

Best and Worst Trust Accounting Software for 2011

Shopping for a trust accounting system? Our experts reveal what you need to know before you buy. HWA, Fi-Tek and others boost their standing, while new players like Citi make a splash with innovation, offering institutions a better way to do business. SunGard AddVantage leads as top choice across the board. Here's why.

Keeping accurate records — and staying on top of them — remains the foundation of everything that trust companies do. And as family offices and other wealth managers hunt operational efficiency, systems originally developed to track trust accounts are becoming hot strategic commodities.

To find the best platforms out there, we polled trust operations personnel, consultants and the users themselves on the pros and cons of 12 systems from 10 separate vendors:

	AccuTech Systems AccuTrust Gold	Citi OpenWealth*	Delta Data Trust Accountant	Fi-Tek TrustPortal	FIS TrustDesk	HWA International TrustNet
	Ease of operation; account review management, automated risk scoring; can generate multiple reports.	Award winning UMH capabilities servicing both trust and brokerage, fully integrated with custody and a wealth management solution.	Intuitive, reliable, full-featured, with customizable reports. Suitable for small-medium business.	Incorporates the best features of all systems. Integrated Wealth Management with superior pre-trade compliance and portfolio management capabilities.	Front-office efficient; enhanced service delivery, productivity and usability.	Provides firms the most cost effective solution, excellent contact manager. Very customizable and needs no onsite extra staff for administration.
System Features						
Number of Clients	325+	NA	NA	100+	200	100+
Target Client Size	\$200M-\$5B	\$1B+	1-2,000 accounts	\$400M-\$20B+	\$1B+	\$50M-\$10B
Price ¹	\$15k yr. (in-house)	NA - Flexible	\$1k+ year	NA - Flexible	Volume based	\$10k+
STP Trading ²	Yes	Yes	No	Yes	Yes	Yes
Portfolio Performance	Yes	Yes	Yes	Yes	Yes	Yes
Proposal Generator	Yes	Yes	No	Yes	3rd Party	Yes
Built in CRM	Yes	Yes	Limited	Yes	Yes	Yes
ASP Accessible by Internet	Yes	Yes	In-progress	Yes	Yes	Yes
3rd-party Operational Outsourcing	Revzon (877) 254-7085	Citi ³ (215) 493-4741	N/A	FSTC (732) 632-8194	M&I (414) 287-8700	Revzon (877) 254-7085
Recommended for Family Offices	No	Yes	No	Yes	No	Yes
Rating	★★★★	★★★★	★★	★★★★	★	★★★★
Primary Contact	Ray Unger Phone: (800) 686-0470	Joe Miskels Phone: (215) 493-4741	Rich McCabe Phone: (612) 867-1050	Kevin Fisher Phone: (732) 632-8194	Jeff Bloedorn Phone: (414) 815-4451	Harry Sullivan Phone: (901) 388-6120
Provider Furnished Comments		OpenWealth* provides a customizable modular platform that offers a web-based all-in-one solution.		Lots of great feedback. ASP deployment and highly scalable for large banks. Can be white labeled for resellers in different markets.		Users say system is much faster than other systems, very easy to customize and priced right.

¹ Pricing is an estimate based on a start-up system (5 users, 500 accounts). Several vendors declined furnishing details on pricing (NA: not available).
² STP Trading: Straight Through Processing - "seamless trading"
³ Vendor provides 3rd-party operational outsourcing
 Sources (May 2011): Vendor contacts and Celent
 © 2011 TheTrustAdvisor.com

The Trust Advisor Blog ("TAB") is not affiliated with any of the providers on this comparison chart. TAB makes no representations or warranties of any kind regarding the content hereof or any products or services described herein, including any warranties, express or implied, as to the accuracy, timeliness, completeness, or suitability of such content or products and will not be liable for any damages (including, without limitation, damages for lost profits) which may arise from the use of any participating provider's services.
 The content contained herein should not be construed as financial advice or a recommendation for the purchase, retention or sale of any product or securities.

The Trust Advisor Blog

“Trust accounting systems do a better job of reflecting the totality of the relationship between fiduciary and client,” says Bob Ellis, a wealth management consultant who’s written extensively on trust technology for Celent and other firms.

“The trust is not just the portfolio and not just a bank account and needs a more flexible system,” he explains.

“It needs to reflect a combination of investments, analysis, reporting and even cash distributions. And as non-trust companies take a more holistic approach to the client relationship, they need these capabilities too.”

AddVantage wins through scale

The [last time](#) we polled the experts on the best accounting systems out there, AccuTrust Gold delivered the biggest bang for the buck.

This year, our sources give the prize to [Sungard's](#) massive AddVantage for giving the biggest bang out there, bar none.

“No other system has all the features that AddVantage provides,” says [Les Revzon](#), who runs a trust company operations outsource group.

“It was ahead of the game years ago and remains so far ahead of any system that I know of that it still earns an ‘A’ rating from me.”



**AddVantage has it all...
if you can afford it.**

Quite simply, AddVantage does it all, so a look under its hood reveals a lot of what modern trust companies are looking for.

The platform provides a full range of securities and mutual fund transaction support and processing, systemwide balancing, custody and asset safekeeping, client reporting and portfolio management.

