

■ ■ ■ Case Study

Vantage Deal Manager gives big company advantages to EMA Alternatives



EMAlternatives of Washington, D.C. is an independent private equity fund investor that focuses exclusively on global emerging markets. Through its single-account approach, EMAlternatives customizes its services to address the unique needs and objectives of its clients. It satisfies each client's objectives, based on country, region, sector and product objectives, as well as risk management strategies.

■ ■ ■ The Challenge

Because EMAlternatives focuses on emerging markets, partners in the private equity firm spend much of their time travelling around the world. Yet their data-intensive business requires that they have the ability to share data as though they were in the same room and the same time zone.

As a fast-growing company, EMAlternatives astutely recognized early on the need for an IT infrastructure that could deliver the capacity of a large institution on an ongoing basis. Because the company expects future growth in emerging markets, these requirements were all the more critical for the Washington-based single-account fund-of-fund specialist.

The firm's single account approach created a particular software challenge. EMAlternatives responds to the individual needs of each client and customizes its investments accordingly, providing discretionary and non-discretionary services that cover the full range of primary, secondary and co-investment strategies. Consequently, the firm needed software with the flexibility to cater to that level of customization.

"We need an IT platform that allows us to transfer a lot of data efficiently across our distributed global team," says Managing Partner John Stephens. "We're all processing deal flow, and in order to do that effectively, we have to have an IT infrastructure that we can all see where a particular opportunity stands at any time and view the same centralized documentation as our colleagues, wherever they may be around the world."

EMAlternatives works across the globe and targets numerous geographies for underlying investments opportunities. We're constantly on the road and need an IT platform that allows us to transfer a lot of data efficiently across our team, so we can work like a large institution with a robust infrastructure. Vantage Deal Manager™ delivers just what we need.

John Stephens
Managing Partner
EMAlternatives, LLC



“Two of our most important requirements when setting up our operations were to have an IT infrastructure that would scale with our business but that would also effectively track what each day is becoming a larger and more complex universe of investment opportunities.”

We saw Vantage’s flexible approach as a distinct advantage in a couple of respects. The first was that it was going to be more efficient for Vantage to deliver us a solid product out-of-the-box rather than build it from scratch. The second was that because of Vantage’s expertise in the private investment industry and unique customization platform, we could tailor the solution more cost-effectively.

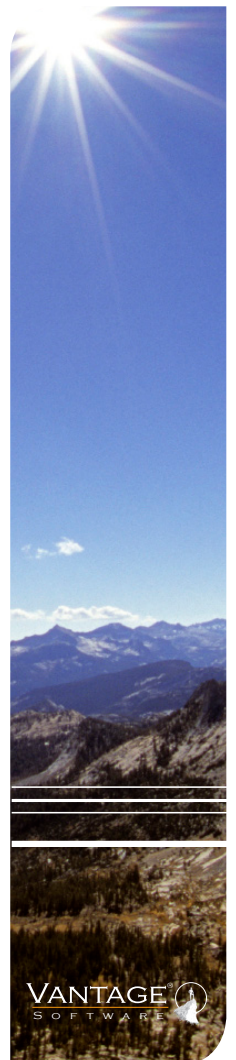
John Stephens
Managing Partner
EMAlternatives, LLC

■ ■ ■ The Solution

EMAlternatives’ relationship with Vantage started with initial discussions about how to design an IT infrastructure that would allow the firm to track its investment universe and process deals efficiently. As a company that customizes its investment services to meet each client’s needs, it’s no wonder the ability to customize its infrastructure to meet the unique workflow, reporting and analysis requirements of each client was so important to EMAlternatives.

EMAlternatives was initially attracted to Vantage Deal Manager™ because its flexible approach allows the customer to layer specific functionality geared to the firm’s specific needs onto its baseline software. Featuring functionality that’s specifically geared to funds-of-funds, Vantage Deal Manager™ helps EMA’s deal team manage contacts, communications and deal documents; leverage a fully searchable deal database; and track meetings, activities and tasks.

“We focus globally, so we needed a database oriented around multiple geographies, and then to be able to group those geographies in unique ways” says Stephens. “Vantage’s deep industry expertise helped us think through those kinds of complex issues to deliver a solution that not only met but exceeded our requirements.”



■ ■ ■ The Benefits

EMAlternatives chose Vantage Deal Manager based not only on its flexibility, cost and rapid time-to-market capability, but because of a variety of additional benefits. For example, given EMAlternatives' global needs, Vantage Deal Manager's ability to categorize and compare deal flow across dynamically defined geographic and strategies was a big plus. In addition, EMAlternatives was impressed by the level of data that Vantage Deal Manager could provide. Data on emerging market fund managers is not as readily available as data from funds in established markets. Yet Vantage Deal Manager easily integrates with data sources, both internal and external, and has the ability to not only capture the historical performance of fund managers, but to drill down to portfolio companies to evaluate their values and performance.

We have been able to ensure that we're processing deal flow more efficiently, which in our business is very important because at the end of the day, we want a reputation that makes (GPs) general partners appreciate that we're taking them and their opportunities very seriously.

