Case Study

Lucia Capital Group

AltexSoft helps a capital group transition from its legacy system by co-building a new SaaS retirement investment solution

Finance, Cloud, Microsoft.NET

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Background

Lucia Capital Group is a US-based financial services company that provides its clients with end-toend investment strategies. At the time of the initial engagement, the company oversaw approximately $2.3 billion in invested assets. The company engaged AltexSoft to co-build a wealth management application that would allow its advisors to manage retirement investments on behalf of their clients, monitor the plans, and update clients on how their investments perform against selected targets.

When designing portfolios for income in retirement Lucia Capital Group applies the Bucket Strategy, which is quite different from the rebalancing and systematic withdrawal approach used by many financial services companies. The traditional systematic-withdrawals strategy is designed to systematically withdraw income from a diversified portfolio of asset classes for the entire retirement period rebalancing the remaining assets.

The Bucket Strategy approach, however, divides all investment assets into at least three groups, each representing a different timeframe for the money's use and different levels of asset sensitivity to changes in interest rates, market volatility, and other factors.

The Bucket Strategy® can consider the wide range of specifics that each investor's portfolio has and align it with individual financial situations, income needs, longevity, and retirement goals. On the other hand, it may be more complicated to implement than a systematic withdrawal approach. But if done right, the strategy can be applied to building custom tailored pension plans.

The goal of the project was to design and engineer a software environment that would make Bucket Strategy implementation easier for advisors and more transparent for their clients.

Challenges

Prior to engaging with AltexSoft, Lucia Capital Group used a legacy system which was hosted on-premise, required intense maintenance effort, and didn’t allow for holistic connection with other software environments that the company worked with. AltexSoft’s objective was to design and engineer a new SaaS product to streamline advisor-client interaction and simplify the Bucket Strategy provision.

Delivering the end-to-end experience that unifies clients, advisors, and the company management environment entailed the following challenges:

1.

Transform the general vision and goals into clear product logic to design an intuitive advisor workflow

2.

Implement the new SaaS solution to enable a holistic transition from a legacy system

3.

Integrate the Wealth Management solution into the company’s existing software ecosystem

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Value Delivered

The new Wealth Management application embraces two main user roles – advisor and client – to provide the end-to-end experience for both types of users. It also keeps the system aligned with the cloud-based management software Lucia Capital Group utilizes and client financial information from the Orion and Quovo accounting systems.

1. Reliable investment strategy tracking for end clients

Lucia Capital Group strives for transparency between advisors who build investment strategies and clients – the investors. AltexSoft fashioned a clear and intuitive user experience to let clients easily compare how their assets perform against advised plans. The dashboard and other reporting tools help visualize the data feed, which made the tracking clear even for nonprofessionals. The client-facing environment also allows users to directly contact their advisors with questions or upload documents through the system.

2. Streamlined strategy development and adjustments for advisors

AltexSoft established a productive line of communication with Lucia Capital Group advisors to understand the challenges of strategy development and simplify these processes in the final solution. To set up a Bucket Strategy, an advisor leverages multiple client-related data feeds from accounting software programs Quovo and Orion, which source investment data from banks, funds, and stock trading platforms. The client's personal profile is synchronized with Salesforce. Then the system leads an advisor through multiple wizard-guided steps that allow for considering all client assets and withdrawals. The strategy can be built in a fully manual or semi-automatic way and then be further adjusted. The tracking environment makes asset performance tracking simple and allows for timely reinvestments and alignments within the chosen strategy.

Value Delivered

3. Building a SaaS solution that cross-integrates with Salesforce, Orion, Quovo, and Egnyte

Lucia Capital Group uses Salesforce for the majority of internal customer management operations. Using APIs as a middle layer of communication between the product and other services, the team achieved comprehensive cross-integration of all systems. Salesforce integration allowed for the single sign on into the Wealth Management environment through the Salesforce account for advisors. It also transitions clients' profiles assigned to advisors inheriting all Salesforce security and access management settings. Thus advisors can start working with particular clients without manually adding the profiles into the system. Orion and Quovo integration streams the client asset data from these accounting systems into the Wealth Management environment making it simple to track how investments perform against the set strategy. Egnyte integration supports the attachments management.

