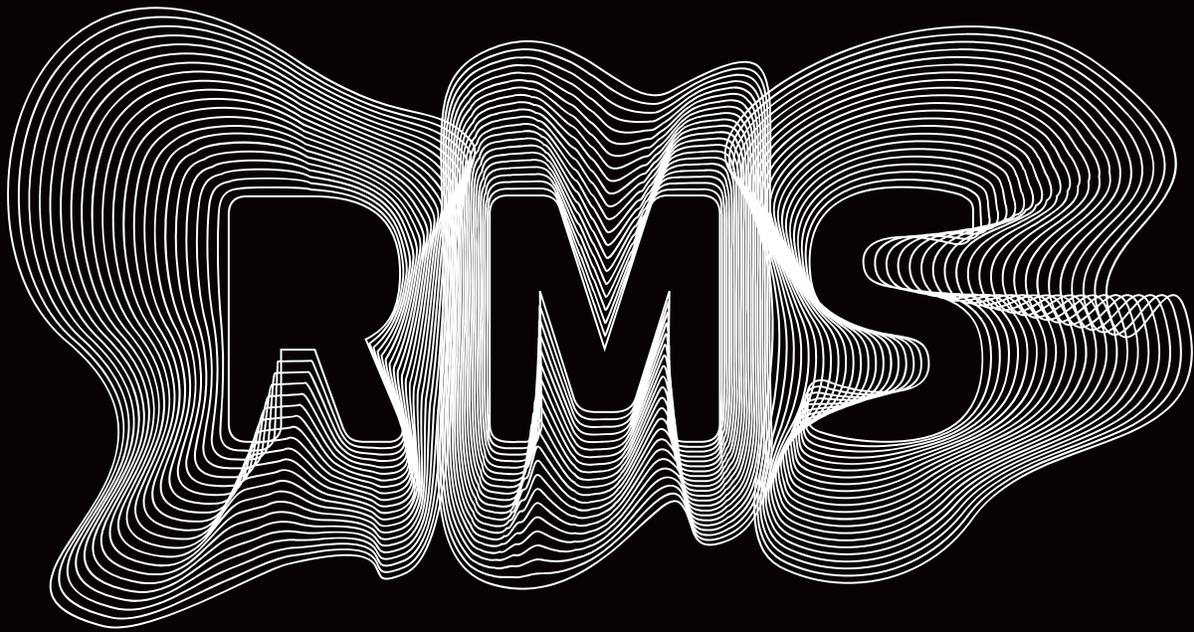


**ADVENT<sup>®</sup>**

# Research management solutions

A powerful tool for  
investment managers





**This document illustrates how a purpose-built research management solution, designed by and for investment professionals, supports the investment process in ways no generic file-sharing service can.**

# Coming of Age

Today's RMS systems are built with an in-depth understanding of what investment teams need and how they work. And they are designed to adapt to a firm's established processes and preferences, rather than requiring the firm to change its processes to adapt to the system.

Research management solutions (RMS) emerged over the past decade in response to the overwhelming volume of analyses, reports, statistical data, forecasts, and opinions that investment managers rely on to make decisions. Originally embraced as productivity-enhancing tools, they freed up investment teams to focus on analyzing and deliberating ideas by automating the more mundane, time-consuming tasks of collecting, organizing, and retrieving research data. Users soon found, however, that an RMS enabled them to collaborate more effectively, perform more rigorous due diligence in less time, and make better informed, more timely decisions.

More recently, in the wake of the financial crisis of 2008-2009 and the subsequent global wave of regulation, RMS has taken on added importance as systems of record for compliance. With regulators requiring more transparency and disclosure, and investors scrutinizing their managers' operations and processes, an RMS enables a firm to demonstrate its investment discipline and document the reasoning behind every buy, sell or hold decision.

For both competitive and compliance reasons, a systematic approach to

managing research has become essential. As Dushyant Shahrawat, Senior Research Director at CEB TowerGroup, observes: "Investment firms are rapidly realizing that research management solutions are no longer simply a 'nice to have.' Managing, sharing and archiving research information is a critical issue that impacts productivity, compliance with new regulations, and eventually investment performance."

Some firms have tried to find substitutes for RMS functionality—cobbling together solutions from email folders, desktop search, and shared drives, or relying on rudimentary note-taking, web-clipping software and online data storage. But such partial fixes are proving unsustainable. In a fast-paced market that leaves little room for ill-informed decisions, there is simply no comparison between generic solutions and a robust RMS that is purpose-built by and for investment professionals to support a disciplined investment process.