John Stephens
Managing Partner
EMAlternatives, LLC

While Vantage Deal Manager supports the investment decision-making process with improved deal team collaboration, it also provides each investment professional with personalized views of pipeline deals. Among its other features, Vantage Deal Manager enables investment firms to:

- Manage deal team communications with hierarchical permissions
- Automatically generate reports and distribute deal documents
- Share documents online via electronic document management
- Track deal team meetings, activities and tasks
- Leverage a fully searchable deal database with saved searches

Vantage Deal Manager's Web-enabled reporting also enables EMAlternatives to meet compliance and audit requirements. For instance, in addition to archival capabilities, the solution enables the firm to easily generate valuation reports, in easily exchanged formats such as PDF, reports explaining manager strategies and fee structures, geographic exposure, demographic and performance information.

The overriding benefit for EMAlternatives, though, has been more efficient deal flow management. To date, EMAlternatives' experience is encouraging.



■ ■ ■ A Blank Sheet of Paper

Because EMAalternatives was still in early growth phase, its technology platform was “a blank sheet of paper,” as Stephens puts it. It was important that its software have the ability to easily integrate with the firm’s back-end database as it grows. Otherwise, EMAalternatives was building a solution from the ground up.

The entire Vantage team has been available whenever needed and have been extraordinarily responsive,” according to Stephens, “but, even more important, they have been very creative in helping us think through how to capture in an IT environment some of the unique challenges we face in the emerging market space.

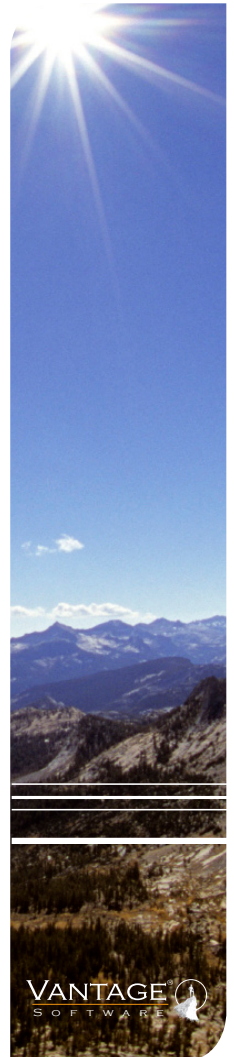
John Stephens
Managing Partner
EMAalternatives, LLC

This was perceived by EMAalternatives as an advantage, as the firm could build a system that was perfectly tailored to meet the deal team’s needs, rather than try to patch together disparate parts into a marginally cohesive whole. Given Vantage’s experience with private equity firms, EMAalternatives found it to be the ideal partner for designing and implementing its new technology infrastructure.

For example, before Vantage Deal Manager was implemented, EMAalternatives was temporarily using spreadsheets to track data. Vantage shared spreadsheet templates into which EMAalternatives could input data so that by the time the company implemented

Vantage Deal Manager, it was fast and easy to upload the data. Now, when the deal team sources an investment opportunity, it is immediately loaded into the Vantage database and the deal team uses Vantage’s software to process all deal flow, irrespective of where in the world the opportunity or staff may be and/or the time of day. While team members can personalize their pipeline views, each team member can also view the same documentation.

Vantage has helped EMAalternatives think of new ways to manage deal flow from an IT perspective and, in the process, its relationship with Vantage has “gone beyond what you might expect from an IT provider.”





Looking Ahead

EMAlternatives is adding an Outlook plug-in that will allow the company to post information from Outlook directly into the company's database. Once the Outlook plug-in is operational, EMAlternatives plans to install a second Vantage product, Vantage-Fund-of-Funds™, which will further enhance its fund-of-fund accounting, reporting and analysis capabilities.

The firm is sticking with Vantage software, because it not only sees value in what it has purchased, but because the software will provide the company a competitive advantage by streamlining its investment decision-making process.

A Competitive Advantage for the Future

Working with sophisticated institutional investors, fund managers and portfolio companies, EMAlternatives relies on Vantage Deal Manager's centralized deal and document management to help the deal team collaborate closely and make better investment decisions. These capabilities will become even more important as EMAlternatives' business and the emerging markets continue to grow in size and complexity.

"Our sense is that deal flow across emerging markets is only going to grow in volume and complexity and, as a result, the ability to effectively support the management of the fund universe and its nuances will become a source of competitive advantage," according to Stephens. Furthermore, because private equity in emerging markets is relatively nascent, there are very few public sources of data that are consistently robust. So a firm's proprietary understanding of the market is absolutely critical in driving the quality of its decision-making.

I have two colleagues from large financial institutions that needed to design a system like Vantage Deal Manager in-house. Both have spent millions of dollars, have had many programmers employed on their projects, and still don't have anywhere near the functionality Vantage delivers. We're convinced that what Vantage offers is vastly superior to competitors, both packaged and proprietary.

John Stephens
Managing Partner
EMAlternatives, LLC

Vantage Deal Manager has delivered the sophisticated support we need to not only make better investment decisions today, but to grow and help us better compete in the months and years to come.



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