

Fund Administration Software

Client

A leading multinational private equity, investment banking, alternative asset management and financial services corporation.

Business challenge

The client's decade old key fund administration system was home-grown, slowly evolving and adapting to each fund's needs. As the technology base aged, it was clear the system did not have sufficient logic and change documentation:

- With each fund dependent upon the system to accurately compute partner allocations and distributions, gain sharing between limited and general partners, and generate requisite reporting, the funds were at the risk of producing incorrect returns
- BX required an IT team who would reliably support this business critical system

Approach

Covered all SDLC system needs:

- The business analysts worked closely with users, gaining an in-depth understanding of the funds' intricate and complex available capital and waterfall calculations
- The QA team prepared test plans and wrote extensive test cases, fully testing the system before each release
- The team spread domain knowledge while avoiding single failure points
- Production of the requirements, design, test documents, and test artifacts was made mandatory

Results

Within a short time period, built enough confidence in the fund administration system that legacy and newer funds were quickly on-boarded:

- The fund administrators processed distributions more quickly than ever and with complete calculation transparency
- Allowed the client to automate many manual processes, thus reducing turn-around time
- Automated two key processes - partner and partnership level fund, and tranche level carry calculation for redistribution of carry among GP members - from six weeks to a few hours
- Built a data warehouse supporting ad-hoc user reporting needs and established master data management, streamlining fund set-up and partner change processes

Business benefits

- Reduced turnaround times through automated processes
- Streamlined processes through master data management

ThoughtFocus is a US based, privately held consulting, software engineering and business process management firm with offices in the US, India and the Philippines. We help clients in avionics, education, financial and insurance services, manufacturing, payment and loyalty solutions industries with their key business and technology challenges.

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