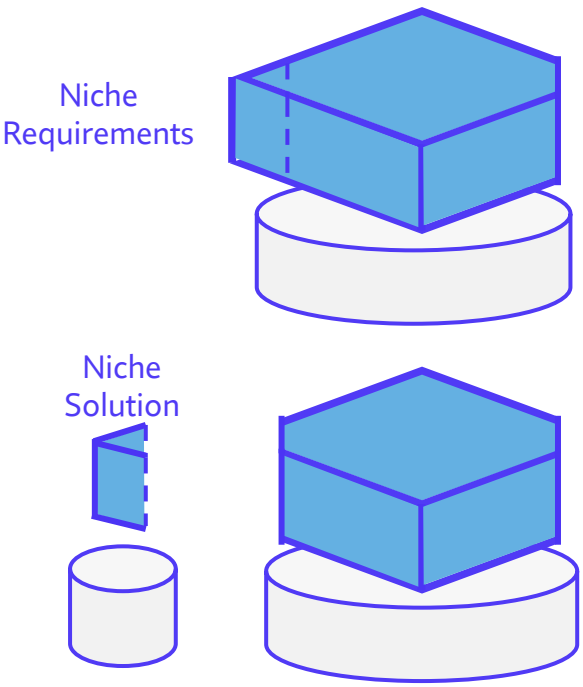
The Niche Service Conundrum

Prior to the Apollo 13 mission, astronaut Ken Mattingly was famously dropped from the mission, for fear that he would develop measles during the mission after being exposed to a colleague with rubella.

Ken's misfortune turned out to be the crew's saving grace. In order to survive the mission, the crew of Apollo 13 had to turn off any unnecessary systems to preserve power prior to attempting re-entry into the Earth's atmosphere.

The issue was that when they needed to turn the power back on, they had to ensure that they did it in a way that would not cause a surge - draining their already depleted batteries. To accomplish this task, they leaned on Ken who had the specialized knowledge and experience to engineer the appropriate sequence that would allow the crew to restart the necessary systems successfully. With Ken back home in Houston, he was able to utilize a full-scale Command Module simulator on the ground at NASA's Mission Control to develop and test the right workflow that allowed the astronauts to power the craft back on without overtaxing the battery.

Much like the crew depended on Ken Mattingly and team to solve a problem that the spacecraft's standard procedures were never designed to address, investment organizations can turn to niche solutions to meet requirements that fall outside the capabilities of even the most sophisticated enterprise platforms. Whether it's the use of a certain type of functionality to fulfill an



an investment process, or access to unique custom datasets, clients can find a third-party provider that can work to meet their needs.

Through API or custom integration, the ability to utilize a third-party solution and implement their data or workflow into a program's architecture is now available to

investment firms at any scale. The goal should be to ensure that, even with an added layer of complexity, these solutions are integrated into the solution optimally - while still meeting the demands and timelines of the overall program.

When clients are seeking a niche vendor, it is advisable to continue using a risk-based, vendor agnostic framework when evaluating potential future partners. It will not be uncommon for an OOTB vendor to have preferred partners, but it is in a client's best interest to cast a wide net to identify all potential solutions to a requirement. This allows firms to focus on more than ease of integration and find the true best partner to meet a specific need. Once a party has been identified, it is imperative to build a contract in conjunction with the OOTB vendor that protects clients from development and integration risk.

