



UTIMCO Centralizes Investment Data and Enhances Compliance Capabilities

Synopsis

University of Texas Investment Management Company (UTIMCO) implements Alternative Investment Management (AIM) by Application Experts, LLC to help address emerging transparency and regulatory issues facing alternative asset fund investors.

The AIM software centralizes institutional knowledge related to investment due diligence and portfolio management, which simplifies reporting and greatly improves operational efficiencies.

The Challenge

UTIMCO is one of the largest endowments in the United States and is widely recognized as a thought leader in the industry. UTIMCO's 59 employees are organized into teams to manage their investments across six asset classes that are sub-classified into three investment types. This complex structure resulted in multiple processes and systems to manage UTIMCO's portfolio. They were struggling to manage relationships and track interactions with hundreds of fund managers.

The unique processes met each individual group's needs but made consolidated reporting difficult and time-consuming. It was difficult to gain visibility into the entire portfolio of investments for weekly meetings and quarterly performance reviews.

In addition, UTIMCO recognized that changing economic and political times were bringing on a new set of audit and compliance requirements for alternative assets investors. With their current processes and systems, they realized it would be very difficult to demonstrate due diligence and compliance to regulators, auditors, and other interested parties, if necessary.

Client:

University of Texas Investment Management Company (UTIMCO)

Challenge:

Multiple processes and systems made portfolio management and consolidated reporting difficult and inefficient.

Solution:

UTIMCO worked with Application Experts to implement AIM. AIM allows UTIMCO to centralize institutional knowledge related to investment due diligence and portfolio management. It also automates the collection of data and creation of reports.

Results:

AIM provided UTIMCO with improved operational efficiencies, simplified reporting and greater transparency.

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Application Experts has been extremely responsive to our broad needs and making sure the system is customized accordingly. Their ability to manage the software implementation and keep the project on-budget and on-time allowed our team to stay focused on our jobs with minimal disruption. We have been using the system for over six months and they have been quick to respond to all issues and functionality changes. I would highly recommend the Application Experts team and the AIM product for anyone managing or investing in the alternative asset space.

—Mark Shoberg, Director of
Private Market Investments,
UTIMCO



The Solution

In Spring 2008, UTIMCO began looking for a system that would provide institutional contact management and learned about Application Experts from a Fund of Funds and a Venture Capital firm. Application Experts' flagship product, AIM, fit UTIMCO's criteria for a solution that didn't create new demands on their existing IT staff and infrastructure. They soon discovered that AIM could also help them address needs related to workflow management and compliance initiatives.

Since AIM is built on top of Salesforce.com, the world's most popular on-demand customer relationship management (CRM) platform, it requires little if any IT support. "We determined early in the process that we wanted a software-as-a-service solution so we would not need to maintain any additional hardware or software," says Bill Edwards, Managing Director of Information Technology at UTIMCO. "In addition, Salesforce.com is committed to working with nonprofits through the Salesforce.com Foundation. As a 501(c)(3), we were eligible for discounted licenses, which greatly lowered the total cost of implementing AIM."

UTIMCO was impressed with Application Experts' industry knowledge and extensive client list, which includes other educational endowments like Indiana University Foundation and Carleton College Endowment. "These factors combined with AIM's extensive functionality made it clear that Application Experts and the AIM product was the best choice for us," Edwards says.

AIM allows UTIMCO to:

- Maintain a centralized database of contacts
- Understand the universe of fund managers and investment opportunities to ensure access to fund managers and associated investments
- Track potential investments through the due diligence process to demonstrate consistency in process and alignment with target asset allocations
- Monitor portfolio investments in order to understand real-time performance
- Understand outcomes from meetings, calls and important emails to allow real-time updates across the organization
- Automate the collection of data and creation of reports to improve operational efficiency

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AIM gives us the ability to gather data and create compliance reports - something we simply could not do before. The automation of this process has enhanced the breadth and depth of our portfolio monitoring and analysis.

–Mark Shoberg, Director of Private Market Investments, UTIMCO

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The Results

AIM allows UTIMCO to greatly improve their operational efficiencies. UTIMCO can now produce weekly investment committee reports with the push of a button. Management dashboards are continuously updated and emailed to decision makers. These efficiencies allow UTIMCO to do more in-depth analysis of potential and current investments and make decisions using real-time data.

AIM also simplifies reporting by ensuring that each of UTIMCO's investing groups works in a consistent way. "By standardizing our approach to due diligence across all investing groups and storing documentation in one place, we are able to quickly demonstrate to auditors how and why investment decisions are made," says Mark Shoberg, UTIMCO's Director of Private Market Investments.

"In addition, systematizing our mandate categorization process ensures that our portfolio investments are aligned with our target asset allocations. We now have a way to track qualitative and quantitative data and the combination of the two provides enhanced transparency into our decision-making process."

Application Experts, LLC is the leading provider of flexible web-based solutions that address the emerging transparency and regulatory issues facing alternative asset fund managers and investors.

Application Experts' solutions centralize institutional knowledge related to investment due diligence, portfolio management, and fundraising and also improve operational efficiencies around Limited Partner communications, deal sourcing, portfolio management, and general contact and activity management.

Founded in 2006, Application Experts is headquartered in Denver with offices in Boston and Chicago. More information on Application Experts is available at www.app-x.com.