



REGISTERED INVESTMENT ADVISOR CASE STUDY

Asset Dedication - Mill Valley, California



About Asset Dedication

Founded in 2002 as a consulting firm, Asset Dedication transitioned to a portfolio engineering firm for independent financial advisors in 2007, and became supported by BondDesk to offer sub-advisory services in 2009.

Location: Mill Valley, CA

Services Provided: Sub-advisory outsourcing of fixed income portfolio management for RIAs

Assets Under Management: \$60 million

Advisors: 15

Employees: 7

Investment style: Liability-driven investments

Target clients: Financial advisors

Target portfolio size: \$100K+ to \$1M+

Client Relationship Management (CRM) system: Microsoft Dynamics®

Portfolio Management System (PMS): Tamarac®

Advisor Portal: Advisor Space®

Website: www.assetdedication.com

INTRODUCTION

As part of our ongoing commitment to solving the operations and business management challenges of the financial services industry, Laserfiche is pleased to present the second in a series of white papers specifically developed for independent Registered Investment Advisors (RIAs). Using real-world examples, this series shows how adopting an agile enterprise content management (ECM) strategy maximizes existing technology investments through ease of integration and reduces operational redundancies and inefficiencies.

This second paper in the series analyzes the use of an agile ECM strategy by Asset Dedication, an independent RIA and consulting firm that has recently commenced providing portfolio management services to advisors. This paper traces both the need and vision for the fully-integrated technology platform employed by the firm, as well as the cost savings and operational enhancements obtained from leveraging Web-based PMS and CRM systems with Laserfiche. These combined technologies provide an intuitive, seamless user experience while automating day-to-day business processes and long-term information life cycle management.

We invite you to learn more about how Laserfiche agile ECM can enhance your existing technology investments by visiting www.laserfiche.com/advisor to register for an upcoming Webinar.

THE NEED

Brent Burns and Stephen Huxley founded Asset Dedication, LLC in 2002 with an innovative notion: that the liability-driven investment portfolios common in the institutional world could be engineered for individuals according to their specific income needs. Prior to 2009, however, the firm's focus was limited to advising other advisors, because the technology simply did not exist to create individualized portfolios cost-effectively. "We were technologically constrained," Burns explains.

In 2009, advancements in the processor technology shortened calculations from days and hours to minutes—even seconds. This new capability, coupled with the support of BondDesk Group, LLC, gave Asset Dedication the opportunity to transition into a full-service sub-advisor offering individualized portfolio management to RIAs. "We've been able to leverage technology to take a very complex process and make it very intuitive to use and understand," says Burns. "We've developed a way to do what a pension fund does, but tailored to individuals based on their needs. And we do it all in a very predictable way."

In order to make this transition, Burns realized, the emerging firm would need to leverage business technology to make those same complex (and costly) processes intuitive and easy to understand in order to minimize both operational and risk management costs. As Burns puts it, "As a growing company, technology was the way to get more done with a smaller headcount."

Burns consulted Joel Bruckenstein, founder of Technology Tools for Today (T3), a multi-media practice management resource for the financial services industry. "We climbed the mountain and went to the guru," Burns says. "Joel really had the vision. He said, 'You guys could be a virtual firm,' and the idea of a 'virtual firm' really resonated with us. Joel's thinking was that we couldn't afford to work with paper. We wanted to keep our fees low enough that we'd be extremely competitive—we're less expensive than 90% of bond funds. To achieve that, manual processes just weren't going to work."