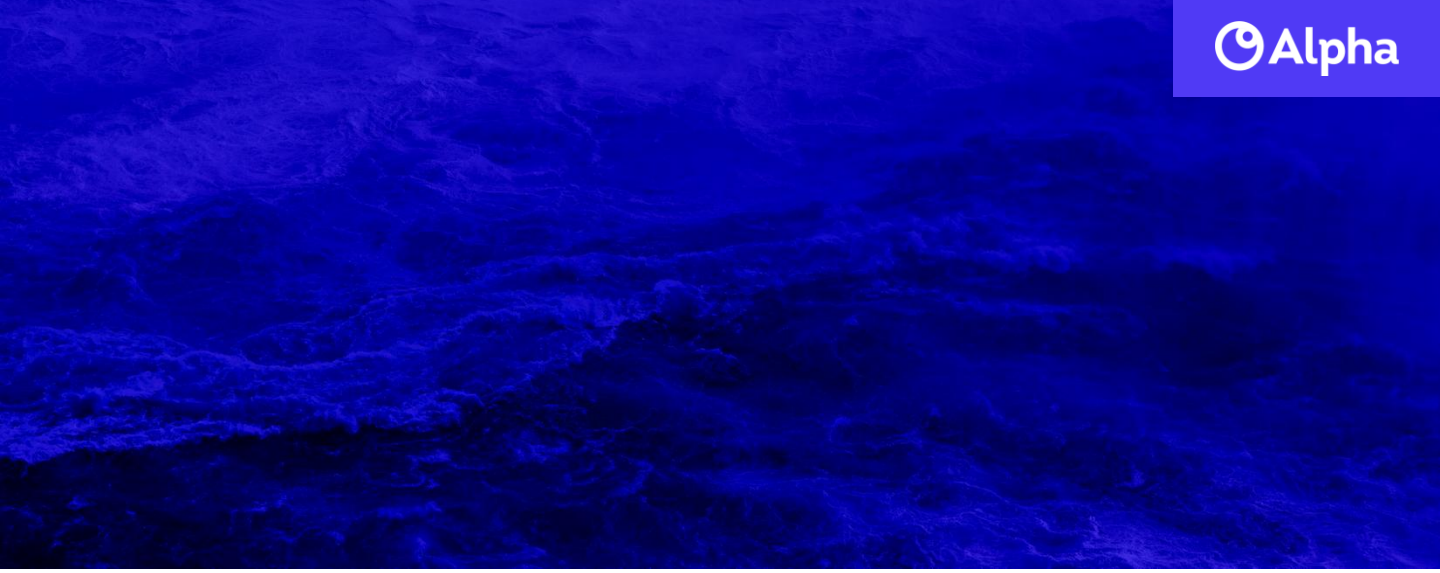
To enable a smooth integration of these third-party providers into an already existing program requires coordination between the client, the OOTB vendor, and the niche provider. Clients will need to ensure that there is governance and a shared plan that will help all parties remain aligned and provide transparency around effort and risks for all stakeholders. If there is a need for development or ad hoc integration work, clients should find the right partner who can ensure that requirements are accurately tracked and conveyed and then work with all teams to keep development risks to a minimum. Integration work will often require the use of already allocated resources so clients will need to consider the true cost of integration on timelines or look for additional resources to complete integration activities.

An example of the Niche Service Conundrum use case that Alpha FMC encountered involved an investment manager looking to streamline the management of their alternative investment data.

Few enterprise tools are optimized to ingest and normalize the highly unstructured documents received from private market managers. Rather than forcing the requirement into an imperfect OOTB solution, performing internal development, or continuing to utilize a manual workflow, the organization leveraged a third-party provider with specialized technology to automate the extraction and standardization of alternative investment data before integrating it into their OOTB solution.

This approach allowed the firm to capitalize on the strengths of the OOTB enterprise provider while solving a very specific challenge with the niche provider. The result was a more scalable and efficient operating model that reduced manual processing, improved data quality, and enabled broader investment oversight without requiring costly development or customization of the core platform.

Utilizing niche services and integrating best-of-breed capabilities can allow firms to create a strategic advantage over competitors.

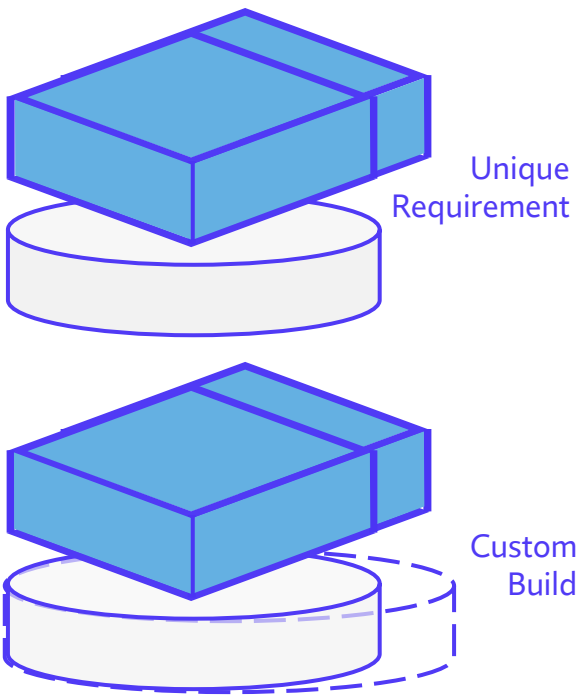


The Build Conundrum

As discussed at the start of this paper, to clear the spacecraft of carbon dioxide, the Apollo 13 crew had to adapt a square carbon dioxide scrubber to fit into a circular receptacle.

