

## Edgewater Technology develops & deploys automated back-office solution for Capital Advisors Group



**Customized solution empowers treasury manager with automation of back-office accounting system to streamline the processes required to reconcile daily and month-end holdings and cash positions.**

### Edgewater Technology's customized solution:

- Improves operational efficiency;
- Automates traditional manual reporting processes;
- Reduces costs by improving process efficiency;
- Provides centralized data minimizing the amount of divergent data and associated risk;
- Accelerates delivery of monthly statements;
- Integrates external data minimizing the possibility of errors and redundancy of tasks.

### Customer Focus

Founded in 1991, Capital Advisors Group is one of the leading independent treasury managers in the United States, managing approximately \$5.25 billion in short-term, fixed income assets for more than 240 clients nationwide.\* As an SEC-registered investment advisor, Capital Advisors Group provides its clients investment management and accounting services.

The organization's success is partly attributed to its ability to provide timely, customized investment accounting reports. While the company has grown substantially in recent years, it understood that to stay competitive and provide its clients with continued superior customer service it needed to streamline its internal processes such as reconciling daily and month-end holdings and cash positions.

### Divergent Data Challenges

Capital Advisors Group was utilizing a manually intensive and time-consuming process to conduct accounting processes. Included in those processes was the combining of data derived from divergent spreadsheets and databases, which creates potential data consistency issues. Since the data supports internal reporting, reconciliation, and monthly client reporting, accurate and easily attainable information is critical.

Two full-time employees, referred to as bookkeepers, manually drove the process that Capital Advisors Group was utilizing. They would maintain the cash activity through manual postings of activity that were attained via Web access to the custodian bank. Cash postings were triggered from daily wire confirmations. Once the confirmation was received, the bookkeepers manually updated the clients' monthly cash activity. Upon updating the wire confirmations, the complete accounting folder was sorted in ascending order by last date modified and then reviewed. Upon review, the bookkeeper could recognize all other accounts that had not processed wires during the month.

The trading activity updates was another process that was manually driven. Trade tickets were printed and duplicates faxed to the custodian and the accounting department. Trades were then manually posted to the previous month-end statement spreadsheet. Next, the extracted data was inputted into a position custody report that reflected all of the custodial holdings' interest earnings, accruals, and market values. The challenge with this process was that the back-office accounting department was manually updating the position information, allocating tax lots where necessary and performing month-end accounting each client.

The manual process for updating spreadsheets and reports was time consuming and inhibited the back office's ability to grow with the business. With this in mind, the organization knew that it needed to automate its back-office functionality.

### The Business Solution

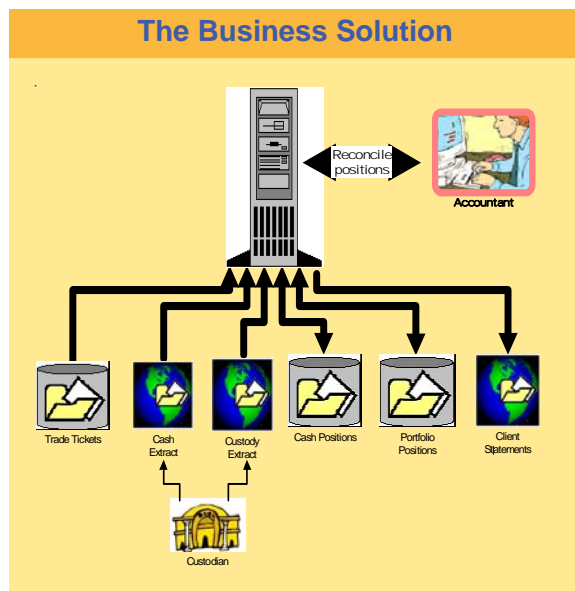
Capital Advisors Group realized that in order to stay competitive and continue to meet its clients needs it would need to streamline processes such as the reconciliation of daily and month-end holdings and cash positions. Realizing that its current internal IT resources were busy supporting the day-to-day operations, it turned to Edgewater Technology to create a strategic technology plan for the development of a technical infrastructure that would support the organization's business needs.

\* - (As of 3/17/04)

Collaboratively, Capital Advisors Group and Edgewater strategized on the organization's current processes, the challenges that it was encountering and discussed the organization's vision for the future. With the necessary information in hand, Edgewater developed a strategic technology plan for the development of a technical infrastructure to support Capital Advisors Group's near- and long-term business goals.

Upon reviewing the strategic technology plan, the organization engaged Edgewater to develop the technical infrastructure which:

- Provides centralized access and control of customer and portfolio data;
- Stores all corporate information in an easily-accessible central resource;
- Increases operational efficiency by automating processes such as updating customer data;
- Integrates and processes data into a central database automatically from external feeds and counter parties;
- Supplies daily and month-end reports automatically either in paper or electronic format;
- Leverages a Wide Area Network (WAN) solution that improves performance for remote offices and users to optimally access the corporate network.



### Technical Solution

Edgewater's customized solution leverages a web-based application. The Web application features four user interfaces:

1. The **static interface** consists of the static Web pages that are available to all users, including public non-authenticated users. This interface consists of the current static Web site pages.
2. The **reporting interface** provides access to accounting reports. These "read only" reports provides information about specific accounts.
3. The **transactional interface** provides screens that allow updating of specific account data in the central database.
4. The **admin interface** provides a set of screens that allow system administrators to maintain security and monitor the data feed processing.

Secure user authentication has been applied to access the reporting and transactional interfaces. The security module determines access to specific screens and accounts based on access control lists that are role-based and defined by the logged-in user's unique username and identification. In addition, these interfaces require a Secure Socket Layer (SSL) connection that encrypts all data transferred between the client and the Web server, which protects the data by utilizing a secure logon to safeguard user credentials.

### Technologies and Tools

- Dell Intel Pentium 4 2 GHz+ Server Class Machine
- Microsoft Windows 2000 Server
- Microsoft SQL Server 2000 Standard Edition
- Microsoft C# .Net
- Microsoft ASP .Net
- SoftArtisans ExcelWriter Standard Edition

*"In order to support future growth, we require a technology infrastructure that not only meets our unique business needs, but also assists with improving our operations and efficiencies. In collaboration with Edgewater Technology, we have been able to deploy a customized solution that is critical in sustaining the long-term growth plans for our business."*

- Stephen Salemi, Chief Operating Officer  
Capital Advisors Group