

Franklin Park, LLC



Franklin Park is an employee-owned, global private equity advisory firm located in Bala Cynwyd, PA that develops customized investment solutions for institutional investors in the private equity asset class.

Investment Portfolio Reporting and Analytics

Business Needs and Challenges

If data is the life-blood of the financial services industry, the Internet has rapidly emerged as the primary circulatory system to connect financial advisory service providers with their investor clientele. Direct access to investment documents affords a major convenience to buyers. Taking this a step further, direct client access to underlying financial data, coupled with powerful analytical tools, enables better informed and timelier investment decisions. Franklin Park viewed the Internet as an opportunity to achieve a win-win scenario: premium-level services could improve client satisfaction and retention. In addition, the firm could realize significant cost efficiencies by automating the collection and delivery of vast amounts of financial information.

As an investment advisory firm focused on private financial markets, Franklin Park routinely deals with collecting, analyzing and publishing enormous amounts of complex financial information, and the firm invested considerable time exploring alternatives to streamline this process.

Commercial software packages and SaaS offerings lacked key capabilities, were limited in the ability to integrate with existing in-house systems, and/or were cost prohibitive. As a result, Franklin Park embarked on a path to develop an in-house system using MS Access and SQL Server.

The approach worked well for Franklin Park until they encountered several needs that were beyond in-house expertise including: (1) the ability to provide secure client access to investment related documents over the Internet, and (2) the ability to provide clients with more advanced investment analytical capabilities, which required direct access to underlying financial data and the development of industry-specific performance calculations such as the Internal Rate of Returns, (IRR), which is widely regarded as the most popular and appropriate means for measuring private, illiquid investment performance.

The Planning Phase

Franklin Park approached multiple tech consulting to encode an IRR algorithm in their proprietary SQL Server database, and both fell short in their attempts. Programming an IRR algorithm is easier said than done — even the IRR functions in Microsoft's Visual Studio .NET and Excel produce different results! Moreover, in order to meet Franklin Park's customer-facing needs, the IRR encoding effort needed to satisfy three requirements which are frequently mutually-exclusive when running complex calculations on very large sets of data over the Internet: (1) accuracy, (2) performance and (3) flexibility.

Franklin Park needed a consulting firm with expertise in complex calculations. They needed a consulting firm with expertise in MS Access and SQL Server integration and performance optimization, so they engaged PCA.

PCA and Franklin Park agreed upon a three-phase approach: (1) build the IRR calculation in SQL Server to enable internal efficiencies for generating investment performance reports and analyses; (2) build and deploy a simple, web-enabled document management system that would allow Franklin Park clients to access their investment related documents over the Internet in a secure manner; and (3) modify the IRR calculation in SQL Server to enable Franklin Park clients to perform investment analysis directly over the Internet.

From an engineering perspective, this was the logical sequence and thus reduced technical risk. From a business perspective, the three phase approach kept the project focused and thus reduced project budget and schedule risk.

The PCA Solution

Phase I — Once the plan was approved, PCA implemented the IRR calculation in Franklin Park's production SQL Server database, and testing confirmed that the algorithm produced the expected results. While this was successful in gaining internal efficiencies (not to mention, a lot of confidence in PCA!), Franklin Park still relied on surface mail and email as the primary means to deliver investment material to their clients.