THE SOLUTION

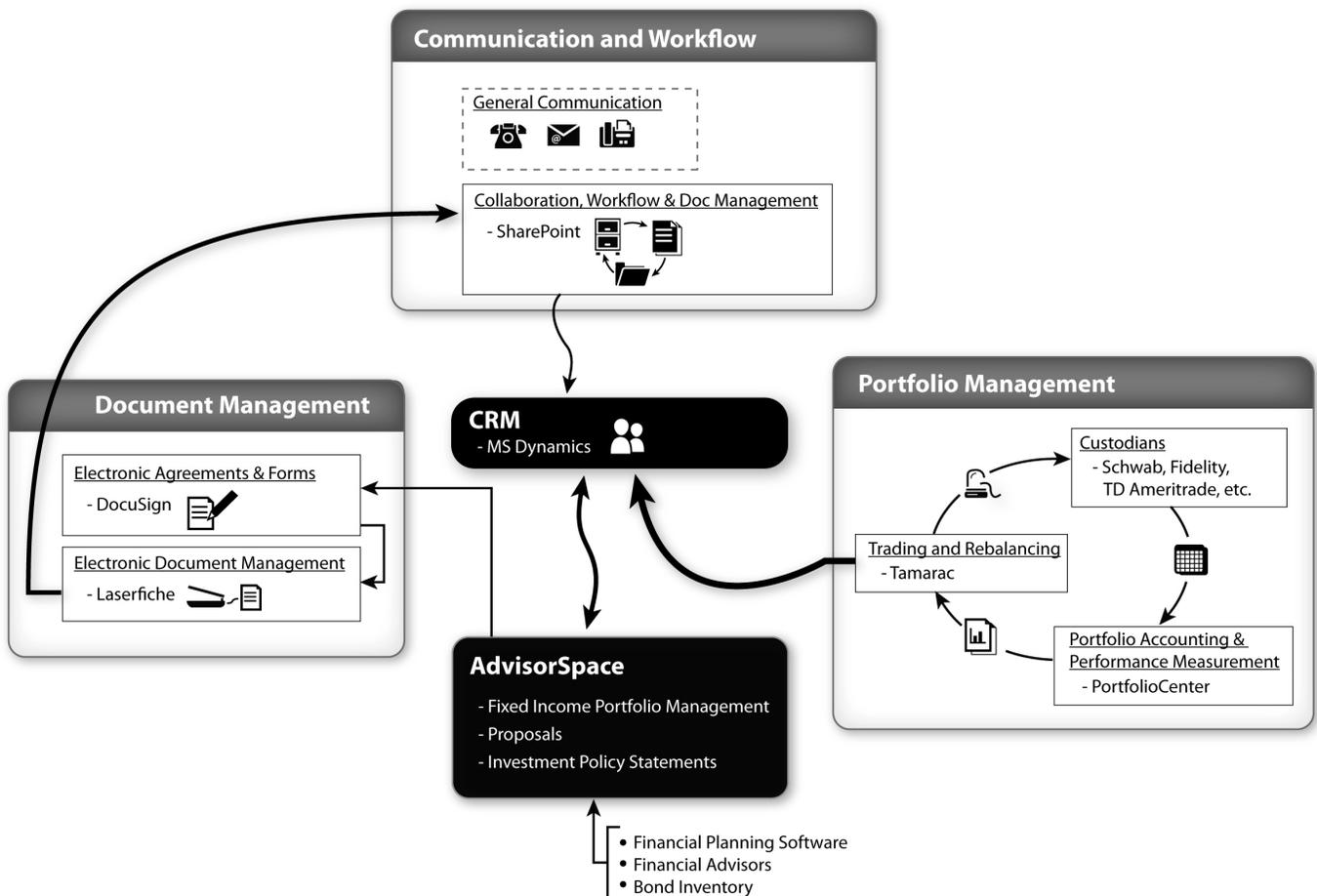
Bruckenstein suggested Burns take a look at Laserfiche agile ECM. “For what they wanted to do, Laserfiche was the missing piece: they’d be paperless, and they’d have a solid workflow engine to share and secure information with their Portfolio Management System (PMS) and Client Relationship Management (CRM) system. Plus, they’d have that compliance piece,” he adds.

At the same time, Bruckenstein knew from experience that ease of integration was important from a practical standpoint. “Laserfiche made sense because it could integrate with Microsoft Dynamics, which Tamarac was already integrated with, and do it quickly and easily enough that there wouldn’t be a lot of cost and lead-time,” he says.

For his part, Burns saw the intrinsic value of being able to develop a fully-integrated technology platform agile enough to support Asset Dedication’s business—and its business model.

“Most of our stuff is out on the cloud, but the information we need to keep secure for compliance and auditing stays on our own server,” Burns explains. “By integrating Laserfiche with our Web-based technologies, we have a document management system that can talk to the cloud, and we maintain control over the information where we need it.”

The immediate benefit of this strategy, he says, is the reduced cost of developing and deploying a “world-class” system without a world-class price tag.



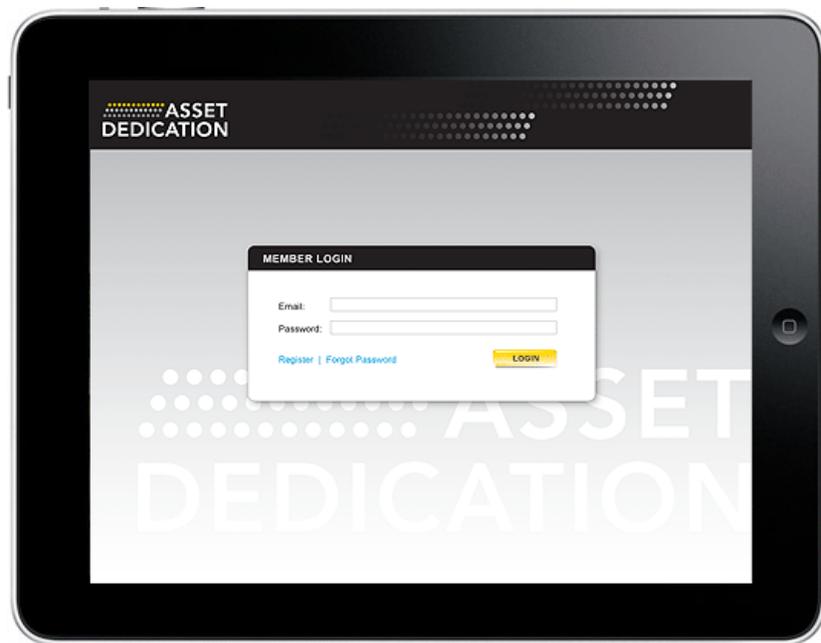
“BondDesk has this world-class bond inventory and trade order management system, so we needed to marry that to a world-class equity portfolio management system like Tamarac. On top of that, they’ve bundled it with Microsoft Dynamics CRM through Tamarac’s Advisor 9, so we’ve got all these systems that all talk to each other and for the most part it’s a single log-in,” Burns explains. “Now, on the back-end, we can access every document we need because SharePoint talks to Dynamics and Laserfiche talks to SharePoint. Everything’s still on a Microsoft .NET framework, so we can add and subtract layers without it turning into a huge project with a hefty price tag.”

