



CASE STUDY

Chandler Asset Management scales client fee billing to exponential asset growth with Gresham's Control

Chandler Asset Management Inc. ("Chandler") is a San Diego, California-based fixed income investment manager for institutions including public agencies, healthcare providers, foundations, endowments and corporations. The firm chose Gresham's Control for client fee billing solution (formerly Electra Billing) to replace a combination of spreadsheets and an internally developed SQL data warehouse to manage its monthly client fee billing process.

The result is a highly scalable, efficient and accurate billing and invoicing process completed for more than double the AUM in less time.

The challenge

Slow, unscalable process

Prior to Gresham, Chandler's use of spreadsheets and SQL data warehouse caused long fee billing cycles each month and failed to support business growth. As an institutional asset manager, the firm primarily used standard tier schedules, however it needed to manage more fee schedules to accommodate different exceptions and exclusions from the billing process.

Typically, Chandler's operations team performs a daily reconciliation process using Gresham's Control for investment management (formerly Electra Reconciliation) and end-of-month data checks. The firm's billing team had to constantly make sure formulas and cells did not get moved or deleted while constant updates were required to maintain information in multiple spreadsheets and databases.

"Our previous process simply was not sustainable as our firm grew," said Nicole Dragoo, JD, IACCP and President of Chandler Asset Management. "Fee calculations and invoicing were taking longer and longer each month as spreadsheets got bigger and bigger. It just wasn't scalable or efficient."

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Nicole Dragoo, JD, IACCP and President of Chandler Asset Management





The Solution

Solving the data challenge

Already a user of Gresham's Control solutions, Chandler's established relationship made it a simple choice to implement Control for client fee billing in a cloud-based SaaS environment.

One of Chandler's biggest challenges was connecting fee data with its downstream systems and custodian banks. Gresham created data extracts to send fees to Schwab, Fidelity and US Bank, and allow Control to receive data files. From there, the team can perform quality control checks.

Control distributes information to Chandler's operations team responsible for completing daily reconciliations, a four-eyes review prior to generating monthly (and some quarterly) invoices. Although Chandler continues to use its own SQL data warehouse to pull in data, the firm is now able to send import files to Control rather than spreadsheets, and export data to direct debit accounts and other core systems.

"Control's bank data extracts and connectivity with direct debit accounts and our accounting systems save us a significant amount of time," said Drago.

"Gresham provides the best support I have ever encountered... Gresham is always there for us."

Nicole Drago, JD, IACCP and President of Chandler Asset Management

Results

Increased efficiency while scaling to growth

"Our fee billing process is more streamlined, and we rarely have issues or errors," said Drago. "With Gresham's Control, we're getting the work done faster and with greater integrity, even though we've more than doubled in total assets."

Before Chandler started using Control, it took them about three business days to send invoices when the firm had about \$11.7 to \$15 billion in AUM. With Control, Chandler consistently completes the billing cycle by the afternoon of the second business day, even though the firm's assets have grown to about \$24.5 billion AUM with another \$28 billion in consulting assets.

Reduced risk, cost and complexity

As a fixed income asset manager, and with 80% of its client base consisting of public agencies, Chandler needed the flexibility to wave fees on certain asset classes or apply caps as needed.

"Market volatility was already a challenge, and once the pandemic hit, our clients needed a little extra TLC and flexible billing on our part," said Drago. "Control lets us be creative or tailor billing to client needs."

Chandler also says Control provides them with better audit trails that allow them to see a history of billing arrangements rather than having to track the information in spreadsheets. "We can dig into calculation details more easily and validate data, which makes the entire process more reliable," said Drago.

The value of support

Drago says that much of the value of being an Electra client is the support she receives, as well as the access to experts to discuss complex requests or enhancements.

"Gresham provides the best support I have ever encountered," she said. "From helping our IT to test scenarios or talking through the best way to restructure accounts with different custodians and billing arrangements, Gresham is always there for us."