

Case Study

“We can be much more efficient operationally by utilizing Advent Outsourcing Services.”

Patrick Cunningham, Operations Manager, Ativo Capital Management

Ativo moves to Advent Outsourcing Services with APX in the cloud

The name “Ativo” implies “active,” and that is how Ativo Capital Management describes itself: Actively investing worldwide. More than 80% of the firm’s approximately \$2 billion AUM as of 2017 is invested outside the US, on behalf of an institutional clientele that is entirely domestic.

Launched in 2001, Ativo originally used SS&C Advent’s Axys® for portfolio accounting and reporting. The firm later switched to a competitor, but by 2015 found itself outgrowing that system. “Primarily, we needed a more powerful portfolio accounting engine that could handle a greater variety of transactions, especially international,” explains Operations Manager Patrick Cunningham. “We also needed better performance measurement

capabilities. We’re GIPS compliant, so we need to be able to track composites and prepare performance files.”

A robust reporting engine was also a necessity. “Our clients are large institutions who are very specific about how they want their information formatted and presented,” Patrick says.

Those requirements led Ativo back to SS&C Advent— only this time to Advent Portfolio Exchange. APX has delivered on Ativo’s needs for true multi-currency accounting, composite management and customizable reporting. “We have the ability to create our own reports, modify them as needed, to include local and foreign currencies, and to slice and dice the data differently for different clients,” says Patrick. “With APX, we are better able to get reports out in a timely, efficient manner.”

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PROFILE

Client: Ativo Capital Management, LLC

Location: Chicago, IL

Description: Institutional Asset Manager with a focus on international investments for US clients

AUM: \$2 billion

BACKGROUND

- Firm was outgrowing its prior portfolio management system
- Needed a solution with strengths in multi-currency accounting, GIPS-compliant performance measurement and customized reporting
- Prefers to maintain a small technology footprint and lean team

SOLUTION

- Advent Portfolio Exchange® (APX), cloud delivered via Advent Outsourcing Services
- Outsourced operational services, including daily reconciliation and data management

Outsourcing increased efficiency and boosts the bottom line

Another attraction of APX is the ability to have it deployed in the cloud through Advent Outsourcing Services, rather than in Ativo's offices. "The rationale for outsourcing was a very simple one," Patrick explains. "We're a small firm. We try to be personnel light where possible and appropriate. Therefore, we have elected to outsource a number of products and services that we utilize."

The firm prefers a light IT footprint, too. "Why would we want to buy a server and maintain updates, patches and backups? We'd rather rely on the Advent team's expertise. They know the products better than we do. They manage the exact same thing for dozens of clients, and they can manage it much more efficiently than we can."

Ativo also has dedicated team from SS&C Advent performing back office services, including daily reconciliation and data management. "It's more efficient having Advent collect all of our custodial data and post the majority of transactions directly to our client files before we open in the morning, leaving us with only a small number of exceptions. Advent has been great at filtering that information and posting only what we need."

Outsourcing helps the in-house team to be more productive and focused, Patrick points out. "It has definitely allowed us to have a much more streamlined operational staff and to assign individuals to higher-value tasks, rather than reconciliation and running reports," he says. "Our operations are fairly complex, but the Advent team really knows our business and they've been very effective."

Collaboration leads to a smooth migration

Changing core systems and transitioning essential functions to an external provider is never an easy task. But Patrick lauds the high level of collaboration between his team and SS&C Advent's Professional Services. "The implementation team was great in two respects. One, strong project leadership. It really requires someone who has done this type of implementation numerous times and could keep us out of the pitfalls. And two, the documentation was outstanding. We can easily go back and see what we did and why we did it at any time."

Key to the success of the migration was the ability of APX to integrate with other vendors' systems within Ativo's investment platform, notably its third-party OMS. "SS&C Advent has added value in having good relationships with other vendors for the benefit of the client," Patrick says. "That definitely is a huge benefit to us."

For any firm considering a major system migration, Patrick advises, "Make sure that you have someone internally whose primary job is to make the transition go smoothly. It just makes for better communication if you have a gatekeeper who owns the project, and all the questions and answers go through that person."

As for the outsourcing experience? "I would never go back to an in-house environment," Patrick says. "We can be much more efficient operationally by utilizing Advent Outsourcing Services. We get dedicated daily support and very responsive service. For firms that have an operations staff that spends hours reconciling and posting data to accounts, this is really an opportunity for people to retool, to focus on the needs of the organization, and to be more involved in servicing clients."

BENEFITS

- Enables seamless accounting for international investments
- Provides custom reporting capabilities to meet demands of institutional clients
- Ability to maintain and track composites for GIPS compliance and verification
- Allows in-house operations team to focus on higher-value tasks
- Eliminates need to maintain and upgrade critical technology

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