

Case Study

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Glenn Murphy, Chief Operating Officer, Stonehage Fleming

PROFILE

Client: Stonehage Fleming

Location: HQ in London, with 11 offices in eight jurisdictions

Description: Leading independently-owned, multi-family office helping more than 250 wealthy families, individuals, and charitable endowments manage their wealth and protect their legacy

AUM: Advises on more than US\$55 billion of assets

BACKGROUND

- Needed a harmonized, more scalable global IT infrastructure following the merger of Stonehage and Fleming Family & Partners
- Wanted to replace in-house portfolio modeling and rebalancing processes to optimize the management of clients’ portfolios
- Sought to improve data quality across the organization

SOLUTION

Advent Portfolio Exchange® (APX), Moxy®, Advent Genesis, and Advent Rules Manager®, plus Advent Outsourcing Services

When Stonehage and Fleming Family & Partners joined forces, the combined firm faced the same challenge many merged entities do: how to create a unified, efficient operating infrastructure that would allow the new organization to maximize the benefits and opportunities of coming together. The answer, says Stonehage Fleming Investment Management Chief Operating Officer Glenn Murphy, was to bring in SS&C Advent.

The merger brought together two high-quality investment management lines of business. But its in-house built technology platform wasn’t sufficiently scalable to accommodate both business lines and achieve the harmonization Stonehage Fleming wanted in the way it managed its business and clients’ money.

Stonehage Fleming therefore turned to the integrated combination of Advent Portfolio Exchange (APX), Moxy, Advent Rules Manager, and Advent Genesis.

“Choosing SS&C Advent’s product suite was recognition that its offering is both leading-edge and mature, and meeting our business needs for scalability and harmonization,” says Murphy.

Easy Portfolio Modeling and Rebalancing with Advent Genesis

One of the biggest draws for Stonehage Fleming was the Advent Genesis system, says Murphy.

Genesis is a cloud-based portfolio construction and rebalancing solution that enables portfolio managers to manage models, rebalance accounts, manage portfolio “drift”, and adjust strategies quickly and efficiently. When combined with Moxy, it gives firms a seamless path from trading decisions to trade creation and execution.

“Genesis was one of the strongest selling points of the SS&C Advent product range,” says Murphy. “As we move towards more of a funds-based business model, we wanted a market-leading solution that would allow us to model and rebalance portfolios in an optimized and efficient manner, and that could maximize our ability to manage our clients’ portfolios. And because Genesis is a cloud-based solution, it de-risks some of our onsite footprint requirements.”

“The relationship with SS&C Advent is really important to our business. We see it as a winning, scalable partnership.”

While Genesis has already delivered some early portfolio modeling efficiency wins, one key advantage for Murphy has been SS&C Advent's ability to engage with Stonehage Fleming's development requests and bring those into the Genesis roadmap. One requirement was for an enhanced 4-eyes, maker-checker trading approval process. Another has been to develop added cash management features.

"We're seeing enhancements released for the Genesis solution on an almost monthly basis. They're rolled out very efficiently overnight, so the upgrade is ready to serve our clients in the morning. The continual investment ensures the feature set is well-maintained and regularly enriched. That type of agile responsiveness around the product is a real plus for us."

Integrating the Entire Trading Process

While Advent Genesis was the primary initial attraction, just as important was a scalable system infrastructure that would integrate seamlessly together.

"The tight integration between Genesis and Moxy was a key driver behind our selection decision," says Murphy. "Moxy is a leading trade order management system. It ensures our trading processes are consistent and meet industry standards, so it's a solution that brought us a lot of confidence."

Another advantage is Moxy's connectivity to Bloomberg's FIX broker network, as well as a number of other third parties, notes Murphy. With a number of funds on the system, and some that are fast-growing, "Moxy gives us the scalability to trade with different houses and provide that level of management."

Completing the Integrated Processing Chain with APX

The natural integration between Moxy and APX similarly made the portfolio management system an obvious choice, says Murphy.

"APX is a strong, standardized system. In particular, we needed scalability around our custodian connectivity, to have a solution that could work with the 20-plus custodians we use. APX has been able to accommodate that robustly."

Enhanced Data Quality and Reporting Keep Clients Happy

APX isn't just delivering internal efficiencies either. Adopting a more standardized solution suite has enabled Stonehage Fleming to boost the data quality within its systems, ensuring portfolio managers and clients get the information they need quicker. When combined with APX's enriched reporting toolset, the benefits have been significant.

"APX offers a large library of out-of-the-box, white-labeled reports that have been very important in providing clients with valuable portfolio analytics" says Murphy. "And because we have enhanced our data quality throughout the firm, we can be very confident in the reports we deliver."

Boosting Efficiencies and Quality with Operational Services

Along with entrusting its system needs to SS&C Advent, Stonehage Fleming is handing off its custodial data management and reconciliations workload to Advent Outsourcing Services (AOS). The co-sourcing

BENEFITS

- SS&C Advent solution suite provides greater scalability and process harmonization to maximize efficiencies and reduce risk across Stonehage Fleming's global operations
- Portfolio modeling and rebalancing is faster and easier, and includes robust trading approvals
- Trading flexibility and scalability can accommodate growing volumes
- More efficient and scalable reconciliations processing, resulting in better quality data
- Improved client servicing through faster, more responsive reporting

arrangement, in which AOS acts as an extension of the Stonehage Fleming team, provides valuable extra operating capacity and flexibility, and frees Stonehage Fleming to focus on its core activities.

"One of the most labor-intensive activities within operations is reconciliations," notes Murphy. "The staff footprint for an in-house reconciliation service is quite high. For us, it was important to have a service provider with the skills and understanding of financial data. When combined with the knowledge of its own systems, SS&C Advent offered strong synergies. The outsourcing service is responding to our needs, providing scalability for our business, and ensuring data quality is of the highest standard."

"The continual investment ensures the feature set is well-maintained and regularly enriched. That type of agile responsiveness around the [Genesis] product is a real plus for us."

Smooth Global Implementation

Stonehage Fleming is implementing the SS&C Advent solutions and services in the UK initially, after which they will be extended globally.

“London will serve as the central hub and operating template, enabling the rest of the investment management business to standardize on a consistent platform and common operating model to maximize efficiencies,” notes Murphy.

Subsequent phases will see the platform rolled out to Stonehage Fleming’s offices in Zurich, Jersey, and Cape Town.

“SS&C Advent has supported us through the implementation every step of the way,” Murphy adds. “I’ve undertaken

implementations with SS&C Advent in previous roles over many years, and they always appoint strong experienced consultants to lead the implementations. They are very conscious of deliverables, budgets, and timeframes too.”

The implementation teams have also put forward realistic and sensible proposals, and managed the right balance of resourcing requirements, says Murphy. “The engagement has flexed up and down to meet the needs of our business, which has been great. The close contact we had with the Genesis development team in particular has been very positive. They’ve been pragmatic and agile in responding to our needs, enabling a fast and smooth build out of our additional requirements.”

Driving Business Success

While the global rollout is still in its early phases, Stonehage Fleming is already seeing tangible benefits, including an increase in trading diligence. Going forward, harmonizing how the front office uses the new systems should lead to further gains. Overall, when combined with implementation of a new target operating model, the firm expects to achieve a 12% return on investment on the project.

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