Back in Houston, a team of engineers led by a man named Ed Smylie designed a build for this very specific mission-critical problem. Utilizing only the items available on the spacecraft, they transmitted instructions to use duct tape, cardboard, plastic bags, and a hose to build a working scrubber that allowed the crew to survive and continue their journey home. This custom build enabled the astronauts to scrub the craft of carbon dioxide and allowed them to complete their mission home safely.

In the case of projects, there will be instances where clients will need a mission-critical solution built to meet the needs of a unique requirement to complete their transformation. When confronted with a functionality that is a must-have that does not exist, OOTB vendors will call in their product teams to answer whether the client's specific requirements are on their product roadmaps, can be bespoke developed, or added to the backlog for inclusion in a future version. If the vendor is unable to meet the requirements of the client or do so in a timely fashion, the client may choose to undertake their own development as a matter of last resort. In either instance, development presents major risks and costs to a program and can cause major delays if not scoped and executed efficiently and effectively.



If clients work with the vendor on developing a solution, it will be imperative to provide a healthy amount of oversight and governance to the development process. The development should be viewed as a partnership and will need to have focused contributions from the client throughout the process including requirement gathering, development, testing, and deployment.

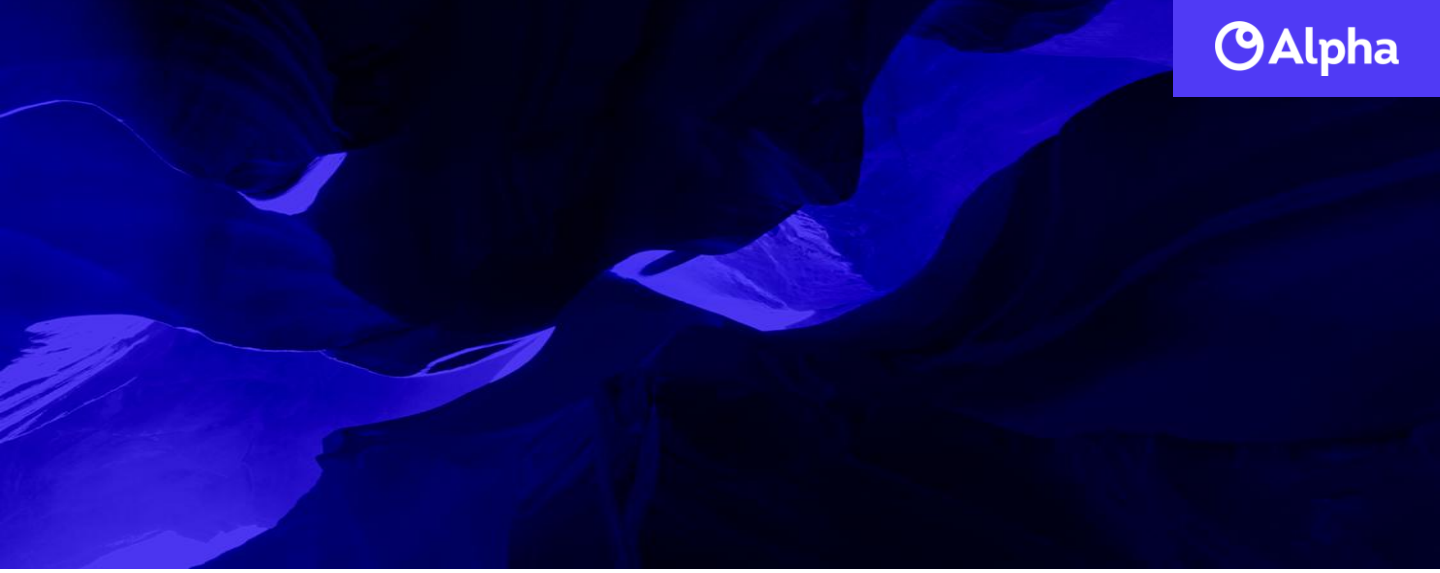
Although the solution and development will ultimately be owned by the vendor, clients should ensure that governance is followed throughout the development lifecycle to ensure the right product is delivered on time to meet their requirements.