Investment ideas and the research data that supports them are a firm's intellectual capital. Success or failure hinges on a firm's ability to harness and apply that capital quickly and effectively. At traditional asset management firms, mutual funds,



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Dushyant Shahrawat  
Senior Research Director  
CEB TowerGroup

hedge funds, and private equity firms, technology solutions designed specifically for investment research management are increasingly viewed as mission critical.

How, then, does a firm or fund manager assess its research management needs and choose the best solution? This document is intended to help answer that question. It identifies the pain points in the research workflow that RMS must address and the functionality that is required to address them. It describes how a purpose-built RMS, in contrast to generic systems, supports the investment process and decision making. And it highlights the key features to consider when evaluating RMS solutions.

## The Challenge: Information Overload

Today's investment management business is more information intensive and research driven than ever. Portfolio managers, directors of research and analysts are swamped with information—email, earnings calls, web links, analyst reports, press releases, news alerts, and more. Moreover, the research process itself is

very different from what it was just a few years ago. Investment firms now produce more internal research, aggregating information from multiple sources and frequently farming out the analysis.

Managing research is all the more daunting when vital data is scattered across multiple systems and applications that are not designed to support the research process. Meeting notes live on an analyst's PC. An insight from a broker is buried in email. Research data from an independent provider resides on a shared drive. Contact information for a relied-upon industry expert is in the email address book. Earnings expectations are on the web.

This disjointed state of affairs not only impairs efficiency, it also impedes effective investment decision making. Teams can collaborate effectively only if every member has access to the same information, and key data is not stuck in one individual's files—or head. Investment professionals need an integrated approach to organize, synthesize, share, and analyze the detailed information that shapes their investment ideas. And they must be able to locate and retrieve any single piece of research quickly and easily.

While greater efficiency, cost savings, and more informed decision making are key drivers for an integrated solution to research management, today's marketplace also demands greater transparency, objectivity, and accountability. An organized approach to investment research is important for earning and sustaining investor confidence, as well as meeting more stringent disclosure regulations.

## RMS: Stemming the Tide

A research management solution (RMS) brings badly needed order to this flood of information. It provides the means to centralize all research-related information electronically and organize it around the firm's investment processes and preferences. It allows easy access to all the information related to any particular investment idea. Designed specifically for front office workflow, an RMS enables investment professionals to search a dedicated database and quickly retrieve information without missing any research detail. And it facilitates the sharing of information and collaboration among groups and offices.

## RMS Benefits for Research Analysts

- > Work smarter, shift focus quickly, and efficiently manage more ideas
- > Find research or contacts by idea, ticker, industry, region, deal, analyst, or source with a single click
- > Filter large data sets quickly for relevant information using powerful search tools
- > See the progression of investment theses over time

According to analysts and portfolio managers who have made it part of their process, one of the main values of RMS is that it enables them to “work smarter.” They can spend more time exploring ideas and applying their cognitive reasoning skills—and less time trying to remember where they stored a piece of data or the details of a call. Ultimately, RMS helps firms make quicker and better-informed investment decisions.

RMS can be leveraged across the professional spectrum. It enables:

- > **Analysts** to develop their investment ideas, quickly retrieve all the information on a ticker or topic with one click of their mouse, and maintain their focus.
- > **Portfolio managers** to stay current on the firm’s activity and view internal research in real time.
- > **Directors of research** to gain a holistic view of the entire firm’s research activity.
- > **Teams** to collaborate effectively on investment opportunities.

- > **Firms** to maintain the security of their proprietary information and intellectual property.

## How RMS Works

Simply stated, the objective of RMS is to bring structure to unstructured data. RMS provides not only a place to store the data, but also a means of organizing, categorizing, and accessing it.

A research management system creates a shared research workspace for front office investment professionals. It provides an easy mechanism, such as a toolbar button, for transferring files built in standard applications such as Microsoft Word, Excel, PowerPoint, Outlook, and others. Users can save meeting notes, emails, contact information, models, investment theses, proprietary research, calendar events, broker research, and news—usually with just a simple mouse click.

All of a firm’s research-related information, contacts, calendar appointments, and websites are readily available in the RMS repository. In the most advanced systems, portfolio managers and

analysts can access in-depth information anytime, anywhere they have a computer connection—even from mobile devices. Information can be searched and retrieved by a variety of criteria: ticker symbol, portfolio name, investment theme, source, sector, or country.

## Key RMS Benefits

- > **Organizes information.** RMS eliminates the confusion of having critical pieces of information spread among multiple systems. Built specifically to support the research process, RMS provides a central repository for research and allows the firm to classify it according to its needs.
- > **Standardizes the research process.** RMS enables a firm to establish its own “best practice” checklist of research activity and resources, and integrate research more systematically into the firm’s investment process.
- > **Streamlines front office workflow.** RMS integrates the research-related activity of analysts, portfolio managers, and support staff on a single platform for the

# Generic software cannot match an RMS for speed, flexibility, and robustness, nor does it demonstrate the kind of discipline that investors and regulators look for in investment managers today.

seamless exchange of information.