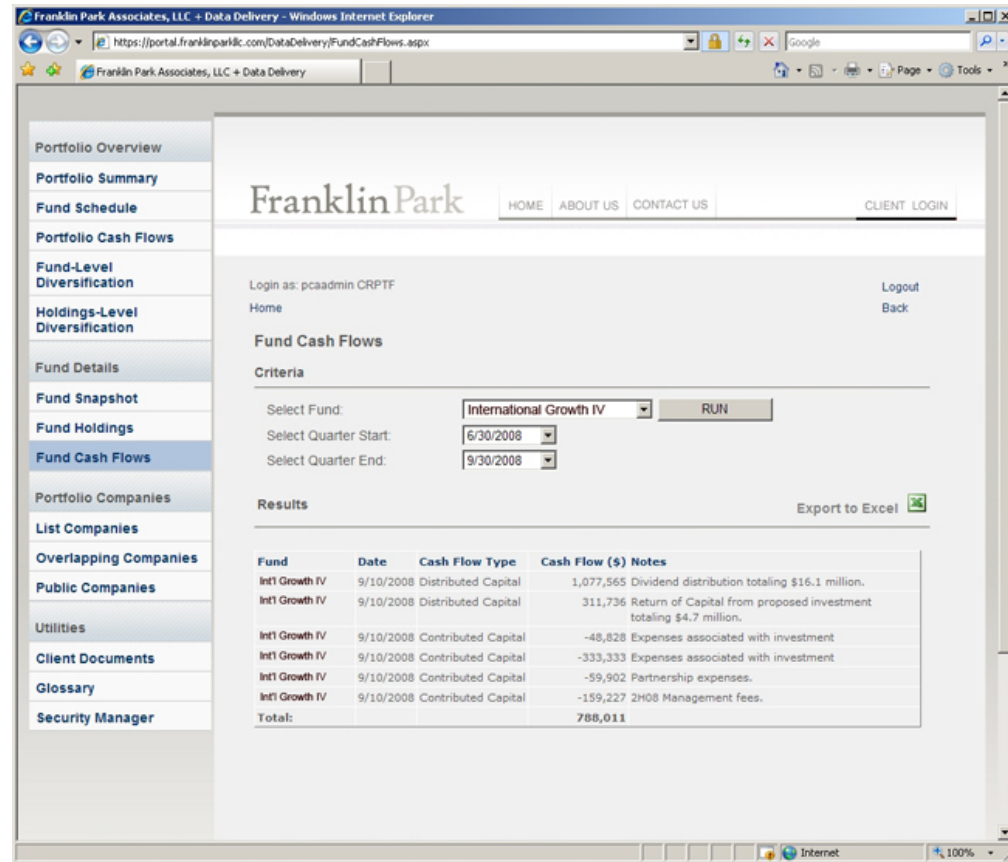
Phase II — Franklin Park and PCA developed a web-enabled document management system that allowed Franklin Park clients to retrieve information related to their investments over the Internet, including investment accounting and legal documents. Success of this phase was measured by several factors: (1) simplicity of the process for Franklin Park, (2) ease of use and flexibility for their clientele, (3) application performance, finally (4) security. PCA met the first objective by simply extending Franklin Park's existing report generation and management methods to the web-based solution. Storing a new document within a client folder on the Franklin Park network now also meant it was immediately available to the client via the Internet. The client-facing solution was a Microsoft ASP.NET web application that allowed clients to browse their secure document file directories and download reports as needed.

Franklin Park clients now had on-demand access to their investment related documents over the Internet, and with less effort required of Franklin Park investment professionals!

PCA Client Project Brief — Franklin Park LLC

Over time, the new system would enable Franklin Park to gradually replace and/or augment traditional phone, surface mail and email communication among their client base. Cash flow statements, financial reports, legal and other financial documents were now available to authorized parties via a secure and substantially streamlined process, which yielded a significant improvement to information that was available to clients, and a significant reduction in operational efforts all around.

Phase III — The final phase in the evolution of the system was to enable Franklin Park clients to perform investment analytics directly on their data over the Internet. PCA re-wrote the IRR algorithm so that it could: (1) accept multiple dynamic variables including investment name and date ranges, (2) achieve optimal performance, and (3) be incorporated within customized client reports in ASP.NET dynamic web page format. All reports could now be generated on demand using client-defined investment parameters, and all were directly exportable to Excel format. Rigorous testing of dynamic IRR queries confirmed that phase 3 was successful in providing clients with the fast, accurate and flexible investment analysis capabilities they required.



The screenshot shows a web browser window displaying the Franklin Park Associates, LLC Data Delivery application. The page title is "Franklin Park Associates, LLC + Data Delivery - Windows Internet Explorer". The URL is "https://portal.franklinparkllc.com/DataDelivery/FundCashFlows.aspx". The page features a navigation menu on the left with options like "Portfolio Overview", "Fund Schedule", and "Fund Cash Flows". The main content area shows the "Fund Cash Flows" section for "International Growth IV" with a "RUN" button and a table of results. The table includes columns for Fund, Date, Cash Flow Type, and Cash Flow (\$), with a total of 788,011.

Fund	Date	Cash Flow Type	Cash Flow (\$)	Notes
Int'l Growth IV	9/10/2008	Distributed Capital	1,077,565	Dividend distribution totaling \$16.1 million.
Int'l Growth IV	9/10/2008	Distributed Capital	311,736	Return of Capital from proposed investment totaling \$4.7 million.
Int'l Growth IV	9/10/2008	Contributed Capital	-48,828	Expenses associated with investment
Int'l Growth IV	9/10/2008	Contributed Capital	-333,333	Expenses associated with investment
Int'l Growth IV	9/10/2008	Contributed Capital	-59,902	Partnership expenses.
Int'l Growth IV	9/10/2008	Contributed Capital	-159,227	2H08 Management fees.
Total:			788,011	

"PCA's expertise allowed us to develop a highly effective offering that not only increased our effectiveness and operational efficiencies as a firm, but, more importantly, enabled us to address significant client need. Throughout the development and testing process, PCA worked as an extension to our firm's staff, which enabled us to develop a solution that far exceeded our expectations."

Neil Mowery, Partner, Franklin Park LLC