Should the client need to do internal development, the client should consider finding the right partner with an understanding of the foundational technology of the OOTB solution or paths to integration to perform the development on their behalf. Clients involved in these types of programs often already have resources dedicated to the OOTB deployment and will find it hard to find qualified developers internally to meet the needs of an additional development project outside the core implementation. At a bare minimum, the client will want to ensure that the external development is monitored appropriately by the program and that issues are considered in the context of the whole program.

During an enterprise transformation program with a global asset management organization, they found a need to do their own development beyond what was available OOTB. While the enterprise solution provided robust standard functionality, detailed discovery sessions revealed a critical gap for managing data received from numerous external asset managers. These requirements were essential to the program's success but fell outside the standard capabilities of the platform. In order to meet these requirements, the organization elected to hire Alpha FMC to build a complementary application layer on top of its enterprise data platform, leveraging a modern data architecture to create controls, workflows, and monitoring capabilities that could validate incoming data, identify exceptions, support security creation, and provide a centralized source of truth for reporting and downstream applications.

This development effort was treated as an integrated component of the enterprise transformation program rather than a standalone project, allowing the organization to address a critical business need while minimizing implementation risk, avoiding unnecessary customization of the core platform, and creating a scalable foundation for future growth.

Every custom solution introduces a long-term ownership obligation. Executive sponsors should evaluate not only development cost but also maintenance, future upgrades, and key-person risk associated with any build activity whether locally or with the vendor to ensure sustainability.



Let Us Help You Complete Your Mission

Just like Ed Smylie and his team of engineers reshaping the square scrubber to fit into the circular receptacle, Alpha FMC wants to collaborate with clients to help them reshape their square investment process to fit into a round OOTB enterprise solution so they can breathe easily through their mission.

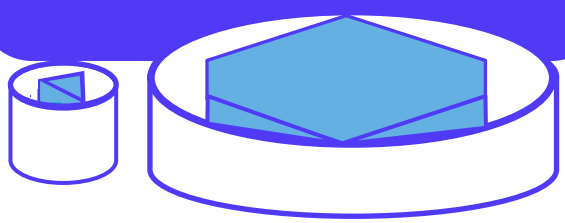
The group at Alpha FMC have lived through and navigated the Enterprise Solution Conundrums and are prepared to help clients navigate these challenges effectively.

Alpha has seen many projects that looked "Great on Paper", only to quickly stumble out of the gate. As a platform agnostic advisor with a broad understanding of the technologies available and working relationships with vendors, we are positioned to help clients determine the best solution to meet their needs. We will support clients through RFI, vendor evaluation, and contract negotiation to identify the best OOTB solution to meet their needs. We ensure that all requirements and gaps are addressed upfront and project risk is mitigated before contract execution.

We are positioned to help tailor an operating model to cut out any unnecessary "We Have Always Done It This Way" requirements. Our consultants will help clients challenge and de-scope low-value requirements in a governed way, manage stakeholder concerns, and drive adoption of new ways of working through our change management expertise.

When clients need to solve for unique requirements through "Niche Services", Alpha FMC helps clients select, contract, and integrate third-party vendors that complement an OOTB enterprise solution. We will work with the client and the vendor to ensure that all niche requirements are met without unduly impacting the timeline or budget. Finally, we will help a client work with a vendor or internally "Build" a solution to meet a truly stand-alone requirement. Alpha FMC partners with clients and vendors to govern the development lifecycle end to end, helping ensure requirements are met, risks are escalated early, and custom development is delivered on time without distracting the client from core implementation activities.

Our goal at Alpha FMC is to help clients navigate the Enterprise Conundrums and splash down safely with an aligned investment operating model that fits into their desired solution.



Contributors

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David Moder is a Senior Manager in our Investments Practice, and is based in Tampa, FL. Before joining Alpha, David worked at Charles River Development (CRD), implementing the CRIMs solution into multiple State Street Alpha implementations. David has an expertise in the IBOR and Data Management modules of CRD and was the lead on several multi-year international implementations. In addition, David is also SimCorp Certified.

Prior to CRD, David spent 15 years on the Buy-Side as a Business Analyst/Market Data Specialist where he collaborated and worked with Front, Middle, and Back-office teams, to develop a firm-understanding of the Investment Management lifecycle. He has an expansive knowledge of solution providers in the Financial Services space and was the main-point of contact and technology liaison between the business and technology vendors working directly under the Head of Operations and Research Director.

Confidence in the complex