



Technologically Speaking

Providing a Lync for Investors and Managers

By Oliver Witte

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Chicago, (HedgeWorld.com)--When Lync Consulting approached Steele Financial Services with an offer of software and a Web site that would permit its 753 clients to get daily portfolio updates on the World Wide Web, Kevin Timmerman, the president of Steele, hesitated.

"I didn't want clients to think I'm preaching that they should following their investments that closely," Mr. Timmerman said. "But clients already go to Yahoo, plug in their investments and get current information. And when mutual funds pay out capital gains and dividends at the end of the year, some clients won't adjust for that. They'll think their fund is doing terrible because the net-asset value went down, but they didn't reinvest their capital gains and dividends."

So if clients are going to look at their assets on a daily basis, they might as well see the correct numbers, Mr. Timmerman reasoned.

"And who better to provide that information than me?" he said." As we expand, we'd like to get people in the habit of visiting our Web site, which could pay off down the road as we offer additional services. All the people visiting our site will see our new services."

The product that gives Steele this competitive edge is called Sibir (pronounced like "cyber"), an acronym for Scaleable Internet Based Investment Reporting.

Working with Advent's Axy's reporting software, Sibir can:

--Collate Axy's reports and merge them with documents created in other programs such as Microsoft Word and PowerPoint to create personalized letters to clients.

--Produce reports in PDF format for electronic distribution. PDF.

--Incorporate all the customary security measures.

--Maintain historical information in SEC-compliant storage.

Sibir's developer, Lync Consulting, offers users the option of posting the reports either to its own Web site or to the adviser's Web site.

Steele Financial posts to Lync's Web site. Clients do not realize they have been switched to the Lync site when they want to check their portfolios because the screen continues to display the Steele header and footer information. Mr. Timmerman called the switch transparent.

For this service, Steele pays \$75 a month plus a \$375 set-up fee. There is no limit to the number of clients or the number of reports. Other requirements include Windows 98 or NT 4.0, the database program Microsoft Access, Advent Axy's Version 3.x, Adobe Acrobat 4.x for \$190 and WS FTP Pro for \$40.

Additional Lync services could boost the cost as high as \$225 a month. If Steele chose to post the

reports to its own Web site, the server software would have cost \$10,000 plus a 15% annual maintenance fee. A server running NT also would be required.

Like most advisers, Steele used to prepare its reports quarterly, printing each section separately for each client, collating them, making copies of the finished reports and mailing them. With Sibir, Steele was able to increase its reporting frequency to weekly and soon will begin daily updates.

"We already reconcile client accounts on a daily basis," Mr. Timmerman said. "The only extra work to make that information immediately available to clients will be clicking a button."

Mr. Timmerman said he never considered trying to automate the process himself.

"All I do is click a button and Sibir generates all 753 reports and zaps them onto the web," he said. "I could even post cost-basis reports at tax time. It's pretty slick, and I can access any client's information from my home or when I'm on the road. And the client thinks we did all this."

John Passios, vice president of Pinnacle Associates, reports similar success.

"Sibir is the backbone of our quarterly client reporting strategy," said Mr. Passios. "We are using Sibir to generate cover letters with personalized content in Word, followed by a series of Axys reports with Excel charts and graphs in between."

With more than 700 clients, Pinnacle said printing and collating reports used to be a major task, considering the complexity of its reports. The flat monthly fee for Sibir enables Pinnacle to budget accurately and control its costs.

"Sibir is the automation tool we have been looking for," Mr. Passios said.

Chris Casey, the president of Lync, said he used to work for Advent and has been building add-ons for Advent products for five years.

Combining the information required to produce a client report is like setting up a table in Microsoft Access and a mail-merge in Microsoft Word, Mr. Casey said. Competing products cost more and save the reports in HTML format, which can produce a document that looks different on the client's screen than on the adviser's screen.

Mr. Casey estimated that 98% of financial advisers continue to report by mail through the United States Postal Service. Only a few report through Web sites. Sibir could produce documents suitable for transmission by e-mail, but then advisers would lose the advantage of getting clients to keep visiting their Web site.

Advent declined to comment on Lync or Sibir. Its Axys program has a reporting module.

Lync said Sibir is less expensive than competitors AdvisorSquare or LightPort.

Matthew Smith, chief operating officer of AdvisorSquare, said he charges a setup fee of \$495 and \$85 a month for unlimited reports in HTML for up to 250 accounts. Smith said HTML and PDF formats each have advantages and disadvantages.

"Advent output goes into a compressed file," Smith said. "We upload it to a server and attach all security. We host the pages. The important thing is that the client views the reports. We haven't had many complaints about the HTML format, which tends to load faster."

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