

Successful Rollout of XENTIS at NORD/LB Asset Management AG



NORD/LB Asset Management AG (NORD/LB AM)* was founded in 1999 and currently employs 90 people at its headquarters in Hanover. It provides a range of services, from passive investing to personalised equity and bond fund management. Besides retail funds and special AIFs, the company also offers comprehensive Master KVG (Kapitalverwaltungsgesellschaft, German investment management company) solutions. Studies and market surveys attest to the exceptional efficiency of NORD/LB AM in catering for individual customer requirements. The company is also a pioneer in the field of sustainable investment.



NORD/LB AM

Challenges

Due to tight constraints, XENTIS had to be implemented at NORD/LB AM within a 10 month timeframe. The existing system architecture had to be completely restructured in order to automate and streamline business processes.

Implementation

A goal-oriented and stringent project management approach, breaking the project down into different phases and subprojects, ensured steady progress. The flexibility, scalability and integration capacity of XENTIS made it possible to replace several isolated applications and legacy systems.

Conclusion

After a project lasting 10 months, the new XENTIS investment management platform was rolled out within the specified time and budget constraints. Based on XENTIS, the business processes of NORD/LB AM are now handled efficiently, automatically and to a high quality standard.

*NORD/LB Asset Management AG operates since November 2018 under the name of Warburg Invest AG.



The project team, consisting of employees of NORD/LB AM and Profidata, formed an effective unit that contributed significantly to the successful completion of the project. From the very beginning we were able to carry out day-to-day operations in XENTIS more efficiently than with the previous application.'

Andreas Faber, Head of Fund Administration at NORD/LB AM and Project Manager of XENTIS implementation

NORD/LB AM implemented the XENTIS integrated investment management solution from Profidata within 10 months. Fund assets of EUR 19.7 billion as well as asset management mandates worth EUR 12.9 billion, invested in a wide range of asset classes and using complex fund and portfolio structures, are now managed with XENTIS. NORD/LB AM uses XENTIS as a central platform for fund and investment management, and it replaces many of the systems used in the past.

BACKGROUND

Following an extensive analysis, it was clear to NORD/LB AM that the strategic objectives of growth and cost efficiency could not be achieved with the system environment in place at the time (Fig. 1). A complex architecture involving a large number of isolated applications and satellite systems limited the development potential and led to high operating and maintenance costs.

The new solution therefore had to meet several requirements: flexibility and scalability had to be increased, while the new system had to be future-proof and the system architecture simplified. Other important factors were the reliability and performance of the provider. An evaluation of different systems and providers resulted in Profidata's XENTIS being chosen as the preferred overall solution.

CHALLENGES

Due to internal constraints, XENTIS had to be rolled out within a timeframe of 10 months. The limited time available meant that certain project team members had to be released from their day-to-day work and their duties taken over by other staff. The aim was to replace as many legacy systems as possible, automate various manual processes and implement new interfaces. A further goal was the optimisation of individual work steps.

IMPLEMENTATION

XENTIS was implemented at NORD/LB AM according to a two-stage plan. The first stage served mainly to ensure that staff could carry on working. To achieve this, the

