

# CLIENT CASE STUDY

## Profile

**Client:** Lapidex Asset Management LLC

**Description:** RIA firm focused on small cap equity portfolios

**AUM:** \$267 million as of June 30, 2009

## Background

- ▶ Burdened by time consuming manual processes.
- ▶ Needed a portfolio accounting system that could be maintained by existing staff using existing IT infrastructure.
- ▶ Needed all historical data housed in the existing system.

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*Jim Betz, Chief Operating & Compliance Officer, Lapidex Asset Management*

## Lapidex Saves Time and Cuts Costs with APX through Advent OnDemand<sup>SM</sup>

Lapidex Asset Management takes its name from the Latin for “stones”; its philosophy is to “leave no stone unturned” in the search for investment opportunities. “We not only apply that logic to picking securities, but we’re always looking for the best solution for everything,” says Jim Betz, Chief Operating Officer and Chief Compliance Officer. “We make sure that we’ve turned over every stone.”

This was true when Lapidex decided to look for a better portfolio management solution. “We were originally using a solution that required a lot of maintenance,” Mr. Betz says. “We had to make sure that the security master file was always up to date, or that dividends were being paid properly, and it was quite laborious. We also had to upload all our transactions to the custodians manually, which took quite a few hours of a person’s time each day.”

At the same time, the 10-person firm did not want to be diverted by IT issues. “We’re a small shop,” says Mr. Betz. “We don’t have the infrastructure to accommodate a system of any serious magnitude in-house.”

## The Solution: Advent Portfolio Exchange (APX) through Advent OnDemand

Lapidex clears through Pershing, which offers the online, hosted version of Advent Portfolio Exchange as part of its RIA solutions platform. “Pershing actually introduced me to APX,” says Mr. Betz.

APX is the enterprise portfolio management solution that links portfolio managers and operations staff on a single platform. The outsourced version offers all the sophisticated functionality of APX, including:



## Solution

Advent Portfolio Exchange® (APX) through Advent OnDemand<sup>SM</sup>:

- ▶ Delivers comprehensive, leading-edge portfolio management functionality in an outsourced solution.
- ▶ Full library of standard reports plus custom reporting capabilities.
- ▶ System maintained by Advent.
- ▶ All historical data fully converted.

## Benefits

- ▶ Lowers IT overhead with outsourced solution.
- ▶ Reduces operating costs with increased automation.
- ▶ Improves reporting capabilities.
- ▶ Allows access from any location.
- ▶ Improves disaster preparedness with system housed offsite.

- ▶ Fast and easy access to portfolio data for decision making.
- ▶ Automated generation of a wide range of reports.
- ▶ Performance measurement and analytical capabilities.

...but without the need to add IT infrastructure or support staff, or worry about system maintenance and upgrades. Advent takes care of all that.

"Advent got us up and running on APX in just a few months," says Mr. Betz. "The whole experience has been fantastic."

## Secure Hosting, Anywhere Access for Disaster Recovery

An outsourced portfolio management solution, especially one as advanced as APX, has a great deal of appeal for a growing firm. "It's a web-based system, unlike our old system that resided on a server here," Mr. Betz explains. "That gives us the ability to access the system from anyplace in the world—which is very helpful not only from the standpoint of client services but also for a disaster recovery program."

If something went wrong at headquarters, he says, the firm would not miss a day of service. "Before, everybody at Lapidex had a VPN into a disaster recovery server in Minneapolis, and we had our previous accounting software on that system. We no longer have to have that."

## Smooth Conversion of All Historical Data

In a system migration, many firms opt for selective conversion of data from the old system to the new one. Lapidex, however, was an exception.

"Since our performance history only goes back to August of 2005, it was really imperative that we have all of our historical information," Mr. Betz explains. "We discussed just doing a lot-by-lot conversion and starting fresh. But we do a lot of historical analysis on our portfolios, so that was not an option."

Advent's solution consultants rose to the challenge. "The implementation team really helped us with the whole process. We probably transferred about 15,000 lines of transactions—buys and sells, income, and so on. It was a full data conversion."

The Advent team analyzed Lapidex's data and determined the best way to convert it. "The due diligence in the data conversion was really remarkable in that our margin of error was less than 3%. So it was quite an amazing feat, in my opinion."



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## Saving Time and Aggravation— And Money

Mr. Betz has noted a number of operational improvements since moving to APX, including:

- ▶ Managing security masters: “Migrating to APX has really saved us a lot of time and aggravation since we are no longer responsible for the day-to-day maintenance of the security master file.”
- ▶ Uploading transactions for reconciliation: “We used to have somebody go into the system at 5:30am every day and do the interfaces. That was alleviated by the implementation of APX, and we’ve saved a few hours a day, which is significant.”
- ▶ Superior reporting: “Advent’s reporting is much better than what we had before, and the ability to export to Excel makes everybody’s life a lot easier.”

Of course, leaving no stone unturned, Lapidex also looked at the bottom line impact of switching to APX in an outsourced environment with Advent. Mr. Betz’s conclusion: “I believe the system itself is lower in price than what we had before, or at least comparable. But Advent’s web-based version of APX has also reduced our operating costs, making us a much more efficient operation.”



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