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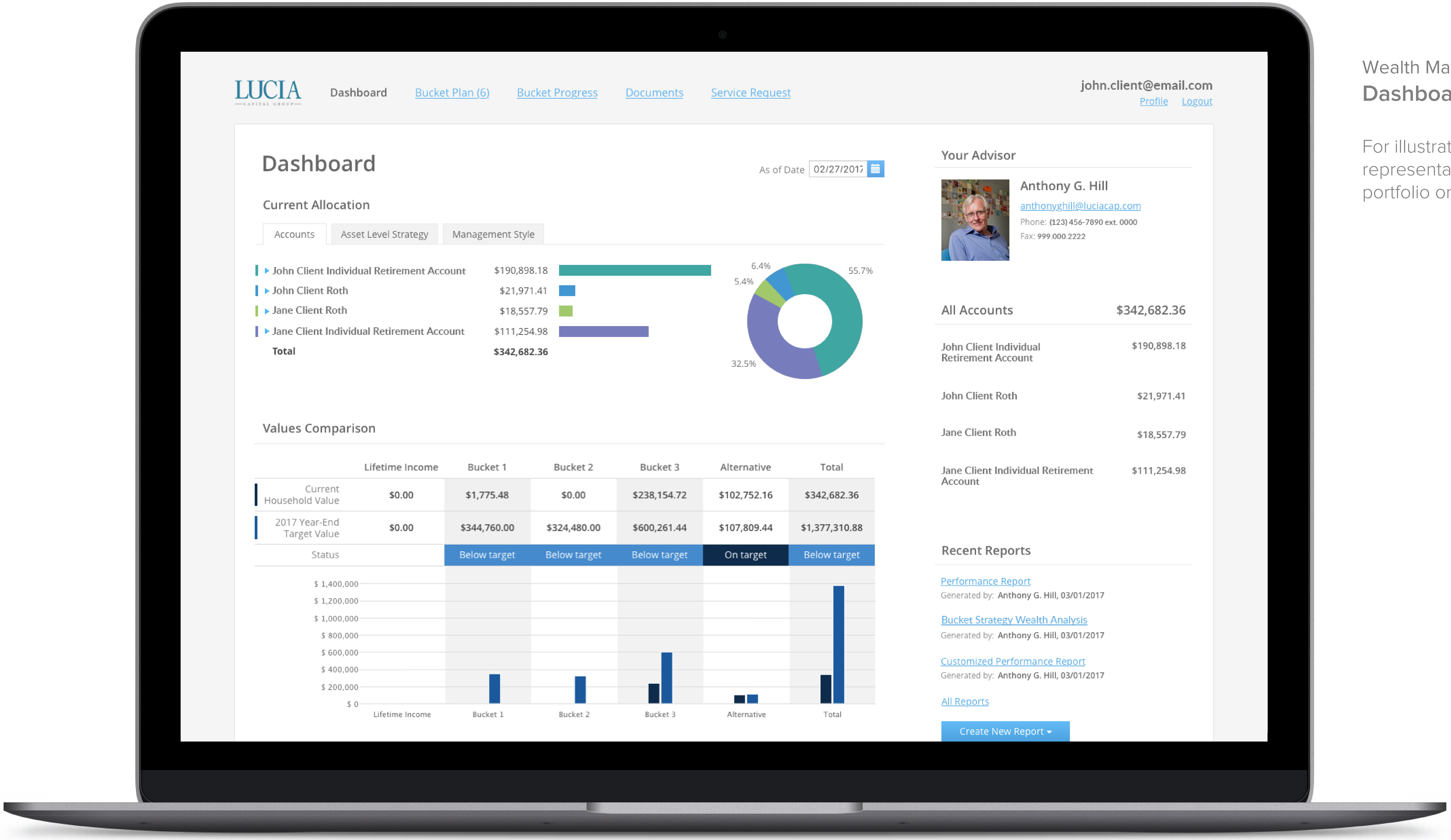

Wealth Management Application –
Dashboard page

For illustrative purposes only. Not representative of an actual client portfolio or strategy