This agility has translated into substantial cost savings. “We have been able to drive development costs way down—we can post a few Web services we can integrate for \$2,000 rather than \$200,000,” says Burns. “Our risk is so low, we can just pop something out to replace it. When we upgrade to SharePoint 2010, the transition process will be minimal.”

At the same time, Burns notes, this interoperability translates to a more seamless user experience—no matter who’s using the system: a client, an advisor services representative or another staff member. “Once someone signs onto the system, they can do everything they need to without leaving the program they’re using. It’s pretty much that seamless.”

As Burns points out, for Asset Dedication, it needs to be. “I don’t want people having to learn 20 systems—I want that single sign-on, I want it to be that fast,” he says. “The way we look at technology is that it’s going to work if it can adapt to the way we work, not the other way around.”

An example of this credo in action is the new account formation process, including the client meeting that takes place leading up to it and the contract management that follows it. Using an iPad, an advisor can meet with clients anywhere and take them through every aspect of the new account formation process—from reviewing marketing materials and requesting sample proposals to onboarding them using online forms that then trigger automatic contract approval workflows. Again, Burns cites the value of leveraging a .NET platform.



Asset Dedication’s AdvisorSpace Portal, displayed on an iPad.

“As we developed our AdvisorSpace portal, having everything on the .NET platform has really allowed us to fill in the gaps as far as making the experience seamless, and a lot of the back-end processes automatic. We were able to control the experience and avoid making more work for ourselves,” Burns explains.

The advisor who is meeting with the client logs into the Asset Dedication AdvisorSpace portal. From there, he can access marketing documents through SharePoint. He can submit a request to run a proposal, which the SharePoint workflow engine routes back to the advisor. Then he can initiate a client agreement using DocuSign, which is automatically stored in Laserfiche. The contract is then automatically emailed to the advisor and Asset Dedication managers for their sign-off. “We step in a little bit, but essentially the whole back end operates seamlessly,” Burns says. “The system keeps notifying everyone until the agreement is signed, and when it comes back, it’s automatically stored in Laserfiche.”

At the same time, by not being on the cloud but rather “talking to the cloud,” as Burns puts it, Laserfiche adds an important compliance piece to the way Asset Dedication manages its information—and how regulators view this management. “Regulators come in and, once they see that we have Laserfiche set up the way we told them, they have confidence in it the same way we do,” Burns says. “Especially in a post-Madoff world, it’s important that people know you have the policies and tools in place to ensure that compliance standards are being met. With Laserfiche, we’ve been able to make the commitment to be paperless, but in a way that makes it easy for auditors to see that we’re following the guidelines.”

CONCLUSION

In the words of the President and Founding Partner:

“We’re a growing company, so we’re aware our software choices carry some weight as far as giving us name recognition. When advisors do their due diligence and ask, ‘What are you using?’ and we say, ‘Tamarac, MS Dynamics and Laserfiche,’ that’s just one more thing they can check off their list. We’re using proven technology in an innovative way; they see we’re backed by BondDesk. So, Laserfiche expands my ability to attract talent.

“As part of our technology platform, Laserfiche will allow us to grow in a way that’s modular and scalable. It’s plug and play, but customizable enough to work with everything else. It also allows us to leverage the cloud without getting stuck in the cloud.

“On the operations side, Laserfiche is a key player in accelerating and automating processes in those little places you get hung up. For every one of us, time is money. So the more time you’re spending on basic operations, the less time you’re working with clients and the less revenue you’re generating.

“Our business model is based on using incredibly complex technology to drive very sophisticated processes in a way that is very intuitive to understand. For us, Laserfiche is an obvious natural partner.”



About The Laserfiche Institute

The Laserfiche Institute teaches staff, resellers, and current and prospective clients how to use Laserfiche enterprise content management (ECM) most effectively. As part of this mission, the Institute conducts more than 500 Webinars each year, covering a variety of topics. The Institute also hosts an annual conference where members of the Laserfiche community attend presentations and network with each other to share ideas and learn best practices. Additionally, the Institute conducts a number of regional training sessions and provides resellers with content for over 100 user conferences each year.

The Institute also develops and distributes educational material through the Laserfiche Support Site. On this Website, clients can access training videos, participate in online forums and download technical papers and presentations that help them become even savvier ECM users.

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