



CASE STUDY: SINGLE FAMILY OFFICE **THE LUPTON COMPANY**

Background

The Lupton Company, LLC is a Chattanooga-based single-family office that provides investment, management, legal and other services to the Lupton family members. With its large number of family entities and ownership structures, Lupton needed a flexible accounting and reporting solution that would support the office's complex environment.

The Challenge

Lupton was using a popular provider of private equity accounting software that initially held great promise. However, it became apparent that the vendor was not prepared to handle the range of functionality and reporting needs of a family office.

Partnership accounting and performance reporting weren't integrated. The vendor had no experience with time-weighted returns and other key calculations. And, a lot of customization was required — many basic reports had to be built from the ground up.

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Lupton decided to go back into the market to search for a better solution. Specifically, they wanted a system that could integrate private equity, real estate, performance metrics and marketable securities on a single platform. The solution also had to integrate partnership accounting and performance reporting as well as offer a complete range of out-of-the-box reports.

The Solution

Upon learning about FundCount, Lupton requested a demonstration of the software, which was followed by a proof of concept using private equity and marketable securities data for two of Lupton's entities. Lupton wanted to test the full capabilities of the system and compare results to their current process. "The results came close to the process we were currently using," said Marcie Odum, CFO of Lupton. "We were surprised by how well FundCount fit." In addition to providing an integrated solution capable of supporting complex family office requirements, FundCount offered out-of-the-box reports and a price point that was within the office's budget.

Once the decision was made to use FundCount, it was time to move forward. Over the course of three days, FundCount imported data and set up Lupton's entire structure, including 70 entity partners and investment vehicles and over 150 investments. According to Odum, "Understanding partnership structure and having data already in the proper format helped make for a smooth set-up process." The system was fully implemented and in production in under four months.

Results

FundCount brings Lupton greater visibility, ease of use and enhanced efficiency. The system consolidates partnership and portfolio accounting through one general ledger for an integrated financial picture while offering the flexibility to view ownership and run reports by individual entity, asset, investment, geography and other parameters. Robust drill-down features provide quick access to underlying details in accounting and performance measurement. A simple click of the mouse brings up investment history, for example, so it is easy to see errors or why an entry is different than expected.

Odum and her team use FundCount's drop-down menus to open up and view activity in any entity and toggle back and forth between entities. "The multi-entity drop-down menu is

my favorite feature," said Odum. "I used to have to log into each entity individually but now I can easily switch between partnerships to see other entities." Reviewing 10 partnerships used to take as many as three days. The same process can now be accomplished in a single day because there is a higher level of confidence in the accuracy of the data and verifying underlying details is faster.

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Reporting is more timely and efficient as well. Partnership data can be input at any time rather than having to wait until month end to receive data and run reports. Cash flows, which change throughout the month, can be tracked in real time and reports run on the fly. Even risk and performance analytics reports that match those provided by the office's external investment advisor can now be run in-house.

Odum is quick to praise FundCount's responsive client service team. Any issues or questions are typically addressed in one day. And, she notes that FundCount has an unusual and pragmatic approach to reports. FundCount knows that any good reporting idea one family has will likely be helpful to others. As a result, FundCount makes reports created by the client available to all clients through its ever-growing Report Encyclopedia.

"Lupton is a small family office but we are in our 5th and 6th generation, so we've learned to be very efficient," said Odum. "We never anticipated that a software solution could make us even more efficient, but FundCount did just that."