- > **Promotes collaboration.** RMS enables teams to work more effectively on research projects by making all information accessible to all parties. It facilitates the sharing of ideas, as well as the rapid dissemination of new information.
- > **Maintains knowledge base.** The research management system becomes the firm's "institutional memory" and reduces reliance on any one individual to produce (or remember) critical data. It's especially valuable as key employees leave the firm or are replaced.
- > **Enhances compliance.** The cornerstone principle of securities regulation is that a firm must act in the best interests of its clients. A standardized research process supported by RMS demonstrates to regulators that the firm is exercising due diligence and can support its investment decisions with appropriate processes and information.
- > **Improves investment decision making.** By making it easier for analysts and portfolio managers to access all their

research quickly and efficiently, RMS enables them to review more data in a short time and make more thoroughly informed, better documented decisions.

## The Purpose-Built Advantage

While many firms appreciate the value of technology and automation to support the research process, some have sought to make do using standard workplace tools such as spreadsheet software, email folders, shared folders, desktop search or cloud-based data storage and synch. Recent years have also seen a proliferation of software for making and storing notes or clipping and sharing items from the web.

For the specific needs of investment decision makers, such generic solutions will never deliver the performance of a purpose-built RMS. They lack the flexibility and functionality that enables an RMS to be integrated smoothly into a firm's investment process. File servers and online drop boxes, for example, have rigid file structures that require users to know the precise name and location of a file in order to find it. An RMS, in contrast, allows users to add tags and custom fields to

information that makes it easier to search and find.

Desktop search tools will search an entire hard drive without any sense of context, which not only slows the search but is also likely to yield extraneous results. RMS search functionality focuses on the RMS database and uses sophisticated filtering to accelerate results with greater precision. In the more advanced systems available today, graphical relationship "trees" can display interesting connections among entities in the database that would otherwise go unseen with basic search tools.

Note-taking software and cloud storage may be fine for inputting qualitative data—meeting notes, for instance. But only an RMS can integrate qualitative with quantitative data—earnings forecasts, price targets, models. An RMS also allows users to create reports and generate summary views on the fly. It would, in fact, require a cumbersome patchwork of systems to replicate the functionality found in a single RMS, and it would still fall far short of a true RMS in performance, robustness and scale.



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## RMS Benefits for Portfolio Managers

- > Instantly access all active ideas and historical research
- > Search quickly across all internal research for relevant information
- > Collaborate with teams in international locations
- > Single click to latest model or thesis
- > Receive automatic notification of high priority content

The original RMS systems were created by experienced research analysts and investment industry programmers, and the technology has evolved based on years of user feedback. Today's systems are built with an in-depth understanding of what investment teams need and how they work. And they are designed to adapt to a firm's established processes and preferences, rather than requiring the firm to change its processes to adapt to the system.

### Buy or Build? Proprietary versus Third-Party Solutions

Once it becomes clear that a dedicated RMS is superior to generic software, firms may next want to weigh the pros and cons of buying versus building their own systems. Investment firms consider their research processes proprietary, and may believe that building their own RMS is the only way to get "exactly what we want"—especially if they have the in-house IT talent and financial wherewithal to do it.

In fact, however, more than 90 percent of the core labor performed by an RMS is universal. And the best systems on the

market will allow for a certain degree of customization and optimization, whether by IT consultants or in-house developers.

#### Pros and Cons

An in-house system development project is a long and costly process with a high risk of failure or falling short of management expectations. Third-party providers, on the other hand, have already invested the money, time and labor, and have validated their solutions in real-world situations. In-house system development also diverts staff and resources from essential operations and core competencies. With something as complex as RMS, extensive involvement of research analysts and portfolio managers is required, diverting them from the activity that generates revenue for the firm.

In addition, there is an opportunity cost associated with the delay in implementing an RMS. Time to deployment is considerably longer when building a system from scratch, compared to installing one. Configuring the system to a firm's specifications, working out the bugs and achieving stability all take longer too. And that doesn't begin to address ongoing maintenance, enhancements and upgrades.

#### The Best of Both Worlds

In short, given the availability of proven research management solutions on the market, and the emergence of best practices around the research process, it makes little sense for investment firms to invest the capital, time and human resources necessary to develop an in-house RMS. Instead, firms that have certain proprietary practices should look for an RMS that has the flexibility to accommodate their needs, and thereby achieve the best of both worlds—a solution that adheres to industry best practices while satisfying truly unique requirements.