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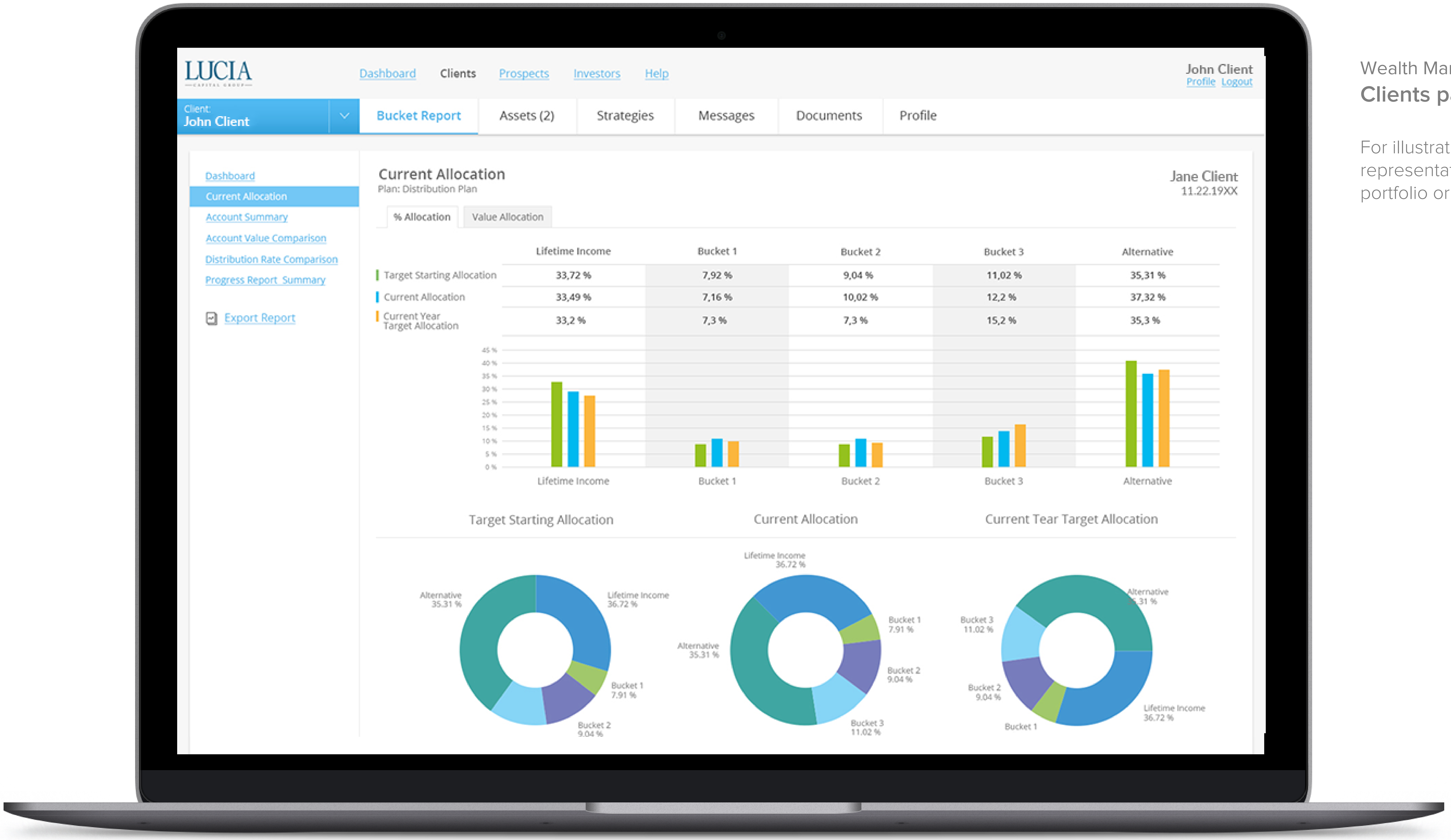

Wealth Management Application –
Clients page

For illustrative purposes only. Not representative of an actual client portfolio or strategy

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Approach and Technical Info

AltexSoft covered the entire development process from requirements analysis to launching and maintaining the product. Although the client had a legacy system before, a set of Bucket strategy formulas was the only inherited aspect of the old technology. In order to rebuild the Wealth Management environment from the ground up we used the dedicated team model.

The project was handled by the team of a business analyst, UX/UI designer, a lead architect, three .NET engineers, and a manual QA engineer.

The development of the final version took 6 months.

The Wealth Management application is powered by the **.NET framework**; the presentation layer is realized with the use of **AngularJS**. The system resides in the **Azure Cloud** and works with the **Microsoft SQL database**.

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