



CASE STUDY

Gaining Efficiency, Transparency and Scale of Complex Commissions Across Institutional and Retail Business Lines

Faced with a manual commissions process, Northland Securities, both an independent and an institutional broker-dealer, sought a compensation management solution that offered greater efficiency, transparency and flexibility to handle complex commission schedules across multiple business lines.



Location	Minneapolis, MN
Employees	150
Solution	Compensation Manager
Live Date	2019

Challenge

- ▶ The firm's compensation process was managed in a combination of their clearing firm's commission system and various spreadsheets which created redundant work across multiple processes.
- ▶ With a vast range of different business types, this created more complexity which led to increased errors, staff time, delays and unnecessary costs.
- ▶ Increased business continuity and transparency concerns arose due to reliance on specialized internal knowledge of complicated payout calculations – rather than accessible data, calculations and automation residing in a central location.

“Sycamore effectively supports our diverse business operations and handles our need to implement and manage highly complex commission schedules in one central location. It also provides the transparency our reps and managers require, which resulted in a \$18,000 cost reduction in state registration fees.”

▶ *Jeff Sams, Director, Head of Portfolio Services, Northland Securities, Inc.*

Solution

- ▶ Sycamore's Compensation Manager was customized to the specific compensation processes of different business lines including Wealth Management, Institutional Fixed Income, New Issue Municipal Bond Public and Conduit Finance, Secondary Fixed Income and Equity Trading, and Equity Investment Banking.
- ▶ The system provides reporting transparency to commission employees and management detailing gross and net commissions across a wide range of revenue types, firm departments, and payout scenarios.
- ▶ Compensation Manager creates workflows from commission transactions and advisor ledgers to accommodate the needs of the different types of business the firm conducts.

“Sycamore gets high marks due to their ability to deliver and maintain a powerful compensation system, as well as build custom functionality to meet our unique requirements. This is where Sycamore's level of knowledge of the industry is especially valuable.”

▶ Jeff Sams

Impact

- ▶ Significantly improved the firm's ability to manage diverse and complex compensation requirements, reduce reliance on spreadsheets, and save staff hours of work.
- ▶ Flexible pay calculations improved accuracy while resolving manual commissions, including those for complex options payouts.
- ▶ Expanded automation of commissions – such as payouts on trade minimum rules, default payout percentages based on a Public Finance Deal or Fee type, options commissions, and BDO, staff pool and sales assistant overrides.
- ▶ Enhances business continuity through remote-friendly cloud environment and centralized compensation workflows.
- ▶ Reduces the risk of manual process knowledge residing with only one or a few personnel.
- ▶ Helps increase efficiency for other downstream processes such as accounting.
- ▶ Provides reps with real-time views of their commission history including pending commissions and fees, and allows managers to keep track of production through intuitive dashboards.
- ▶ Offers greater transparency into rep production by state, enabling the firm to save \$18,000 in unneeded state registration fees.
- ▶ Scales easily to accommodate additional commission types as needed.

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