

## CASE STUDY

# Streamlining Fee Management for Leading Investment Management Firms

## *Customer Challenge: From Acquisition to Integration*

A prominent investment management company faced significant challenges in managing intermediary fees, including sub-TA and 12b-1 fees. Given the complexity and risk associated with invoices and payments, the company needed a streamlined solution to enhance the accuracy and efficiency of its fee management process.

This case study explores how the investment management company adopted Delta Data's Fee Management solution to overcome these challenges and, following their acquisition by another investment management company, how they advocated for the adoption of Fee Management in the acquiring company's merged operations.

## BACKGROUND

The investment management company's operations involved intricate financial transactions around invoices for fees associated with various fund families. Prior to the implementation of Delta Data's Fee Management solution, the team relied on a manual, spreadsheet-driven approach to validate and process invoices. This method was not only cumbersome but also fraught with risks such as overbilling and paying on non-existent assets.



## Identifying the Problem

The necessity for a more efficient system arose when the investment management company expanded its offerings to include additional fund families.

The existing manual processes could not support the increased volume and complexity without significantly increasing the resource pool.

The challenges included:

- ! **Manual validation of invoices leading to inaccuracies**
- ! **The risk of duplicative payments and calculations**
- ! **Scalability issues while onboarding additional fund families**



## Solution Implementation

The investment management company chose Delta Data's Fee Management solution primarily for its ability to bring automation and enhance the oversight of fee-related processes.

Key aspects of implementation included:



### **Ease of Use**

The solution allowed the investment management company to replicate existing fee calculations and validations without starting from scratch.



### **Scalability**

The system's design supported the onboarding of additional fund families using existing resources, thereby contributing to operational efficiency.



### **Accuracy and Assurance**

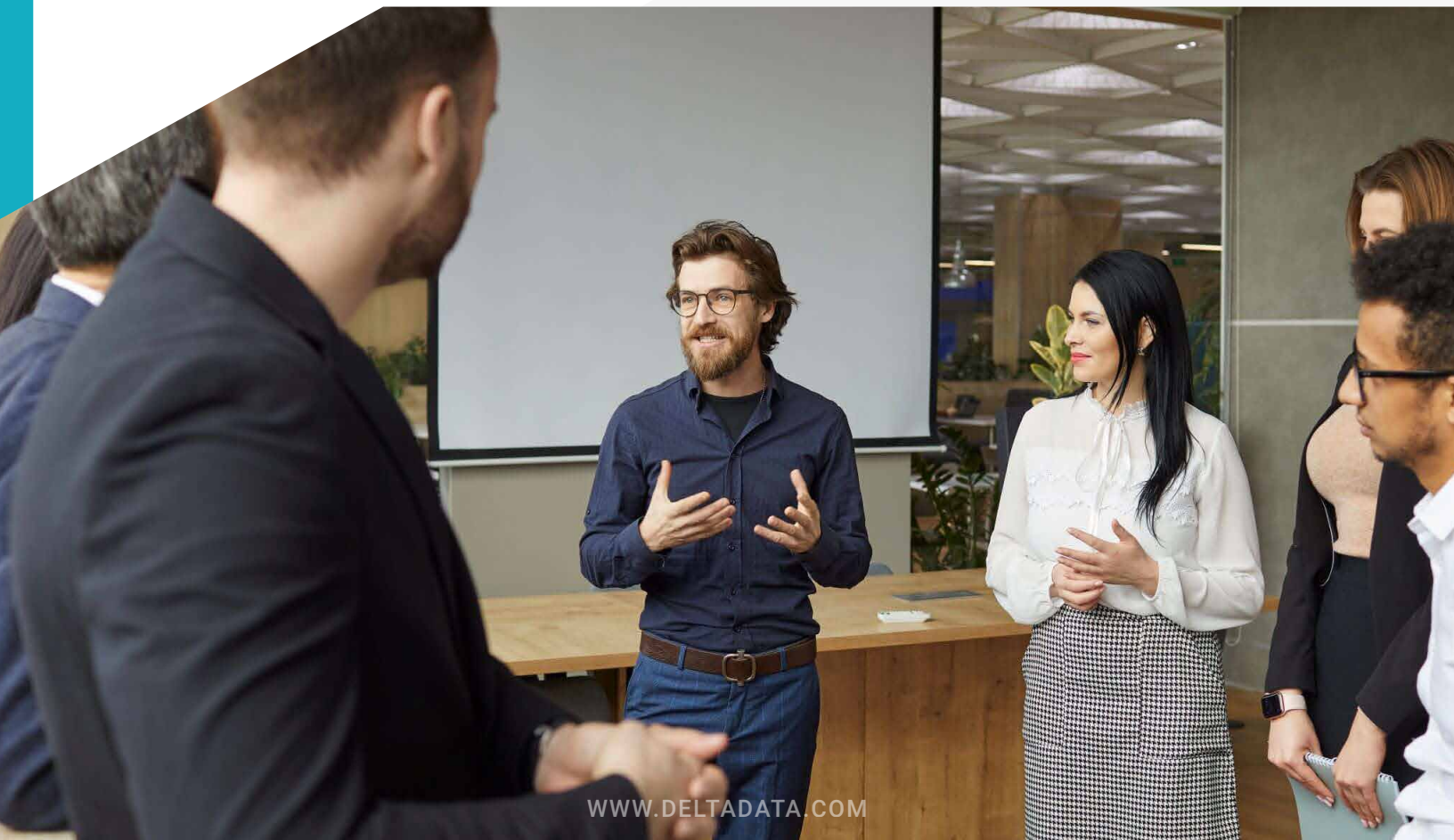
The solution improved accuracy in fee management through automated calculations, giving comfort to the team while signing off on invoices.

