



Anduin



LIONPOINT

An Alpha Group Company

Onboarding Investors in a Volatile Market

Injecting Speed and
Efficiency in Your Raise



Executive Summary

When the market is volatile, our advice is to focus on what you can control—your technology stack. For the alternative market, that involves digitizing your investor onboarding and bettering their experience through speed and efficiency.

Discover how the right digital subscription platform can help your funds go to market faster, raise capital more rapidly, and close deals with unmatched efficiency. Leverage the power of digitization to optimize and streamline your fund's administrative work to reduce operating costs, while providing the versatility to not only survive, but thrive in these ever-evolving markets.



The Current Environment

Volatility and uncertainty—words synonymous when describing today's investment market. International conflict, supply chain issues, economic headwinds—these events and others are happening all around the world and impacting markets. Everyone has more on their mind than ever before, particularly fund managers.

While tough times may be ahead, this also presents an opportunity for those who can see it. Firms who rise to the challenge, control what they can, and become more resilient will not only survive, but thrive when the market rebounds.

Focusing on your technology stack during market downturns will not only help future-proof your business, but can also help your firm be more nimble to capture funding in highly competitive environments.

COVID has helped bring about a massive acceleration in digital technology. Collaborating across geographies and time zones via online tools is now standard practice, so many outdated and manual processes are being revamped.



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Subscription documentation, long a staple of alternative investment firms, now evokes an outdated era of paper, pens, and manual data entry. Legions of attorneys review endless reams of boilerplate as investors struggle to accurately complete a vast number of forms. Confusion and back-and-forth communication then ensued leading to significant time and money wasted. Now there are better, easier, and faster ways to bring a fund to market and while also building investor goodwill.

Data management technology delivers flexible solutions to investor onboarding and subscription processes for investors, limited partners (LPs), and front, middle, and back office staff alike. Best-in-class tech makes a complex, error-prone, and cumbersome process more efficient and fast with accurate information in real-time thanks to digitalization.

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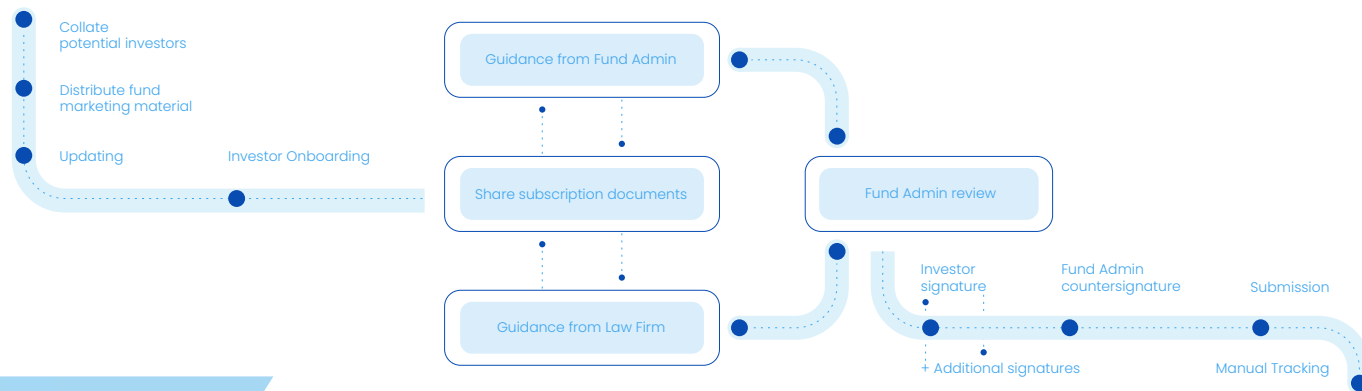
Digital is the New Standard

Competition for investor dollars is already high—especially so in a volatile market when some investors are reducing their allocations. More funds than ever before are competing for the same capital. Being flexible and offering the best fund experiences through digitalization and intelligent automation can help your firm not only stand out but capture all kinds of funds, regardless of quantity or size.

Alternative investment firms should replace the laborious subscription process with digital practices to be competitive as funds increasingly move toward digitization—industry analysts project digital-only onboarding by mid-decade. The move to digitization also improves efficiency, accuracy, transparency, and speed over manual subscriptions, leading to faster fundraising.

