



Case Study: Baker Tilly to expand its validation scope and improve model testing with Moody's



SUMMARY

Baker Tilly, a top ten advisory tax and assurance firm dedicated to delivering customized business solutions that drive sustainable growth, enhanced validation accuracy and efficiency by leveraging Moody's ALM US Solution. The platform allowed them to expand validation capabilities across ALM, CECL, MSRs, and liquidity. By incorporating these additional technology capabilities, Baker Tilly significantly enhanced the quality and accuracy of its model validation services by allowing for deeper model testing and strategic insights without adding resources.

CHALLENGE

Baker Tilly's model validation team faced limitations in its validation approach due to existing technology and manual testing processes. Without robust modeling application tools, the team required more time and resources than necessary to perform accurate and efficient validations with no challenger model. Their ambition to provide more sophisticated, high quality validations and deeper model testing was restricted by their existing setup, limiting the efficiency of validations performed.

SOLUTION

Baker Tilly's model validation team turned to Moody's solutions to strengthen validation accuracy and implement a full challenger model used to test their client's existing models. With Moody's ALM, they enhanced validation capabilities across multiple domains including ALM, CECL, MSRs, and investments. Unlike siloed tools, Moody's SaaS solutions offered flexibility and seamless integration across functions – improving efficiency.

RESULTS

The transition to Moody's ALM was seamless, supporting Baker Tilly's model validation team in serving larger institutions effectively. The platform reduced reliance on multiple templates, consolidating sometimes ten or more into one, and significantly streamlined processing. With fewer manual steps, the team shifted focus from data management to analyzing assumptions and results. As a result, Baker Tilly expanded its validation scope to include a challenger model to improve model testing. The firm now performs many more validations annually and is able to service larger institutions without adding staff. Processing time has been cut significantly, freeing up capacity for strategic analysis and more complex validations. By integrating liquidity, ALM, CECL, and MSR models, Baker Tilly gained a unified view of risk. This transformation reflects how the right technology and expertise can elevate validation processes and deliver deeper insights.

"Moody's ALM simplifies data management, allowing us to focus on key priorities—model risk management best practices, key assumptions, and model results. This efficiency supports our ability to validate and challenge larger and more complex models, making us more strategic and enabling business growth through advanced validations for our customers."

Sean Satz, Director – Risk Advisory Services, Baker Tilly

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