



## Advisor Software, Inc. Customer Solution Case Study



**First Citizens  
Bank**

## First Citizens Capital Management Group Institutionalizes Advice Delivery Using ASI Client Acquisition Solution®

### Case Study Overview

**Date of Implementation**  
2005

**Customer Profile**

With approximately \$7 billion in assets under management, Raleigh-based First Citizens Bank Capital Management Group offers a wide range of products and services that are personalized for High Net Worth clients.

**Business Opportunity**

The Capital Management Group needed a comprehensive, cost-effective way for advisors to deliver more personalized advice for clients – all while addressing their objectives in managing taxes and investments, as well as client relationships, trust/fiduciary obligations, risk management and business development activities.

**ASI Client Acquisition Solution**

ASI Client Acquisition Solution allows First Citizens Bank Capital Management Group to analyze current portfolio holdings, conduct a risk assessment, develop an asset allocation strategy, select securities, create model portfolios and generate a comprehensive investment plan, all in 15 minutes or less.

**Benefits**

- Provides an integrated platform for delivering strategic advice and generating investment proposals/reports for clients.
- Enables consistent advice delivery across multiple advisors.
- Gives advisors more time to focus on client relationships.

*"ASI Client Acquisition Solution was a natural fit for our organization because Advisor Software's investment philosophy in regards to asset allocation and the institutional process matches that of our own. We have truly realized a competitive advantage by working with Advisor Software to institutionalize the advice delivery process."*

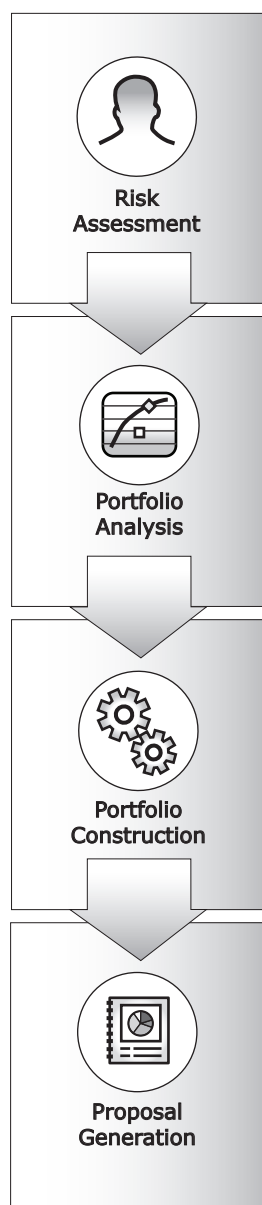
**Eric Teal, Chief Investment Officer,  
First Citizens Bank Capital Management Group**

### Institutional Investment Philosophy

In 2005, First Citizens Bank Capital Management Group Division needed an integrated portfolio construction and proposal generation platform that leveraged sophisticated analytics and research to address the asset allocation challenge – one that would configure to its core/satellite approach.

The division found that ASI Client Acquisition Solution was highly intuitive and followed an institutional approach to the investment advice process from client risk assessment to portfolio construction and proposal generation.





Says Teal, “we searched for a solution that would configure around our structured equity products and tax-aware investment philosophy. That is where ASI Client Acquisition Solution came in, offering a seamless environment with built-in underlying research and investment analytics and a ‘straight through process’ that resulted in generating a consistent proposal for clients and prospects across the enterprise in a reasonable time frame.”

By using ASI Client Acquisition Solution, First Citizens Bank Capital Management Group realizes significant time savings in developing a recommended asset allocation using a variety of institutional-caliber analytics and diagnostic tools such as:

- Current versus Target Asset Allocation Analysis
- Style Exposure Analysis
- Sector Exposure Analysis
- Efficient Frontier Analysis
- Monte Carlo Simulation
- Security Overlap Analysis

“Our vision is built around the asset allocation problem. ASI Client Acquisition Solution helped us tackle that challenge using a methodology that marries sophisticated investment theory together with a practical workflow,” says Teal.

### More Consistent Advice Delivery

The division required a highly scalable, end-to-end solution for tying together the process of developing a tactical investment proposal and implementing strategic advice.

The answer was to institutionalize the workflow using ASI Client Acquisition Solution to ensure consistent advice delivery across multiple advisors.

“ASI Client Acquisition Solution has helped us meet our corporate goal of ensuring that our client-servicing framework is consistent across multiple accounts. It has also allowed us to ensure a standard level of communication in regards to how our investment products are communicated to the marketplace.”

Using ASI Client Acquisition Solution allows the Capital Management Group Division to manage each individual account efficiently and consistently, constructing a well-diversified portfolio that implements the target asset allocation. Leveraging investment universes, advisors select a custom portfolio from predefined lists and specify the portfolio to meet that target asset allocation. The organization is also able to benchmark tax efficient separate accounts to virtually any standard or customized index, including S&P 500 for large cap, S&P Midcap 400 for Mid Cap and S&P 600 for Small Cap.

Working with Advisor Software’s research department has also allowed the organization to develop consistent investment models that are personalized to suit the needs of its High Net Worth clients.

“In working with a large number of accounts, our commitment to ensuring consistency in the advice delivery process is reflected in our ability to leverage consistent models for addressing the profiles of our investors,” explains Teal.

“ASI Client Acquisition Solution allows us to automate the advice delivery process and, also, develop standards for creating Investment Policy Statements.”

### Complying with Fiduciary Requirements

One of the additional benefits of streamlining the advisor workflow is being able to automatically construct portfolios according to the bank’s investment policy statements.

Says Teal, “ASI Client Acquisition Solution furthers our value-proposition of serving investors, not just as a provider of investment products, but as a fiduciary. The solution uniquely allows us to leverage approved securities, asset classes and models and deliver advisory services that comply with our fiduciary responsibility.”

### A Highly Configurable Solution

Using ASI Client Acquisition Solution, the Capital Management Group is able to configure advisor workflows around its core/satellite strategy.

Prior to implementing ASI Client Acquisition Solution, the Capital Management Group tried to implement turn-key, “out of the box” applications. However, because of their one-size-fits-all approach, these applications did not meet the organization’s needs.

Instead of helping the bank address current challenges, these “out-of-the-box” solutions created new challenges because they did not provide the functionality necessary to execute the plan that was suggested, explains Teal.

“By being able to customize the solution, we can ensure that we will never create a proposal upon which we can not execute. This is extremely important in the fiduciary world,” says Teal.

“ASI Client Acquisition Solution allows for the highest level of customization and the ability to generate the type of reports necessary to communicate our story.”

### Outsourcing Was the Way to Go

“Industry estimates suggest that financial advisory firms that focus on streamlining processes through technology and outsourcing can expect more than 10 percent in profit margin increases,” cites a recent survey of financial services executives conducted by Tiburon Strategic Advisors.

According to Teal, outsourcing the development of a unified platform for portfolio construction and proposal generation made sense for First Citizens Bank Capital Management Group because creating a system in-house did not fall into line with the division’s core competencies and would require an extensive investment in IT time and resources. Further evaluation revealed that it was more cost-effective to outsource development of the solution. As a result, the division selected Advisor Software as a technology partner and implemented ASI Client Acquisition Solution because it offered a highly scalable, web-based environment that was in-tune with the organization’s requirements.

“Once we found a partner that had a consistent investment philosophy to our own, it proved very beneficial to outsource development of a solution that would help us automate the process of building cohesive, professional and highly personalized investment plans for each of our clients.”

**Eric Teal, Chief Investment Officer,  
First Citizens Bank  
Capital Management Group**

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