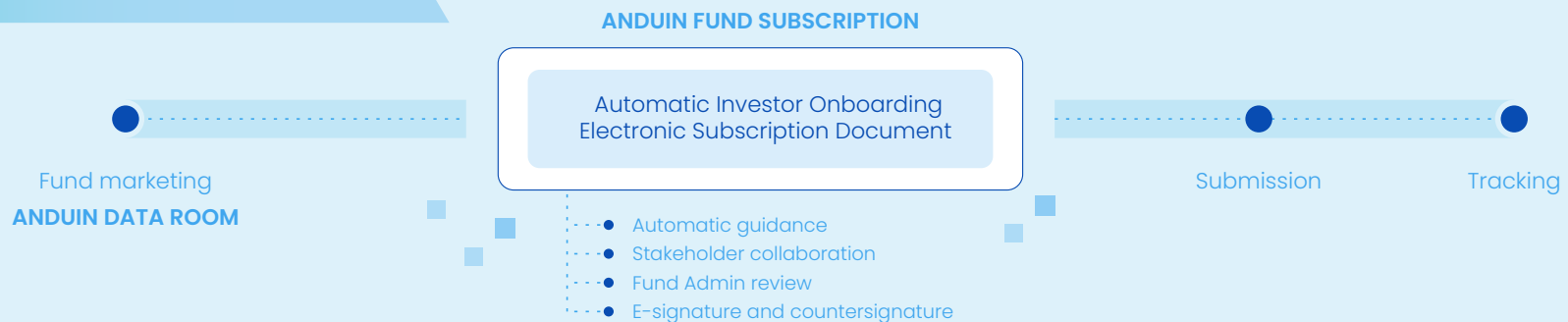
TRADITIONAL, PAPER-BASED PROCESS

LP JOURNEY FROM GP PERSPECTIVE



THE ANDUIN SOLUTION

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As you're well aware, manual subscription concerns affect stakeholders across the subscription process: after investors and fund managers negotiate terms, Know Your Customer (KYC) is needed to identify the qualifications for investors. But for fund managers with scores of investors, the ensuing paper chase quickly becomes a project management nightmare:

- Investors stumped by legal and financial terminology can require time-intensive guidance.
- Law firms draft and review forms, while also steering investors to completion via time-consuming, tedious exchanges that hobble the subscription process, rack up expenses and ultimately delay capital entering the fund.
- Fund administrators need the data that subscription forms provide: errors and delays add to cost and protract deadlines in time-sensitive environments.

Project management on a digital platform uses intelligent automation to track forms, in real time. Moreover, the quality of data is significantly better because guidance is available to inform investors throughout the subscription process, so those who need help receive it as needed. Then straight-through processing assures that one-time inputs conserve time and resources, along with data integrity.

Even meticulous back office staff hesitant to change can see the value and the speed straight-through processing has that allows for a better, more efficient way to accomplish subscription funding.

Phillip Ahrendt, Bayer's Head of Financial Modeling and Analytics, said building "pre-read" books for senior leaders and board members was a "tedious and time-intensive" process that was transformed by adopting digital models and automated, interactive formats. "Instead of taking days to reflect change, adjustments are made instantly, driving new levels of data transparency, and trust."

Digital subscription technology breaks down siloes between stakeholders—investors, fund managers, law firms, and fund admins—and integrates them.





It doesn't stop there. Documentation supported by an automated workflow offers access to subscription activity for live monitoring, while data dashboards can highlight KPI or SLA targets missed and other areas of concern. Instant visual access to complete subscription information, a cardinal feature of digital subscriptions, is simply not possible with manual methods.

"As we enter a new wave of volatility, the need for greater agility and accuracy, including real-time insights and data transparency, cannot be overstated," according to Vikas Mehta, CFO of Anaplan

"If finance teams are stuck parsing through hundreds of spreadsheets to complete static data into reports and models, leadership runs the risk of leveraging stale or irrelevant insights to inform their decisions [which] could leave their organization behind the market and the competition," Mehta wrote.



Solutions to Your Pain Points

Going digital is more than just a way to be flexible, stay competitive and capture funding—it alleviates pain points.

✓ Decrease time to market

Moving from paper to digital is far and away the fastest way to raise funds with the ability to share smart, digital investor questionnaires in as quick as 15 minutes.

Another added bonus with using high-quality digital subscription tools is the ability to update forms in real-time if any text was missed or incorrect.

✓ Increase conversion rates

Digital not only saves your LPs and investors time on filling out forms, but it also helps remove friction and save you time throughout the process. All of this leads to better conversion experiences, which can increase the likelihood of larger investments, the number of investors converted, and funds ready with capital to deploy.

The lack of friction for your investors and the flexibility provided with using a digital platform also means you'll have the ability during the process to pull in more investors as you'd like.

And since information is now all entered electronically, these digital subscription systems create a shared digital record that is accessible to everyone pertinent. The democratization of data means there is no longer the hassle of handing off or transcribing data across teams. By using one single, efficient system, data can flow seamlessly to all necessary parties so it's easy and fast to review, wrap up and move on.

✓ Decrease errors and time overall

Data democratization through a single digital subscription system has another stellar perk: decreasing transcription errors thanks to one-time inputs from the investors and straight-through processing for trusted data integrity.

Dynamic “smart forms” use guided workflows to dramatically decrease the initial error rate by up to 90%, according to Anduin CEO Eliot Hodges, from 60–80% for manual subscriptions to less than 7% with digital platforms. Minimizing errors vastly improves the overall investor experience while efficient, real-time access to nearly error-proof data is the ideal scenario for fund administrators, fund managers, and attorneys alike.



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✓ Decrease operating costs

Best-in-class digital platforms speed the collection of data by automating repetitive tasks, like data gathering, updating, formatting, while reducing errors. Combined together these generate significant cost savings, both in terms of processing and legal fees.

