



WELLS FARGO'S 401(K) BUSINESS BOOMS WITH SAS®

Sixfold increase in business achieved with fewer staff

Industry

Banking Financial Services

Business Issue

Manage \$1.8 million in 401(k) trades a month with a staff of six trade analysts.

Solution

SAS® merges daily pricing data with customer investment changes, automatically sends trades to each fund company and reconciles the results.

Benefits

SAS® automates the trading process and allows Wells Fargo to manage a sixfold increase in its 401(k) business.

Today, more than 62 million people throughout the United States save for retirement with 401(k) or related plans, according to the Profit Sharing/401(k) Council of America. Offering high contribution levels, flexible investment options and considerable tax benefits, the 401(k) is among the most popular options for retirement savings.

As a leading provider of retirement plans for small and large businesses, Wells Fargo has witnessed a 600 percent increase in 401(k) plans and a 670 percent increase in monthly 401(k) trade volumes in the past five years. Amazingly, the popular financial services company has managed this sixfold boost in business without additional trading staff. Thanks in part to a SAS application that automates a large part of the trading process, the bank now employs even fewer trading analysts than it did five years ago.

“We really couldn’t operate as a business and manage this volume of trades without SAS,” says Susan Willmert, Operations Manager in Wells Fargo Institutional Trust Services. Today, with SAS, the company’s 401(k) analysts complete more than \$55 million in trades per day and always meet their trade deadlines.

Automated trading becomes a snap

Online and via telephone, Wells Fargo’s 401(k) customers can make changes to their retirement plans until 3 p.m. daily.

After the market closes each evening, SAS gathers real-time pricing data from various fund companies and merges that data with the day’s trading activity, which Wells Fargo stores in its record-keeping system.

Next, SAS performs a series of calculations that compute and categorize the trade totals for each plan and fund combination. It then automatically generates and transmits trade requests to every fund company, most in omnibus format, which combines multiple trades for a single fund into one large trade.

“SAS works with the record-keeping system and other peripheral systems to automate the pricing for all of our plans,” says Jim Goethals, Technology Manager at Wells Fargo Institutional Trust Services. “This includes the balancing and the reconciliations between the trust system, the fund companies and our record-keeping system.”

Before using SAS five years ago, Willmert says analysts entered daily pricing data and trading activity into spreadsheets and completed each individual trade by phone or fax. Today, the whole process is automated. “We’ve really automated our systems to the point where we’re saving a lot of money,” she says. “We’re gathering data quickly and accurately. Plus, we know that we can meet our trade deadlines and virtually eliminate trading risk.”



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Wells Fargo Retirement Client Services Division

Management reporting saves time

Willmert and Goethals also use SAS Web-enablement solutions to develop a management-reporting application that provides recent trade information online. The application displays monthly investment activity, including distributions and trades, sorted by fund, participant and company.

“Our sales, marketing and relationship managers use these reports to complete

RFPs, to analyze growth, to answer customer questions and to make budgeting decisions,” explains Willmert.

Before using SAS, she and Goethals provided this type of information on request, but they had to extract data from the record-keeping system and create reports with Excel or similar spreadsheet programs. With SAS, management reporting is automated, so managers can access decision-making information any

time, day or night, and Willmert spends less time filling ad hoc requests.

Overall, SAS has helped Willmert and Goethals to build a complex and flexible system that allows Wells Fargo to maximize resources and expand its 401(k) business. “For both trade analysts and sales managers alike, SAS provides the information they need to do their jobs,” says Willmert.



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