

The SEC's Seamless, Successful Transition

With Keane's Flexible Transition Approach, the Securities and Exchange Commission Lays a Foundation to Transform Its EDGAR System

Abstract

With a long-term view in mind for its EDGAR system (Electronic Data Gathering Analysis and Retrieval system), the US Securities and Exchange Commission (SEC) hired Keane to take over its day-to-day management and continued refinement. The SEC was seeking a partner that could provide the service levels today's EDGAR demands while embarking on development of a more modern replacement solution.

At stake was a mission-critical application that serves the security markets of the United States. Therefore, of immediate importance to the SEC was Keane's ability to expertly transition operations without interruption.

Keane's background in taking on such projects is extensive and proven — with more than 55 seamless Transitions executed in the last 7 years. While EDGAR presented complex challenges, the two organizations worked together to implement a flexible and fast Transition — while adhering to the same best practices needed to ultimately reduce risk and prevent delays.

Business Challenge

The mission of the SEC is "to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation." According to the SEC, "only through the steady flow of timely, comprehensive, and accurate information can people make sound investment decisions."

Its EDGAR database is one of the vehicles through which the SEC fosters investor education and helps ensure this steady flow of information. The database

contains disclosure documents that public companies are required to file, including registration statements and periodic reports.

The SEC sought to partner with a firm that could bring innovation and flexibility to EDGAR's management and modernization initiatives. Because EDGAR is central to the functioning of the US's capital markets, it needed a firm that could bring the right level of discipline and technical capabilities to operate and maintain EDGAR's software and infrastructure, and ultimately replace EDGAR — while sharing accountability for achieving SEC mission objectives.

It was also critical that the partner have a proven Transition methodology and a track record of executing successful Transitions to avoid interrupting the daily filing of corporate documents and data sets.

Moreover, the new team of consultants would have to acquire specialized system knowledge, which the incumbent contractor gained over 15 years. Adding to an already demanding situation, the SEC challenged Keane to execute the Transition phase for infrastructure operations three months earlier than would normally be expected for a project of this magnitude.

Solution

The Transition phase is the pivotal stage in an outsourcing engagement that establishes the critical components for the ongoing delivery of day-to-day support services.

From a client's perspective, Transition is all about ensuring the success of the service delivery phase. Service level

"Keane's approach to Transition is comprehensive yet exceptionally flexible. So flexible, in fact, that Keane was able to change their path in mid-execution and take over the operation of EDGAR three months earlier than planned. Their quick thinking and resourcefulness, backed by proven practices, minimized our risk and laid the cornerstone for the success of this aggressive Transition."

EDGAR Program Manager, Office of Information Technology, Securities and Exchange Commission

agreements are defined, team positions are staffed, and software, systems, and networks are smoothly transferred from the incumbent's staff to the newly formed Keane team. Although highly disciplined and methodical, Keane's Transition approach is not prescriptive but is rather a framework of best practices that has enabled it to achieve 100% of contract milestones. During Transition, Keane performs knowledge acquisition, process and staff integration, technology enablement, governance procedures, and program management.

The flexibility of Keane's Transition approach was key to meeting the SEC's need to quicken the support transfer dates. By acquiring key staff from the incumbent team and running nearly 100 training sessions, Keane was able to shorten the Transition phase drastically without compromising knowledge transfer.

Keane reconfigured its traditional planning and implementation processes to speed the takeover of operations and maintenance services. This enabled Keane to begin the operation of infrastructure support 11 weeks ahead of schedule and systems engineering services 4 weeks ahead of schedule. Keane also tailored its Application Management Methodology and systems lifecycle methodology, known as VIEWWW, to meet the standards of ITIL- and CMMi-compliant practices. This assured operational stability within the client's environment.

In addition, Keane leveraged its program management expertise to lead a team of partner technology firms, including BearingPoint, Microsoft, Rivet Software, EMC, and Vistrionix, to implement the EDGAR project.

In addition, Keane worked in parallel on a new Public Dissemination System (PDS), a subscription-based service for global information firms like Reuters, Bloomberg, and EDGAR Online. Within six weeks, Keane architected, designed, tested, and deployed the PDS. Cut-over to the new PDS occurred overnight without interruption, seamless to investors when the markets opened the next morning.

Results

The transfer of operational support responsibilities took place with 100% success in only seven weeks.

Today, Keane is providing infrastructure operations and maintenance, as well as application support for the EDGAR system, which serves US corporate securities insurers, investment companies, and individuals who file roughly 800,000 corporate filing documents and data sets on EDGAR each year. And it has consistently met all service levels while operating EDGAR with 99.99% availability.

“The results speak for themselves: We got Keane on board with astounding speed, and now have the level of service — and accountability — we were seeking for EDGAR operations and support — and its transformation.”

EDGAR Program Manager, Office of Information Technology, Securities and Exchange Commission

What's Next

The SEC and Keane are advancing toward the SEC's vision of a modernized EDGAR. Keane is developing the vision and roadmap to convert the existing static text-based system to an interactive data system with real-time analysis capabilities. The revamped EDGAR is expected to revolutionize the way investors access and analyze financial statements and other corporate disclosures filed with the SEC.

Fast, Flexible, Seamless

- Transition of 24x7 operations completed in 7 weeks, 11 weeks ahead of schedule.
- Application support began 4 weeks ahead of schedule.
- Clean cut-over to service delivery phase. Seamless to EDGAR users—both internal and public.
- Key SLAs in place, tailored around SEC's availability requirements.
- 17 incumbent staff members hired during transition. Minimum turnover among SMEs.
- New Public Dissemination System deployed in six weeks during the tail end of transition.

Keane is a global services firm that specializes in enabling transformation of its clients' business and IT functions.