As mentioned, “straight-through processing” of data creates efficiency throughout the subscription process for all stakeholders and provides centralized access for consistent analysis. Some platforms have the capacity to extract data into custom spreadsheets or data hubs, making the digital platform function as a central, single source of information for everyone involved.

“I want good security and ready access to my data,” said Rob Morgan, Chief Compliance Officer and Controller, Pacific Lake Partners. “It’s like getting a legal bill from your law firm to review each new fund’s subscription documents versus paying an annual subscription fee for software that can do it for all of my funds.” Digital onboarding generates additional value, above and beyond document review.

“We want quality, consistency, and ease of use,” Morgan added. “We don’t need flash, we just need frequent,

high-quality updates and a really great user experience. Digital onboarding provides a very clean ability to get your data, it’s very easy to sign and very easy to collaborate. Those are the criteria that matter when thinking about our stakeholders.”

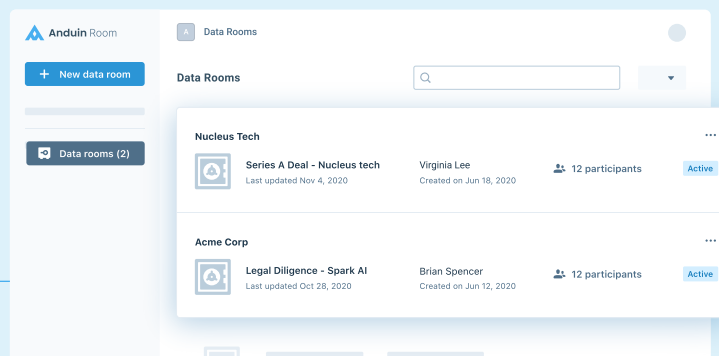
✓ Increase compliance and analytics

Compliance and analytics are essential when managing a fund subscription. Performing manual calculations using spreadsheets to consolidate and interpret data is risky, error-prone, and inefficient, leaving firms open to compliance issues. On top of that, monitoring and tracking each step in a fund raise manually can be nebulous or tedious at best.

Digital data systems have the ability to let you know exactly which investors have received, reviewed and signed documents, then organize that data in an intuitive centralized dashboard letting you focus less of the minutiae and more on the next steps ahead.

Let digital subscription platforms do the heavy lifting on analytics and compliance, so your firm can focus on showcasing your knowledge, capabilities, and expertise.

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Ready to Use and Implement

Using a digital subscription platform may seem like the right decision for your firm, but how do you get there?

Creating a tech solution in-house is possible, but the build and implementation could take weeks to years depending on the complexity. It is also extremely costly: industry leaders estimate the cost of building an bespoke digital platform to be at least \$4,000,000—much greater than the price of off-the-shelf systems. Don't forget about technical support, system maintenance, and eventual updates needed as the alternative markets industry continues to grow and evolve.

Firms may choose to focus on a single issue, like general ledger systems or centralized form tracing. But the quick fix platform may carry a hidden cost: sub-optimal, fragmented solutions that lack flexibility may offer only a few, fixed versions of subscription documents—or involve a rigid workflow that lacks customization options. But not all off-the-shelf digital subscription platforms are created equal.


When reviewing digital systems, search for those that are flexible and adaptable to address your fund's requirements and continue to adapt over time. The most powerful and efficient top-tier systems use guided workflows and logic to customize processes for the fund, while also providing access to expert guidance for both investors and firm employees.

Ensuring the digital platform provides subscription data for transparency to partners, fund managers and compliance monitors, for example, is another important function to look for. The movement of the data is also critical, such as passing data for KYC and AML checks, updating downstream systems with investor information, and facilitating straight-through processing of data for less errors.

In tough times, focus on what can be managed and improved at your firm—investor onboarding and subscription funding. A sophisticated, excellent digital experience that is efficient and fast will foster better relationships with clients, extend your firm's brand, showcase your commitment to service, and enhance all fundraising and compliance efforts.

Combat the volatile market by controlling the digital onboarding experience at your firm. Anduin Transactions and Lionpoint are revolutionizing the onboarding experience in the alternative investments market through high-quality, efficient, and transparent solutions: Anduin Fund Subscription, Anduin Data Room, and expert consulting services.

Contact [Anduin Transactions](#) or [Lionpoint](#) to learn more.



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Anduin is revolutionizing the investor onboarding experience in the alternative markets. Whether engaging LPs with our marketing-focused data rooms or providing a secure, collaborative, and error-free environment to navigate the complex subscription process, connecting LPs and GPs efficiently with accurate data is our obsession.

Our ecosystem has connected over 15,000 investors with over 300 funds, helping raise over \$29 billion in capital globally.

[Visit us at anduintransact.com](https://anduintransact.com)



Lionpoint is a leading global consulting firm delivering operations transformation and technology enablement solutions to the alternative investments market.

Lionpoint's consultants deliver domain expertise across private equity, real estate, infrastructure, and private debt. Its core services include strategic advisory, operating model optimization, technology roadmap and solution selection, project management, and system implementations and integrations to solve the complex operational and technology challenges across the front, middle, and back office.

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