

InvestEdge: Maximize Investments with Professional Wealth-Management Solutions



Site:	https://www.investedge.com
Founded:	2000
Clients:	Investment firms, banks, and other financial institutions
Value proposition:	Comprehensive wealth-management platform
The executive team:	Roland Collins , CTO and cofounder

InvestEdge is a long-standing leader in the world of FinTech. InvestEdge provides a platform with a streamlined set of suites and tools to handle all aspects of wealth management, including portfolio management, trading and rebalancing, performance metrics, reporting, and data aggregation. With over 18 years in the industry, InvestEdge is one of the most reliable and trusted FinTech companies on the market. In the spring of 2018, InvestEdge [surpassed \\$1T in client assets under management on the InvestEdge platform](#).

I traveled to Bala Cynwyd, a town near Philadelphia, to meet with one of the two original founders of InvestEdge, **Roland Collins**. Roland showed me what hard work and almost two decades in the financial space mean in terms of the scope of keeping up with innovation and growing a successful business.



As a young man, Roland had far-reaching ambitions. He started his career off as a software developer for PNC Advisors, where he met InvestEdge's current CEO and cofounder, Robert Stewart. At PNC, Roland was involved in developing a solution called Co-Pilot for portfolio management, equity research, and trade-order management. After the project reached maturity, Roland and Robert decided that the broader market was in need the types of technologies that they had implemented for PNC. Bob and RC launched InvestEdge right out of Roland's bedroom in late 2000. Since then, InvestEdge remains committed to bringing clients value by building the products they need to handle data management and, specifically, ultra-high-net-worth data.

What sets InvestEdge apart from its competitors?

Roland outlined the real value that InvestEdge can provide to its major financial institution clients. First, InvestEdge's data-processing layer allows clients to connect with multiple custodians and accounting systems to get a single and consistent view of the world. The second big differentiating factor is how InvestEdge deals with investment complexity. While other FinTech companies are scaling up their complexity, InvestEdge is essentially scaling down:

"A lot of systems started out in the brokerage world and then moved up in complexity. We started with the ultra-high-net-worth world and we're building down in complexity. What that means is the investment vehicles used to service ultra-high net worth investors are just inherently more complex than they are in the brokerage world. So our system was designed to handle a broader base of instruments from day one."

Roland explained that InvestEdge is making a push for advisor efficiency with middle-office solutions. The first module planned for launch is centralized compliance management. Whether the middle-office work is fully automated, through robo-advisors, or incorporates humans, a middle-office approach would have advisors work as a checkpoint to make sure everything is done correctly. This also allows the firm to increase Advisor productivity by moving operations to lower-cost lines of business. Additionally, InvestEdge is developing and maximizing the use of unified managed accounts through sleeveless accounting.

Integrations enrich the customer experience

Over the years, InvestEdge has strategically integrated with many major players in FinTech. Some examples of integrations with accounting systems include **SEI TRUST 3000**, **SunGard**, **FIS Global**, and **Advent** for a steady and accurate data stream, as well as brokerage systems such as **Fidelity** and **Pershing**. InvestEdge is partnered with **Northfield** for risk monitoring and tax optimization, and **FIX Flyer** for trade-order management and routing to the InvestEdge Portfolio Management system.

“We’re plugged into most of the major custodians and most of the major accounting system vendors. Then we supplement it with data from **Morningstar**, from **Thomson Reuters**, [and] from **IDC**, etc. So, we’re well versed with most of the vendors that you would come across in the high-net-worth business.”

How InvestEdge processes data

The way that InvestEdge processes data, as mentioned above, is what sets them apart from the rest of the field. The “secret sauce,” as Roland called it, can be boiled down to two patents that InvestEdge holds. The first patent is for a distributed processing engine, a computing framework that handles high-volume workloads in a horizontally scalable way. The second patent is how the data layer works. The brunt of this is how InvestEdge takes different sources of data from accounting systems and data-aggregation tools and overlays these on top of each other. This solution is how InvestEdge enhances the value of data and how it improves data quality, integrity, and the timing of data.

“InvestEdge was really built with the idea that we want to create one single source of truth for your data and then give you the ability to look at your accounts, and your relationships, and your structures the way that you expect to look at them.”

Team structure

Roland said that InvestEdge has a typical structure seen in product delivery from a software-development standpoint. More than half of the 90+ employees work on the technology and development side of the company, and are split up into groups that deliver specific product lines. One half of the team is comprised of developers, business analysts, and QA engineers. The other half includes data analysts, customer and sales support staff, marketing, HR, service specialists, tech support, and an outsourced performance-scrubbing team.



