



Client Case Study

Advent Helps Ferguson Wellman Automate Trading and TurboCharge Client Service

Combination of Advent Moxy[®] and STP reduces errors, increases productivity, improves service.

ADVENT MOXY—KEY BENEFITS

- ▶ Eliminate manual entry through electronic order routing via FIX and comprehensive instrument coverage
- ▶ Minimize trading orders, using portfolio modeling, rebalancing and “what-if” scenarios
- ▶ Improve communication to portfolio managers using real-time profit and loss monitoring
- ▶ Implement Straight-Through Processing to eliminate handwritten orders

When Portland, Oregon-based Ferguson Wellman Capital Management made the transition to the Advent Moxy trading platform in 1997, Director of Information Systems Shawn Swagerty wasn't sure how the firm would adapt to a new level of automation. “Our conception was that our traders would use Moxy and our portfolio managers would continue to write paper tickets,” he recalls. “And that was the case for a couple of months. But the portfolio managers became more and more comfortable using Moxy for their allocation strategies and modeling, and pretty soon they were all sending trades to the trading desk via Moxy.”

Ferguson Wellman is one of the largest employee owned investment firms in the Pacific Northwest, providing wealth management services for institutional and high-net-worth individual clientele. As Ferguson Wellman continues to grow, emphasis is placed on upholding the firm's reputation for providing personalized attention to accounts—a key component to client acquisition and retention. By automating trading and order management processes, Moxy frees managers to keep a closer eye on the markets and pay more attention to clients.

“Our traders are able to focus on analytics, execution and making recommendations to the portfolio managers—rather than just being a conduit for processing paperwork.”

**Shawn Swagerty, Director of Information Systems
Ferguson Wellman Capital Management**

Today, Mr. Swagerty and his colleagues credit Moxy with enabling Ferguson Wellman to handle business growth without having to increase trading resources. “The size of our equity trading staff has remained the same,” he observes, “as trading volume has increased almost exponentially, given the growth of assets, the evolution of the markets, and the increase to 11 portfolio managers.”

STP: “It's as if we added a person.”

If Advent Moxy was the catalyst for a more efficient trading operation, the addition of Advent's Straight-Through Processing modules was the turbocharger, multiplying efficiencies by automating the connections with outside parties involved in trades—brokers, custodians, the DTCC* and pricing and data sources.

Equity Trader Tim Carkin recalls the days before the implementation of Advent's STP module for electronic order routing via FIX, the Financial Information eXchange. “The traders spent most of the day faxing our main brokers,” he says, “amassing page after page of handwritten orders, and then hurriedly typing them into Moxy at the end of the day and hoping all the information was correct. Once we got FIX and our largest broker on board, it reduced about a quarter of their workload just in typing and faxing. It also eliminated more than half the manual-entry errors. Since then we've added several brokers and diversified the accounts, and over 90 percent of our order flow now goes through FIX in some form.”

“We have essentially created a whole new productivity level in trading just through the efficiency we've gained over the last two years.”

**Tim Carkin, Equity Trader
Ferguson Wellman Capital Management**

Mr. Carkin saw a similar experience with the addition of Advent's DTCC module for settlement reconciliation. “Before, the trading assistant's job was eight hours a day of downloading and manually matching trade confirms,” he says. “DTCC turned that into about an hour's work at most.”

The net effect of Advent Moxy, FIX and DTCC, says Mr. Carkin, creates the sense that another employee has been hired. “Between the equity trader, the bond trader and the trading assistant, the three of us used to work ten hours a day on trading. Now, the assistant can spend time helping with research and projects in other areas of the firm. I get more actual trading done in less time. And, with all our bond orders coming in through Moxy, the bond trader has a couple of hours freed up. So we have essentially created a whole new productivity level in trading just through the efficiency we've gained over the last two years

Mr. Swagerty amplifies Mr. Carkin's point: “Our traders are able to focus on analytics, execution and making recommendations to the portfolio managers—rather than just being a conduit for processing paperwork and calling brokers.”

Faster Daily Reconciliation—With Fewer Errors

Another area where Ferguson Wellman has turned to Advent STP solutions for greater efficiency is in reconciliation with account custodians. "Previously, we had about 700 individual portfolios to reconcile with three reconcilers using paper statements," Mr. Swagerty recalls. "It was quite a burden." In 1998, the firm initiated point-to-point interfaces with its major custodians, then made the transition to Advent Custodial Data†, which automates linkages with over 400 custodians, and Advent's Rex,* which automates reconciliation.

"It took our reconcilers some getting used to," Mr. Swagerty notes, "but we had an Advent consultant spend some time one on one with our reconcilers, and that's when we really started sailing on these products." The reconcilers are now able to complete their daily work in about an hour, according to Mr. Swagerty, and the majority of errors have been "virtually eliminated."

The combination of ACD and Rex has further enabled the firm to accommodate significant growth in its business. "In the span of eight years, we went from manually reconciling all of our accounts to electronically reconciling 98 percent of our portfolios," says Mr. Swagerty. "In that time, we also increased our asset base and number of portfolios by roughly 50 percent—all without needing to increase the size of our reconciling staff."

"One way we differentiate ourselves in the industry is by the level of personalized service we give our clients. The technology we've implemented enables us to offer these services swiftly and efficiently."

**Mary Miller, Vice President of Marketing
Ferguson Wellman Capital Management**

Actionable Data on Corporate Actions

Another component of the STP suite, Advent Corporate Actions (ACA)* helps Ferguson Wellman improve control by delivering automatic notification of corporate actions that affect prices, trades and portfolio decisions. "It used to be such a runaround," Mr. Swagerty recalls. "Corporate actions would occur and we would get no notification from our usual data sources. Trade errors were occurring as a result, and reconciliation took forever. With ACA, it's just become a much more streamlined process. We make fewer trade errors based on bad position information, and we make trading decisions more effectively based on something that happened at the corporate level."

Integrated Operations and Streamlined Workflow Equal Superior Service

Ferguson Wellman is an example of a wealth management firm that has taken full advantage of the integration achieved by deploying Advent solutions across its business. In addition to Advent Moxy and the STP add-ons, the firm uses the Advent Axys® portfolio management and accounting platform as well as Advent Qube® for client relationship management.

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**Shawn Swagerty, Director of Information Systems
Ferguson Wellman Capital Management**

"Qube has increased our marketing efficiency exponentially," says Verity Larsen, assistant director of information systems. "Before, we were using an off-the-shelf database and all the portfolio managers were keeping their own client databases. By consolidating all the information into Qube and making it accessible to the entire firm, we really decreased the incidence of misinformation or out-of-date client data. And when clients call with questions, the executive assistants have the information right at their fingertips, and they can usually answer the question on that same call." Ms. Larsen adds, "Qube also enables managers to track client preferences and give them very individualized service."

Mr. Swagerty sums up the overall benefit of having an integrated Advent technology infrastructure: "It's helped us better serve a larger client base while controlling our costs and streamlining our operations," he says. "Advent products and services have allowed us to automate so many mundane tasks that we're all better able to focus on what we're here to do, which is to grow client assets and serve clients more personally. Because our managers are spending less time and effort making very good trades, they can actually spend much more time meeting and communicating with clients."

Mary Miller, vice president of marketing, agrees. "One way we differentiate ourselves in the industry is by the level of personalized service we give our clients," she says. "The technology we've implemented enables us to offer these services swiftly and efficiently."

"And most of that technology," Mr. Swagerty concludes, "is from Advent."

*These products are not supported in EMEA.

†Available for US held accounts only.



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