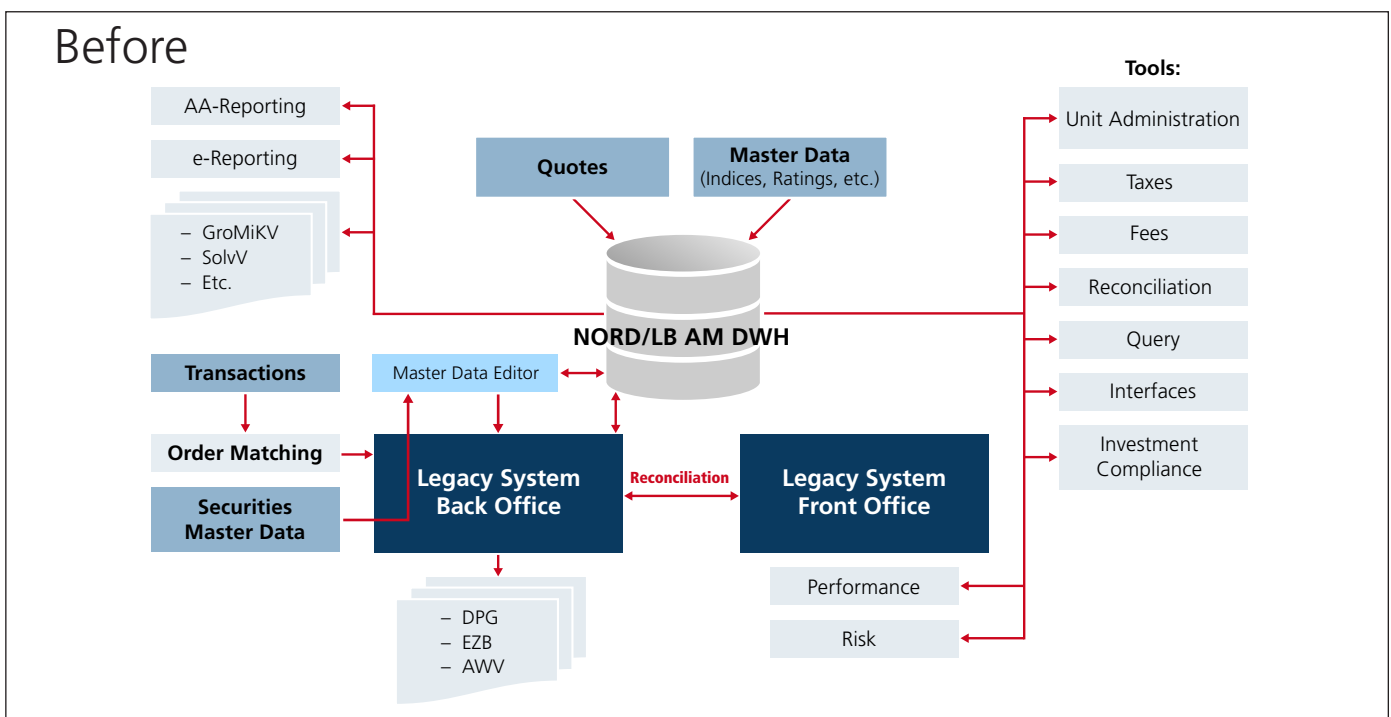


Fig 1: System architecture before XENTIS was implemented

complete workflow was first implemented from front to back in XENTIS. At the same time, processes related to portfolio management, order routing and matching, pre- and post-trade investment compliance, as well as parallel accounting according to German local GAAP and IFRS, client reporting and legal reporting, were automated in XENTIS. In addition, new interfaces were realised for connection to SWIFT and the data warehouse. The second stage of the project focused on expanding the base installation. Key issues included the integration of trading platforms, improved integration of external asset managers and custodians, as well as the shutdown of redundant satellite systems.

The project was also structured into subprojects, such as portfolio management, fund accounting and IT, and the relevant departments of NORD/LB AM were involved. The approach was based on the tried and tested waterfall methodology, which has been refined by Profidata. In a first step, process structures and workflows were defined and the core project team was trained in using XENTIS. Even at this early stage, it was possible to use XENTIS on-site in a best-practice configuration adapted to the needs of NORD/LB AM, represent specific subject areas within the system, and plan the practical implementation directly in XENTIS.

NORD/LB AM's specific requirements were then implemented in the best-practice installation. In this process, NORD/LB AM employees took over many configuration tasks, such as defining contractual investment restrictions based on business rules. In a further step, the individual parameterisation and the integration of XENTIS into the system landscape underwent an intensive test programme. The smooth sequence of defined and implemented sub processes was checked and verified using an iterative process. XENTIS and the legacy systems were then operated in parallel, more staff were trained on the system and the tentative go-live was approved. Finally, the data was migrated and the system commissioned. It proved advantageous that a key-date-based portfolio migration strategy was developed early in the project, repeatedly tested and supported with standard tools such as preconfigured Excel sheets, and then ran largely automatically.



The launch of XENTIS at NORD/LB AM is a success story. The project was completed within the specified conditions. With XENTIS as a central system solution and Profidata as our business partner, we are very well equipped for the future.'

