

# THE PRINCIPAL FINANCIAL GROUP

## Developing a Portfolio Management Platform

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**Principal Financial Group (Principal)** is a \$668.6 billion global financial investment and insurance company. Principal Portfolio Strategies (PPS), an asset allocation boutique within Principal Global Investors, manages over \$120 billion in assets for its clients. PPS was eager to create a single platform to streamline its processes and data sources with the goal of increasing the customizability and scalability of its portfolio offerings.

PPS managed its portfolios in multiple systems across different locations. Due to the recent merging of the three strategies within PPS, there were many non-uniform and non-repeatable processes. The Portfolio Managers did not have a systematic way to find the necessary data in one system, which impacted the CIO's visibility into the portfolios of PPS. This lack of visibility inhibited the scalability and customization of client portfolios. The CIO wanted to increase PPS' competitiveness and generate a significant cost and time saving by improving its operations with a single unified portfolio management platform. To address this opportunity, the Tauber team first validated the need for this portfolio management platform by conducting a current state analysis using value stream maps. Next, the team worked to design a prototype. The team then gathered data and utilized Microsoft Power BI as the tool to build an initial prototype of the platform. Additionally, the team built a database to support implementation. Finally, the Tauber team documented their progress by creating a short-term and long-term workplan to ensure a smooth continuation of the platform development for PPS.

Based on the prototype, the team successfully demonstrated the potential impact of the platform. A fully functional version of this prototype will enable PPS to address problems pertaining to information clarity, efficiency, human errors, costs, quality of analysis, and scalability. As a result, PPS will be able to grow, create more custom portfolios, and scale its operations. The team's prototype is affecting the movement of over \$120 billion in assets under management. More importantly, other areas of Principal are now asking for a platform with similar functionalities to the team's prototype. In the long term, an opportunity exists to shape the entire \$668.6 billion company using the team's prototype design.