

# STRATEGIC INVESTMENT GROUP REDUCES REPORTING TIME BY 20% WITH VERMILION + NORTHPOINT DATA MANAGEMENT SOLUTIONS

› Outsourced Chief Investment Officer provider achieves efficiency with Vermilion’s powerful, flexible reporting solution.



**AUM**  
\$37B

**FIRM TYPE**  
Investment Manager specializing in Outsourced CIO solutions

**THE CHALLENGE**  
Replace an internally designed client reporting platform with a vendor-supported solution that allows internal resources to focus on more profitable endeavors.

**FACTSET SOLUTION**  
Vermilion Reporting Suite (VRS)

## CHALLENGE

Strategic Investment Group, a pioneer in dedicated Outsourced CIO (OCIO) solutions since 1987, offers a comprehensive service platform for managing customized portfolios for institutional and private investors. Strategic’s proprietary process combines active portfolio management, rigorous risk management, and open architecture manager selection. Based in Arlington, Virginia, Strategic has approximately \$37 billion of assets under management.

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Previously, Strategic utilized an internally designed client reporting platform. The platform relied on a manual process.

“Our old workflow worked well for us for a time, but we were looking to make a change to a vendor-supported platform,” said Joshua O’Brien, Managing Director at Strategic. “We were also looking for future scalability to meet the anticipated data management and reporting demands of a growing client base.”

The firm needed a comprehensive system that also enabled the firm to leverage its business users in the creation of client reports.

In early 2016, Strategic was in the process of selecting a data management tool with which to improve its operational efficiency. The process resulted in Strategic selecting ACA Technology Solutions’ NorthPoint Data Management Solutions.

Strategic reasoned that, as the firm also needed a new, more scalable client reporting application, defining the requirements to build out a report mart at this stage would help facilitate the implementation of the new data management system.

The deployment of the Vermilion Reporting Suite (VRS) was therefore part of this larger data management project. Incorporating VRS at an early stage in the process allowed Strategic to leapfrog its competition with a highly automated client reporting system that is also capable of generating bespoke outputs. Vermilion’s advanced workflow functionality was a key differentiator.

“We particularly liked Vermilion’s workflow capability and the continually updated dashboards with which to monitor progress,” said Justin Scher, CTO, Strategic.



## **SOLUTION**

The first step in the implementation involved reviewing the content of Strategic’s monthly and quarterly reports in order to identify what data inputs, calculations, and outputs were needed to automate the reports. This process of defining the data inputs and related attributes helped establish consistent terminology and form a good understanding of where the data should be maintained and how the calculations should be developed.

From there, Strategic was able to develop a plan for maintaining the required data. NorthPoint Data Management Solutions was identified to provide a golden copy source of all data for reporting. This was achieved through leveraging the features of the system to: source accounting data, manager terms, and conditions from multiple sources; manage customized fund attributes using the NorthPoint Security Master; automate the loading, managing, and reviewing of fund manager exposures; calculate performance; and integrate with a newly created proprietary risk budgeting system that is unified within the NorthPoint Data Warehouse.

“The experience of Vermilion’s consultant helped us understand how to break down our quarterly reports into components, which have complex graphs and charts along with text. Through this effort, we were able to understand how our data needed to be structured and simultaneously identified where report components had a similar construction, which minimized unique calculations and queries,” said Sarah Kornmeier, who oversees technology projects for Strategic.

Once the initial databases and calculations were created, Vermilion’s consultants began working with Strategic to create the necessary data queries and build report content within VRS. Vermilion was able to produce all of the content required

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for Strategic's client reports, standardizing their look and feel and automating the re-use of data to create a more efficient reporting solution.

O'Brien: "Throughout the process, we strived to build one report template for all of our clients, while accommodating the need for customizations that did not require manual overrides. The ability of the dedicated Vermilion specialists working alongside our team in Virginia to meet our need for a customized product was particularly impressive."

During the process, Strategic and Vermilion also worked together to identify ways to make the client reporting workflow more efficient while building the necessary tools within Vermilion to manage the workflow, including sending alerts and using the dashboard to monitor workflow status. To ensure that only approved data could be used in reports, Strategic leveraged Northpoint's infrastructure to create a data approval dashboard.

"The fact that we did this implementation in conjunction with the data management project was particularly beneficial, although at the outset it seemed daunting," said Kornmeier. "This integration, for example, means that we now have data validation markers so that only approved data can go into reports. The report generator automatically recognizes when those validations exist."

Lastly, an unanticipated benefit is that Strategic has been able to not only leverage Vermilion's workflow tools and dashboard

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to better track all aspects of the report creation process in real-time, but it can also utilize the workflow audit trails to set reporting delivery goals, identify problem areas, and make continuous improvement to the overall process.

"Automating the production of our reports put us in better control of the process by giving us the data and information we needed to manage the reporting process. Instead of qualitatively assessing the process, we were able to use the reporting data to quickly spot and remedy sources of errors and delays in the workflow. Ownership of reporting content had been dispersed across the firm prior to the implementation, but with the new platform we were able to take control of the process, resulting in higher quality reports delivered earlier to clients," said O'Brien.

## RESULTS

The successful implementation of VRS has enabled Strategic to automate the production of its monthly and quarterly reports, which include portfolio performance and market values, risk analysis, in-depth asset class positioning, and market commentary.

"Our customized investment solutions presented unique reporting challenges for Strategic and our clients. The Vermilion system allows us to express our ideas in a succinct and transparent fashion, while Northpoint gave us the flexibility to manage, calculate, and store data in a way that aligned with our unique business needs," said O'Brien.

The integration of NorthPoint Data Management Solutions and Vermilion helped Strategic improve its client reporting process in a number of critical areas.

Justin Scher: “I think one of the differentiating aspects of this project was building the database while working on the reports. Working on the two programs simultaneously had a number of positive effects. First of all, we saw an immediate, tangible return

for our database project—the type of activity that tends to be less appreciated internally. Second, the flexibility of the Vermilion solution was proven while writing the stored procedures needed to drive the reports. Third, the initial VRS report component analysis gave us a clear focus on what we needed. We never had to rework the existing database to fit the needs of VRS, or find out that we were missing something critical.”

**The integration of Vermilion and NorthPoint Data Management Solutions helped Strategic improve its client reporting process:**

Reporting Area of Focus	Specific Improvements
Workflow management	Workflows that had been loosely defined became part of a monitored workflow in Vermilion. Throughout the implementation, Strategic and Vermilion used the workflow audit trails to set new goals, conduct post-mortems, and identify areas of inefficiency in the workflow.
Data quality	By transitioning Strategic’s entire suite of reports to automated databases, queries, and calculations, they were able to significantly improve the quality of the reporting data. Further, data that had been previously maintained manually was transitioned into the NorthPoint Data Warehouse, which allowed Strategic to build exception-based quality controls to quickly spot problems earlier in the process.
Report quality	The overall look and feel of reports better aligns with Strategic’s overall branding. By transitioning to a standardized but flexible report template, complex color scheme rules are applied and report components are more consistent, regardless of the client’s data.
Report delivery time	As a result of the improvements in the report content quality and workflow enhancements, Strategic was able to issue reports 20% faster than before on average.
Resource allocation	Internal resources, which had been previously tied up manually managing data, creating reports, or continuously reviewing reports for errors, were able to shift their time to higher value-added activities such as analyzing report data or interacting with clients.
Customization	Given the nature of Strategic’s business and clients, reports had to be capable of dynamically adapting to each client’s portfolios while adhering to overall template requirements. Types of customization that were implemented include adding or removing entire pages, changing the content of a portion of a page, or adding footnotes.