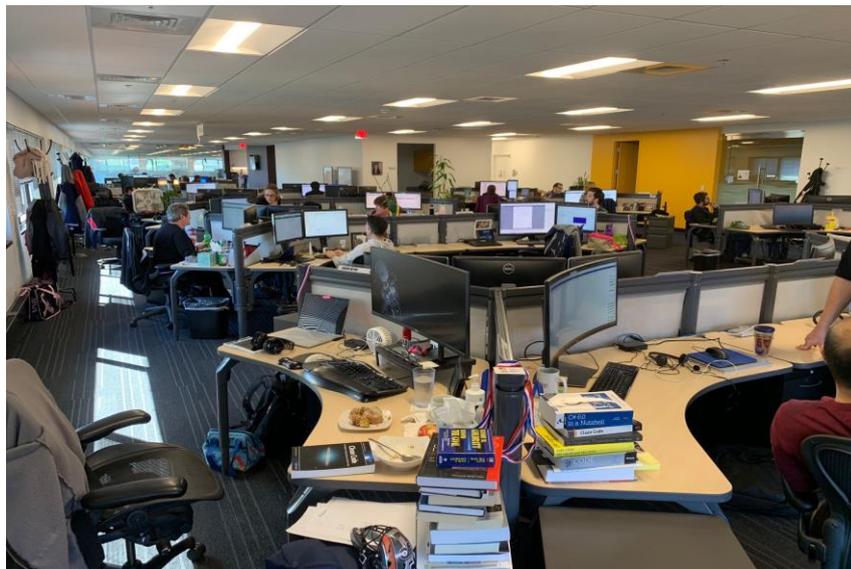
Product management

Up until approximately two years ago, InvestEdge had their own proprietary methodology that resembled **Waterfall**. As the company shifted towards a product-based approach, it became clear that the old product-management methodology couldn't keep up with the fast decision-making process and flexibility that was required. So the product-management team became fully agile and Roland said that very soon they will shift again to use the **Scaled Agile Framework**.

“We were constantly at the mercy of our customers to get us information. So now we flip that. Our product discipline now is that we've gone out and done the market research to find out what the industry really needs. We do an ROI-based analysis on every feature that we develop. And we do not deliver that code if it doesn't have a positive ROI.”

Roland said that at first glance these ROI calculations may seem difficult, but there are standard situations where ROI can be calculated based on the price to build the product/feature. The rest of the calculations are based on market penetration, known sales leads, promises of contract, etc. By analyzing the risks and benefits, InvestEdge can breathe easy thanks to a discipline-based model that focuses on driving value across an entire customer base and product line.

“Our average customer relationship is over eight years. With a single exception, we've only ever lost customers because they've either shut down shop or because they've been acquired. So we have a very high retention rate with our customers.



Tech stack

In terms of technology, InvestEdge is a web-service company. Their stack is **.Net-** and **Java-**based. Roland explained that the logic of using both .net and Java is twofold. For one, many components that InvestEdge has are legacy systems that will need to be reengineered and updated. The front-end is built on standard **HTML**, **jQuery**, and **Kendo UI**, utilizing a single database-management system.

To handle DevOps, Roland and his team have built a process around **Build Master** from **Inedo**. Build Master is essentially a framework that handles promotion and delivery through different environments. InvestEdge has development environments that are updated daily, directly from the development branches for every development stream. As a

developer checks code in it shows up on the server on the same day, generating tight feedback loops from a testing perspective.

“The one thing that we do differently [in our tech stack] is our process distribution layer where, for instance, one of our features is doing large runs of report statements or financial statements for a bank. So if a client has to send out 60,000 presentation-quality, bound, [and] printed statements, we can do that because we’ve run that through our process-distribution mechanism.”

Managing and leveraging knowledge

InvestEdge has an impressive lineup of in-house experts that include Masters of Finance, CFAs, and CPAs. Roland noted that the chief software architect is both a CFA and CPA. In addition, Roland said that many analysts and several programmers are pursuing CFA certification in order to gain a deeper understanding of requirements, client-oriented services, and product management.

Apart from in-house materials, InvestEdge has a strong culture of internal education sharing. Roland pointed out that in recent years LinkedIn Learning has become a valuable resource for both financial and technology content.

Business and tech challenges

One of the biggest challenges Roland sees is identity management. He believes that ID management is the key to understanding how users relate to the data that is being used. To better serve the 120+ clients that InvestEdge currently has, Roland and the team are working on a way to couple a strong ID-management platform with a strong asset-management and traceability platform.

“Strong identity management, strong asset management, and a strong focus on security on top of that really enables you to build whatever you want. If you get those fundamentals done correctly then the product can go where it needs to. You’re no longer concerned with those things as a product offering. You’ve got the fundamental technology in house.”

Next year, Roland wants to make a push for incorporating cloud services, although he believes that most customers are not ready for it. This may have to do with the perceived freedom of the cloud, with data flowing in and out of computers and servers, so it may take time until clients are comfortable with the security and stability of the cloud. Instead of a public cloud, Roland is pursuing private cloud technology to change the way that InvestEdge delivers infrastructure.

WealthTech Club takeaways

InvestEdge has had an innovative edge on competitors for almost two decades. The fact that they have managed to organically grow and scale in the volatile world of finance is a testament to their attitude and loyalty to clients. InvestEdge is the wealth-management platform that financial institutions trust.



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