AddVantage automates cash sweeps and — especially desirable for trust officers juggling the need to maximize total returns for all beneficiaries — segments account assets into income and principal.

Investment architecture is completely open, even where private equity, hedge funds and other alternative asset classes are concerned.

Processing takes place in real time, all via the Web. And AddVantage even supports email delivery of statements as part of its integrated customer relationship management (CRM) capability.

In just the last few years, CRM has gone from a novelty in the financial services industry to a must-have labor- and cost-saving technology. And trust officers increasingly demand the power to check client history and generate automated client communications without leaving the core accounting screen.

Plenty of choices for the rest of us

While AddVantage is definitely the thoroughbred in the marketplace, its architecture and pricing make it a tough fit for trust companies with under \$2 billion under administration.

To run AddVantage, a trust department generally has to budget around \$10,000 a month to the system, which instantly prices out start-up firms and non-traditional users alike.

In fact, it's common knowledge out there that Sungard has phased out active sales of its smaller-scale trust accounting product Charlotte, which was tailored to users too small to really take advantage of AddVantage's high-volume processing approach.

Charlotte's existing customers can stay on the platform, but efforts to actively grow that user base have tapered off, Bob Ellis says.

Luckily, trust companies that once might have considered Charlotte still have plenty of more reasonably scaled vendors to pick from.

Since 2009, the number of vendors on [our list](#) has grown from 7 to 10 — broadening out to include specialized trust-only firms like Delta Data and a few emerging giants in the world of trade processing and back office software.

All do a fine job of tracking accounts and assets. But beyond that, the sheer diversity of add-on features — and the dictates of pricing — makes it hard to pick a definitive “best of breed” winner in this category.

“Turn the key in a 1960 Chevy, and it'll still run. It just won't have airbags, automatic seat belts, satellite radio or any of the other things we now take for granted,” Revzon explains.

Instead, we ranked the platforms on a one- to five-star scale, with one star going to that perfectly serviceable 1960 Chevy and four stars to the best platforms out there that a start-up trust company could reasonably afford.

Innovation is rewarded

Scoring very high in the four-star group this year, [HWA International's TrustNet](#) would probably also win the prize for the most improved platform.

Back in 2009, our research revealed that TrustNet supported basic portfolio performance tracking and Web-supported ASP networking — both of which have become must-have items for any competitive accounting system — but offered little in the way of more advanced technology.

But over the last two years, HWA invested heavily in its platform and now provides straight-through processing (STP) and integrated investment proposal generation software, along with full CRM support.

“It's pretty beefed up now,” says Harry Sullivan, who heads up HWA sales. “There's not too much more we could add from the trust processor side, although if a client wants something changed we have an excellent procedure in place for handling that.”

As far as Sullivan's concerned, the only real competitor for TrustNet now is HWA's other trust accounting system Trust Processor, which has all the same functionality and as a bonus happens to be the only general-ledger-based option out there.

That makes Trust Processor ideal for smaller offices in particular, Bob Ellis tells us.

TrustPortal leading the convergence

And where non-trust institutions like adapting traditionally trust-specific accounting systems to their business models, [Fi-Tek's TrustPortal](#) is winning big gains, Ellis says.

“This is creating a huge opening for people like Fi-Tek, which is probably the low-cost provider in the space,” he tells us.

Until recently, family office providers who wanted an integrated solution had to either cobble one together from in-house spreadsheets or else pay through the nose for an expensive and specialized product like Rockit.

But since Fi-Tek started transforming TrustPortal from a specialized accounting system into a full-fledged wealth management platform six years ago, family offices and trusts alike have flocked to its versatility and pricing.

Clients get all the functionality of other top-line systems — combining wealth planning, portfolio management, modeling, realtime trade execution, proposal generation, compliance and other capabilities in the same platform.

And Ellis says compatibility with Fi-Tek’s popular HedgeTek portfolio tracking platform, which already runs \$400 billion in institutional funds, is a real ace in the hole here where integration is concerned.

“Fi-Tek is probably the leader in this segment because they have HedgeTek already on their side,” he explains.

Citi making big waves

Integrated proposal generation and household rebalancing are also key competitive factors for the newest vendor on our list, [Citi Investor Services](#), which rolled out a trust accounting enhancement for its popular OpenWealth asset management platform [back in March](#).

OpenWealth now allows trust officers to handle everything from account creation and proposal generation, rebalancing to reporting and long-term tax planning, right in the trust office desktop.

And its award-winning “unified managed household” approach lets trust officers monitor all of an investor’s assets across trusts and other family accounts, ensuring that each investor’s wealth is managed as effectively as possible.

“What we’ve done is deliver to the trust space the first truly holistic wealth management platform from the family perspective,” says Jonathan Flitt, director at Citi Investor Services.

Although Citi is new to the trust market, this kind of innovation has already earned it high marks – not to mention forcing more established trust accounting vendors to play catch up.

After all, to paraphrase Les Revzon, the 1960 Chevy may get you there, but that doesn’t mean you want to drive it.

[Scott Martin](#), senior editor, The Trust Advisor Blog. Steve Maimes and Les Revzon contributed to the reporting and research.