

# project case

Automated calculation of management fees in institutional asset management

*“For the modernisation of our billing and invoicing, we sought an external software solution that fits in well with our existing IT infrastructure. We chose calculo by Sowatec because of its modern system architecture, open interfaces and modular structure.”*

Heike Tallowitz, Helaba Invest, Frankfurt



# Helaba Invest

For the automated billing of its complex fee models Helaba Invest relies on Sowatec's fee management platform calculo.

## Our customer and the project

Helaba Invest Kapitalanlagegesellschaft was founded in 1991 as a 100% subsidiary of the Landesbank Hessen-Thüringen. With a managed volume of approx. 70 billion euros, Helaba Invest is one of the leading investment companies in institutional asset management.  
[www.helaba-invest.de](http://www.helaba-invest.de)

The investment company Helaba Invest has automated its existing fund fee calculation processes. A challenging task for IT. Flexible and powerful standard solutions were required.

Sowatec proposed a modular software, calculo, which satisfied all the demanding requirements. Moreover, it is a software that can be expanded and adapted easily.

### Challenge

Helaba Invest calculates complex fee structures. Therefore, they have high requirements for a new software solution:

- Modular system architecture with open interfaces for the fund, financial and limited company accounting
- Modelling of relational fee structures.
- Automated calculation of management fees

### Goal

To implement a modular software solution with flexible interfaces to current market systems and data providers as well as automated computation processes.

### Solution

We introduced automated management fee calculation. calculo is a "Business Rules Management (BRM)" technology-based software platform that automates rule-based fee calculations for the German master investment company (Master KAG). Thanks to the flexible system architecture, calculo adapts to current market conditions and can be expanded accordingly.

## Benefits

- Central and user-friendly data management
- Automated accounting of all fees, incl. broker, administration and custodian fees
- Traceable and transparent reporting
- Automatic data exchange
- Parameters for standard reports can be set autonomously
- Easily expandable to include new types of fees

## Further projects are planned:

“We will process further fee types through calculo. And we will keep developing the calculation and settlement models that we have already implemented.”

Tallowitz

## In Conversation

**Heike Tallowitz, Head of Group Service Fund (Fund Accounting department) and Dr. Christian Ebersberger, Head of IT, were responsible for the implementation of this project at Helaba Invest.**

**Fund accounting at Helaba Invest is divided into seven groups. Have all the processes of the funds service group now been automated?**

Tallowitz: Only partially. So far we have only implemented the fee types that were already being processed by the old system. That includes the calculation and processing of our own and third-party management fees, as well as the payment of volume-based administrative charges. We intend to tackle other areas in subsequent projects.

**You have chosen an external software solution. Why?**

Tallowitz: Our old system was perfect for what we needed six years ago, but the situation has changed. As the demands placed on our in-house system have grown, we were reaching the limits of our software architecture. The complexity of the fee models of a Master-KAG today, requires a software solution that is flexible and customisable, in particular when it comes to the representation of interdependent fee structures.

**What criteria did your software supplier have to meet?**

Dr. Ebersberger: We had an extensive catalogue of requirements: We wanted an automated solution that can be linked to the SAP system, a modern and modular system architecture with open interfaces, a comfortable graphical user interface and a short implementation time.

**Could the custom criteria also be parameterised?**

Tallowitz: Absolutely – in great depth. The system was configured according to our requirements with respect to the interfaces, fee models and process. Thanks to a high degree of customisation, we can now even automate the calculation of special conditions, fully or partially. This reduces the need for manual calculations and saves a lot of time.

**Is operating the software time consuming?**

Tallowitz: The operation of calculo is relatively simple – a short introduction is sufficient to perform the necessary steps for billing. But if you need to set up complex relationships or structures – such as linking rules and products – then there are a number of areas where mistakes could potentially creep in the source of which is not instantly identifiable.

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*“ Thanks to a high degree of customisation, we can now even automate the calculation of special conditions, fully or partially.”*

In those instances, intensive trouble shooting is required or, in exceptional cases, support from Sowatec.

Dr. Ebersberger: A smooth software launch was a key criterion from the beginning. So it was very important to us that the product had proven to be reliable and secure for numerous customers before us.

**Does that mean you had no problems with the implementation of calculo?**

Dr. Ebersberger: A demanding project like this – involving the migration of a fee management solution – is bound to encounter a few difficulties. In our case, there were some performance problems – these were not unexpected. They were quickly identified and solved by Sowatec rapidly. After the transition phase, the project went ahead according to plan and satisfied all our expectations.

**What can you say about process improvements?**

Tallowitz: The payment procedures of the management fees and administration fees now run synchronously and the interface to the limited company accounting department has been automated. Moreover, since the introduction of the system, processing time has been reduced significantly. Numerous reports are now tailored to the individual needs of the partners – for example custodian fee for custodian banks.

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