

MoneyTree Case Study

Client Profile

We are a specialist fund of hedge funds provider who takes pride in consistently winning industry awards for our funds. We currently have over 4,000 clients invested in 13 funds offering in total 45 share classes with in excess of US\$3bn under management.

Pre MoneyTree Implementation

Pre Moneytree we maintained a record of clients' investments in an internally developed Access database in order to calculate trail commissions to IFAs, rebates to clients, and commissions payable to internal staff. However in 2006 we decided to look for a new solution due to the following factors:

- Continual growth in business meant a greater number of users needing to access the system from both London and Guernsey, which required a correspondingly greater degree of control on user rights and audit trails
- Commission calculations were becoming ever more complex and difficult to incorporate into our existing model
- A need to accrue for commissions becoming payable to an IFA once they reached a threshold in terms of business introduced
- A desire to maintain a greater degree of control on the profitability levels for each client once assorted commissions and rebates had been deducted from our management fees.

An IT consultancy company who were helping us with the implementation of a new portfolio management system at the time suggested that we take a look at Moneytree, and after a workshop we decided to contract with Rapid to expand the existing Moneytree functionality so that it would meet our needs.

Specification, Development and Delivery

It was decided to split the delivery into two stages, the first covering the commission and rebate calculations, the second reconciliation of month end positions to the administrator's records. This approach made it much easier for us to prepare for testing and the upload of historical information, and it also allowed us to start receiving a return on investment as early in the project life cycle as possible.

For each stage a series of meetings lead to the production of a specification written in user friendly language that we felt comfortable to sign off on. Regular reviews were held during the development process so that we could monitor progress and minor tweaks in functionality could be incorporated with minimal disruption.

Rapid also helped us with the preparation of reference and historical data ready for import. While this initially appeared to be a daunting task, we found that after the first fund we quickly fell into a relatively simple process which had the added benefit of forcing us to double check the accuracy of our current data before uploading it.

For each stage we carried out a parallel run to ensure that the calculations from Moneytree were accurate and that our staff were familiar working with the new system. We then moved pretty seamlessly into a live environment.

Post MoneyTree Implementation

Moneytree has allowed our business to continue expand in terms of both volumes and complexity without a correspondingly large increase in costly head count. We also feel much more secure in being able to understand the financial implications and to properly administer the agreements with IFAs. There have also been unexpected benefits in being able to use Moneytree in the reconciliation process when we transferred the administration of our funds.