

Client Case Study

Reed Conner & Birdwell Streamlines Reconciliation with Advent Custodial Data

Automated data collection saves hours every day while improving accuracy.

PROFILE

Client: Reed Conner & Birdwell LLC

Location: Los Angeles, CA

Description: RIA emphasizing value equities

Year founded: 1959

AUM: \$1.5 billion

Accounts: 1500

Clientele: 50/50 High Net Worth/

Institutional

Staff: 21

BACKGROUND

- RCB implemented Advent Portfolio Exchange[®] and Moxy[®] in 2006
- Needed a faster, more efficient, seamless way to collect and aggregate information from custodians

SOLUTION

Advent Custodial Data (ACD) with APX

- Automates connectivity with over 800 custodians and funds
- Consolidates data from multiple custodians into a single download
- Data is sourced directly from Custodian back-office system
- Posts data seamlessly into APX
- Makes trade data available before the market opens on T+1

BENEFITS

- Eliminates manual gathering of custodial data from multiple sources
- Cuts reconciliation time dramatically and streamlines process
- Improves accuracy by eliminating manual re-keying, reducing risk of error
- Reduces staffing requirements in reconciliation process

When Daniele Beasley became chief operating officer and chief compliance officer at Reed Conner & Birdwell, she had a clear mission: "To implement technology to streamline our processes, with the hope of being able to grow our business and not increase staff."

One of the first steps in that initiative was the simultaneous implementation of Advent Portfolio Exchange[®] (APX) for portfolio management and Advent's Moxy[®] trading platform. "Before that, the firm was on the FIN portfolio accounting system and using Security APL for our wrap business," Ms. Beasley recalls. "We wanted to be on one platform and also move from two flat-file systems to SQL server technology, because I felt that's where we needed to be. I had worked with an Advent product at another firm, and their proven reputation was a big factor in our decision."

Streamlining Reconciliation

Moving to the Advent platform gave RCB the opportunity to tackle the challenge of reducing time and improving accuracy in reconciliation. "With our previous system—and to my knowledge, with most portfolio accounting systems—we would have to go and get the custodial data from the various custodians' websites every day," Ms. Beasley tells Advent. "It probably took from two to three hours to get the data in the morning and translate it to our system just to be able to run a reconciliation report. And then we did not have the ability to tweak the data if necessary—for example, converting something coming from a money market from asset to cash."

The Solution: Advent Custodial Data (ACD)

Part of Advent's suite of straight-through processing tools, Advent Custodial Data automates the daily collection of data from more than 800 custodians and funds. Working in partnership with the custodian, Advent sources data directly from the custodian system of record. It enables firms to consolidate account level information from multiple custodians in a single, secure download for reconciliation and posting into APX.

"Coming from our old system and that way of doing things, ACD is probably one of the slickest pieces of technology I have seen," Ms. Beasley says. "I come in and everything's automated. It goes and gets the data for you, which is beautiful."

"ACD saves three hours a day just in collecting the custodial files and navigating through that process.

The ability to automate so many mundane tasks is what makes this product superior."

Daniele Beasley, Partner, Chief Operating Officer and Chief Compliance Officer, Reed Conner & Birdwell

Seamless Integration

ACD is designed to work seamlessly with APX, eliminating the need to compile custodial data in a spreadsheet and re-enter it into the portfolio management system. "You can have ACD translate all those custodial files into APX," Ms. Beasley says. "With our old system there were several steps in the process—finding the data, extracting it, putting it in Excel, sending that to FIN via FTP. With ACD and APX, it's just a click of a button, which is so exciting. It's definitely one of my favorite things about the product."

With ACD, RCB's administrative staff has everything it needs to begin reconciling when the office's doors open. "Now, my back office will come in and, if everything works perfectly, they will review the log file to see if there are any rejects, and then they are all ready to run the reconciliation report."

The Key Benefits: Saving Time, Driving Efficiency

ACD has helped Reed Conner & Birdwell streamline its reconciliation process significantly by:

- **Saving Time:** "Just off the top, ACD saves three hours a day of somebody in operations going to get the custodial files and navigating through that process. And the ability to automate so many mundane tasks has saved us a lot of time. That by far is what makes this product superior."
- **Providing Comprehensive Custodial Coverage:** "There are other services out there, the 'screen scrapers' and the like. But Advent has a much larger relationship with so many different custodians. So I was also able to get 90% of my accounts on the daily recon feed, unlike some of the other systems that don't have that capability."
- **Improving Accuracy:** "When you're doing so much manually, there's a risk of human error. We're confident we have good clean data reconciled to the custodian before we start trading."
- **Improving Productivity:** "It literally takes half as many people to do the reconciliation now as it did before we had ACD."

Reconciliation: A Major Opportunity for Automation

At a time when many firms are looking to reduce costs and increase efficiencies, account reconciliation is an area that is often overlooked. But for Ms. Beasley and Reed Conner & Birdwell, it was an obvious opportunity. "It just didn't make sense to me to be paying somebody to check statements manually for data that I know is in an electronic file somewhere. I knew we could find technology that could do that work for us, and be 99.9% accurate, as opposed to risking human error."

For RCB, Advent had the answer. "I had never seen anything like ACD out there on the market," Ms. Beasley asserts. "There was nothing quite like this technology for collecting custodial data."

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