



# Making it work

TD Ameritrade invests in its own future  
with business process automation

by Leah Valentine  
5-minute read

When it's your job to protect and grow your customers' money, it's important to make a great first impression.

That's why TD Ameritrade, Inc. embarked on an enterprise workflow automation (EWA) project aimed at making the entire customer experience as engaging as possible. To accomplish this, the organization would have to modernize processes on the back end. Michael McGraw, Director of Enterprise Process Design, describes the challenge: "We had different and disparate workflow systems across the organization. If we wanted to compete and grow volume without increasing resources, we really had to take a hard look at ourselves and invest in automation technology."



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Straight-through processing for

97%

of new margin/option requests

Up to

70%

reduction in time required to open a new account

# A strategy for success

McGraw and his team met with the [IBM® Global Services – Financial Services Cognitive Process Reengineering](#) team to review their enterprise transformation goals. Together, the group built a strategy that would help TD Ameritrade enhance its operational workflow infrastructure through process reengineering, automation and systems consolidation. Ultimately, TD Ameritrade aimed to deliver more efficient and positive customer and associate experiences, while at the same time reducing its long-term technical debt and maintenance costs.

The transformation began in 2017 when TD Ameritrade re-platformed its retail imaging system and installed [IBM Operational Decision Manager](#) and



[IBM Business Automation Workflow](#) software. These products, now available as part of the [IBM Cloud Pak® for Business Automation](#) package, are designed to help customers orchestrate and automate complex workflows.

McGraw and the team began by focusing on a few key processes. “Our first major reengineering initiative was the institutional money movement process,” he explains. In the past, moving money between institutions

involved multiple handoffs, which led to many errors. The IBM Cognitive Process Reengineering team used IBM Business Automation Workflow software to help eliminate those issues by delivering system-generated, rules-based decisioning, along with automatic field validation.

“It went well,” says McGraw. “We got roughly a 40% reduction in processing time, which is a major lift for a large, resource-consuming process. It was a win that allowed us to say, ‘Hey, if we use this new tool as it’s intended, we could see huge productivity gains.’”

Building on that success, McGraw and his team set out to automate TD Ameritrade’s process for opening new accounts. The IBM software helped decrease the amount of manual labor required for these efforts by

consolidating multiple tasks into user interfaces and providing automated task routing and escalation. McGraw reports that these changes decreased new account processing time by 30% for the company’s retail business and in excess of 50% in its institutional division—both major improvements from a customer service perspective.

The team’s next target for automation and improvement was the process for opening new margin and option trading accounts. These are very profitable products for TD Ameritrade, but they require a lot of work behind the scenes. Says McGraw, “There was an extremely large team that was doing the work manually—looking in different systems for account balances and all kinds of things, going through all the rules to either approve or deny requests for new margin and option accounts.”

Once again, IBM Operational Decision Manager software brought about significant improvements. With the new solution in place, a staggering 97% of new margin and option requests went through immediately, and errors were virtually eliminated.

This new efficiency proved to be especially valuable when the COVID-19 pandemic struck. “When COVID hit, we saw huge amounts of market volatility and trading,” says McGraw. “The margin and option requests went through the roof—they really skyrocketed. Had we not already automated the process, we would have been in a huge bind because we would not have had the resources to go through and approve all of the requests that were coming in. That would have resulted in either terrible service levels or significant amounts of overtime.”

Instead, new and existing margin and option customers were able to open accounts rapidly, and customer service continued to be top-notch.

In late 2020, TD Ameritrade was acquired by Charles Schwab Corporation, which brought significant changes to McGraw and his team. One particularly intriguing aspect of the merger is Charles Schwab's interest in AI and machine learning. In fact, McGraw and his team are already discussing adding IBM Business Automation Insights software to the solution as a way to enable cognitive rule discovery and rule optimization—complex tasks in a highly regulated industry. “There’s a lot of potential in AI,” says McGraw. “We’re eager to see what it can do for us.”

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# Continued success

Even as the merger was under way, TD Ameritrade continued to expand the program across its retail and institutional lines of business, covering value streams including account maintenance, cash management, account transfers and more. These processes benefitted from the [IBM Intelligent Workflow](#) methodology, an end-to-end approach that incorporates content intelligence, workflow automation and enterprise rules to minimize human effort in managing customer requests, data entry and validation and manual decisioning.

More recently, McGraw and his team extended the EWA project to several branches in Asia Pacific. “We were able

to reduce the average processing time for opening a new account in Hong Kong by over 70%,” he notes.

By all accounts, TD Ameritrade’s EWA project has been a resounding success. In fact, the organization has been able to increase the number of accounts per employee by an average of 5% each year since the project began, which means that the organization has been able to grow its business and offer a better customer experience without having to expand its workforce.

Looking beyond the numbers, the solution also empowers users throughout the organization. As processes speed up and become

more efficient, customer service associates can focus on more valuable activities, such as building rapport with customers and identifying opportunities to grow individual accounts.

Business users, too, benefit from the solution as they enjoy a newfound ability to update processes without bringing in the technical team. As McGraw explains: “The technology was set up in a manner that allows the business owners to change and modify the rules on their own and take it out of the technology development cycle. That gives them a huge amount of agility and flexibility to change rules as the business requires.”

But most importantly, the solution offers TD Ameritrade an opportunity to make a great first impression with new customers, and to provide excellent customer service to existing clients. Says McGraw: “In the end, it’s about making sure our customers get the best service possible. And that’s what this solution is helping us do.”



### **About TD Ameritrade, Inc.**

Founded in 1971 and based in Omaha, Nebraska, [TD Ameritrade](#) (external link) is a brokerage firm that provides investment and trading services for more than 12 million customer accounts. With assets of approximately USD 1.2 trillion, the company employs more than 9,000 people and reported earnings of approximately USD 6 billion for fiscal year 2019. In October 2020, TD Ameritrade was acquired by Charles Schwab Corporation for approximately USD 26 billion.

### **Solution components**

- IBM® Business Automation Workflow
- IBM Cloud Pak® for Business Automation
- IBM Global Services – Cognitive Process Reengineering
- IBM Intelligent Workflow
- IBM Operational Decision Manager

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