## *Acquisition*

**After fully embracing Delta Data's Fee Management solution, the investment management company was acquired by another multinational investment and financial services company.**

Following the acquisition, the acquiring company went on to retain and integrate parts of the acquired company's operations team responsible for fee management. At the time, the acquiring company used a service provided by the transfer agent for their fee management needs. The underlying system for that service was a product less robust than Delta Data's Fee Management.

Upon merging their operations, team members from the acquired company who had long relationships with Delta Data, advocated for Delta Data's Fee Management solution. They succeeded in persuading the acquiring investment management company to adopt the platform. As a result, the acquiring company implemented a separate instance of the Fee Management solution for its funds, in addition to the instance used for the acquired company's fund families.



## Outcomes

The implementation of Delta Data's Fee Management solution yielded significant benefits:

### RESOURCE EFFICIENCY

The ability to handle additional fund families without proportionate growth in staffing delivered improved productivity. The same team managed multiple fund families, simplifying the process.

### ENHANCED CONTROL & OVERSIGHT

The solution provided a structured process that minimized the risks associated with errors in invoicing. The team could confidently ensure payments were accurate and justified.

### STREAMLINED REPORTING

The solution facilitated better data management, aiding in the compilation of reports necessary for internal and external review processes.

### CONSOLIDATION OF PROCESSES

Delta Data's Fee Management solution streamlined the operations of the two companies, effectively integrating their fee management processes into a cohesive framework.

### FUTURE ADAPTABILITY

The firm started exploring Delta Data's features for enhancing international fee management. The potential for automating offshore invoicing processes was identified as a significant opportunity for further efficiency gains.

## Conclusion

These experiences with Delta Data's Fee Management solution exemplify how technology can address complex challenges in the investment management landscape. By replacing a labor-intensive manual process with a robust automated solution, these investment management companies successfully enhanced accuracy, operational efficiency, and scalability in handling fee management. As the merged company continues to explore further enhancements, it stands as a testament to Delta Data's growing role in the investment management company's operational framework.