Marc Knackstedt, former Member of NORD/LB AM's Management Board

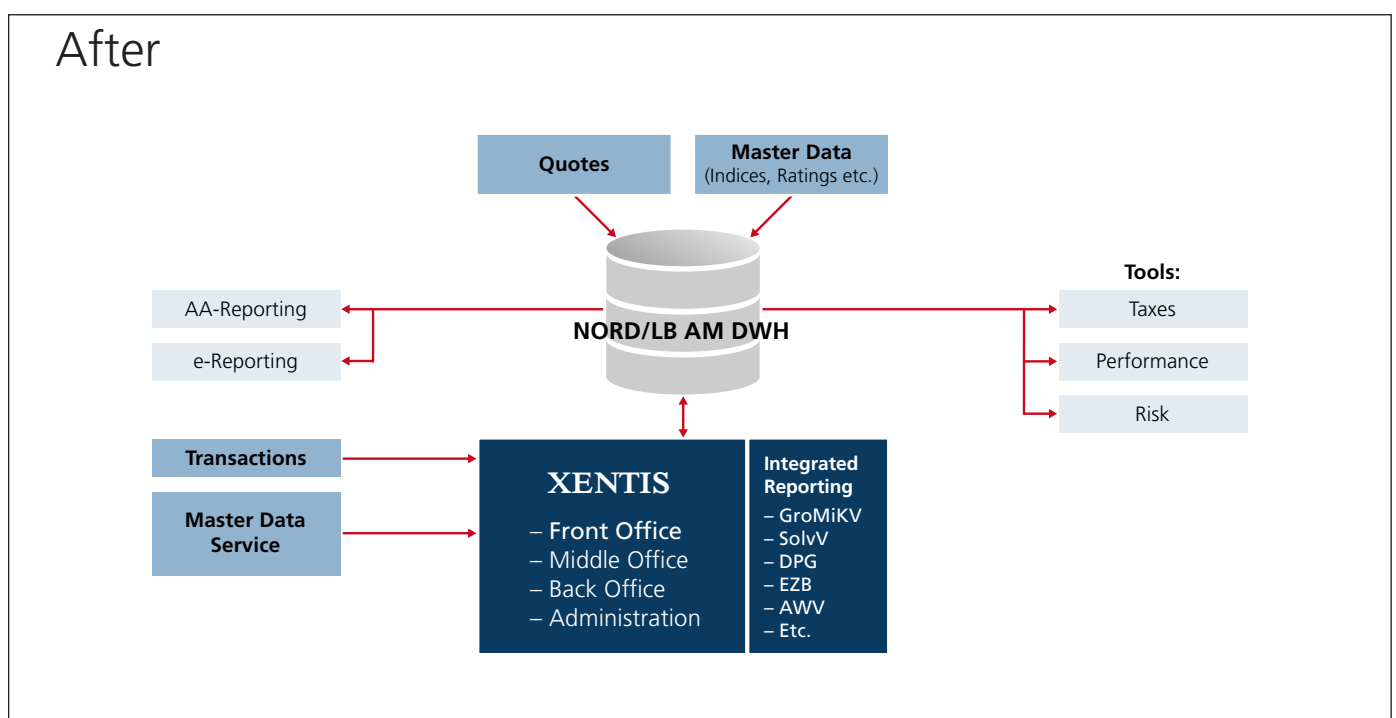


Fig. 2: System architecture after XENTIS was implemented

The three main success factors

- Structuring the project into different phases and subprojects reduced project risks, simplified control and made successes quickly visible, thereby helping to motivate the project staff
- An experienced project management team ensured the early detection and elimination of potential project risks
- In the interest of efficient project execution, the members of the core project team were largely released from their day-to-day work

CONCLUSION

After a project lasting 10 months, the new investment management platform was rolled out within the specified time and budget constraints. A large number of isolated applications were replaced with the integrated XENTIS solution (**Fig. 2**), significantly reducing the maintenance and reconciliation effort required. The processes of NORD/LB AM are handled efficiently and to a high quality standard with XENTIS.

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XENTIS – LEADING INVESTMENT MANAGEMENT SYSTEM