### Evaluating RMS Software

To support the investment research process, an RMS has to be much more than a basic data storage and retrieval system. When comparing the various solutions available, here are some important considerations:

- > **Ease of use.** The software should be sufficiently intuitive to minimize the learning curve and get up and running quickly. Busy investment professionals

## RMS Benefits for the Firm

- > Protect proprietary intellectual capital with a highly searchable, central research library
- > Improve compliance and increase investor confidence by providing reasoning and research behind investment decisions
- > Improve idea generation by leveraging research assets across the enterprise

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should be able to capture, store, search, and retrieve data with the click of a mouse.

- > **Integration with existing systems.**

The RMS should be easily integrated with standard business applications used to produce, display, distribute and search information: word processing, spreadsheets, presentations, email, web browsers. And it will deliver greater efficiency if it can integrate seamlessly with a firm's core portfolio management and trading platforms.

- > **Flexibility.** Users should be able to classify and retrieve information by any of a number of criteria.
- > **Searchability.** All content should be fully searchable to speed the data retrieval process and assure that critical data is not overlooked.
- > **Scalability.** A system must be capable of handling an exponentially increasing volume of data without compromising retrieval and response time.

- > **Enterprise grade.** Critical for larger organizations, an RMS should offer a proven performance record in similar enterprises with high user counts, extensive system demands, large technical staffs, and organizational structures.

- > **Remote accessibility.** Remote accessibility via laptops or mobile tablets is key for today's busy professionals who are often travelling or meeting at client sites.

- > **Reporting.** The system should offer a wide range of management reports, as well as customized reporting capabilities.

- > **Customization.** An effective system should allow a firm to create its own custom reports, applications, and templates.

- > **Security.** The system should have built-in safeguards to protect a firm's proprietary investment information and research. Firms may also want the flexibility to restrict access to certain data only to certain groups.

- > **Deployment options.** Depending on your IT strategy, you may prefer to have the system installed in your offices or hosted in the cloud to reduce your IT footprint and maintenance requirements. Look for a provider that offers the choice that suits your preference.

- > **Support.** The system should be backed by knowledgeable, responsive support via phone, email, web meeting, and desktop sharing.

- > **Vendor viability.** Does the provider have the track record and resources to assure you that it will be there to support your RMS for the long term and that it will continually reinvest in enhancements to the solution?



# Putting it all together

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## RMS as a Competitive Differentiator

Over the past three decades, technology has increased the capacity of investment firms to handle an ever-growing volume of assets, portfolios, and transactions, while streamlining complex processes and accelerating the pace of execution. Today, the benefits of technology have extended into the realm of managing research, enabling high-value employees to apply their skills and judgment more effectively to the pursuit of superior results.

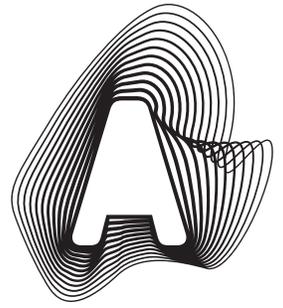
Firms that make the strategic move to a research management solution stand to realize significant benefits: replacing tedious manual data collection and collation with automation; freeing staff to focus on decision making and client service; centralization of critical research data and standardizing the research process; improved compliance readiness and investor confidence; and more thorough and accurate due diligence, leading to better informed investment decisions.

For firms that want and need to achieve these goals, there is no substitute for a purpose-built RMS. Generic software cannot match an RMS for speed, flexibility, and robustness, nor does it demonstrate the kind of discipline that investors and regulators look for in investment managers today.

A true investment research management solution enables teams to process data more efficiently and to collaborate more effectively, making better informed decisions for the benefit of the firm and its clients. In an increasingly competitive and demanding market, an RMS is an essential tool for gaining and sustaining a differentiated advantage.

## About Tamale RMS®

Tamale RMS®, the market's leading research management system, centralizes a firm's research and enables investment professionals to spend less time searching for information and more time capitalizing on their ideas. Tamale RMS® brings efficiency and organization to a firm's research and compliance processes and can be tailored to the varying workflows of each firm to maximize ease of use and adoption. Tamale RMS® is used by thousands of investment professionals around the world and can be accessed anytime, anywhere—from the desktop or on the road. For more information on Tamale RMS® from Advent, visit [www.advent.com](http://www.advent.com)



## Who We Are

Over the last 30 years of industry change, our core mission to help our clients focus on their unique strategies and deliver exceptional investor service has never wavered. With unparalleled precision and ahead-of-the-curve solutions, we've helped over 4,500 firms in over 60 countries—from established global institutions to small start-up practices—to grow their business and thrive. Advent technology helps firms minimize risk, work together seamlessly, and discover new opportunities in a constantly evolving world. Together with our clients, we are shaping the future of investment management. For more information on Advent products visit [www.advent.com](http://www.advent.com).

## Join the conversation



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