

**SUNGARD
EXPERIENCE**

**Layne Rasmussen
Beth Graff
Principal Funds**

PRINCIPAL FUNDS IS GROWING AT AN IMPRESSIVE RATE WITH A GOAL TO REACH \$100 BILLION IN ASSETS UNDER MANAGEMENT. TO HELP THEIR OPERATION KEEP PACE, PRINCIPAL RELIES ON ASSET ARENA.



When it comes to their fund accounting operation, Layne Rasmussen, Beth Graff, and their team at Principal Funds are working toward a set of goals that colleagues across the industry will relate to. At the top of the list are accuracy, efficiency, and scalability.

“We want to take on new business, while keeping our staff from growing at the same rate our assets are,” explains Layne, who is vice president and controller for the funds. “Of course, we also need to maintain the same tight controls we always have.”

To help reach these goals, The Principal has turned to a long-time partner, SunGard. The firm has upgraded to the enterprise platform of Asset Arena Investment Accounting as their fund accounting solution and also implemented Asset Arena’s Exception Manager module.

“We’ve really just completed the implementations,” says Beth, who is senior financial accounting leader with the group, “but our initial indications are that we’ve made a very good choice.”

GROWING PAINS

An arm of the Principal Financial Group focusing on mutual funds, Principal Funds is a business growing at an impressive pace. The group, based in Des Moines, Iowa, recently acquired WM Advisors, bringing its number of funds to more than 100 and increasing assets under management from \$35 billion to \$56 billion.

“It’s our goal in the not-too-distant future to reach \$100 billion,” says Layne, who points out that this growth brings certain challenges for his staff of 52. Among these challenges was the task of converting WM’s \$22 billion in fund assets to The Principal investment

accounting system following the merger—an undertaking that Layne’s team completed with help from SunGard’s professional services team.

The ongoing growth of The Principal has demanded improvements in workflow and technology in the fund accounting area. “We were long-time users of Asset Arena Investment Accounting before upgrading to its enterprise platform,” Layne explains. “It offered a lot of functionality and we had generally achieved a high level of accuracy, but we had a number of control points and processes that were still fairly manual. That’s O.K. for a smaller shop, but as you scale up, it just doesn’t work.”

FUNCTIONALITY AND FLEXIBILITY

Moving to Asset Arena’s enterprise platform brought The Principal a new level of both functionality and flexibility. “For instance,” says Beth, “we now have the ability to drill

WORK AND HOME LIFE: Layne Rasmussen

LOCATION: The Principal is headquartered in Des Moines, Iowa. We have about 8,000 employees here.

BEST THING ABOUT DES MOINES: It has the advantages of a larger city and the quality of life of a small community.

COMMUTE: I can be from my front door to my desk in 20 minutes.

ORIGINAL HOME TOWN: Newell, Iowa. I grew up on a farm a couple of miles outside town.

EDUCATION: I studied accounting at the University of Northern Iowa in Cedar Falls.

FAMILY: I have a wife and three kids, two boys, age 12 and 6, and a girl who’s 10.

FREE TIME: Coaching soccer and going to music recitals. I’m still a golfer, but I don’t get out too often.

DREAM JOB: I really enjoy what I do. I’ve been here 23 years, and I don’t want to change.



“MOVING TO ASSET ARENA’S ENTERPRISE PLATFORM BROUGHT PRINCIPAL A NEW LEVEL OF BOTH FUNCTIONALITY AND FLEXIBILITY. SOME OF THE BIGGEST GAINS IN EFFICIENCY AND ACCURACY HAVE COME WITH THE USE OF THE EXCEPTION MANAGER MODULE.”



down more easily into the data, to access the system remotely, and with Dynamic Desktop, to define user roles more precisely.”

This last capability proves useful when it comes to meeting the differing needs of in-house fund accountants on the one hand and traders and fund managers on the other—including those on staff with 23 non-affiliated investment advisor organizations across the county. “We can give everyone exactly the right level of access,” Beth says.

She also points to the advantages of Asset Arena’s enterprise reporting features. “You can run reports to your desktop, customize them, and search them,” she explains. “That saves the fund accountants an enormous amount of time—especially when they may be only looking for one number from the whole report.”

Some of the biggest gains in efficiency and accuracy have come with the use of the Exception Manager module, which lets the fund accounting team write business rules to automatically identify, and often resolve, potential issues and errors.

“For example,” Beth says, “if a trader keys in a wrong figure and a transaction comes in with a price of \$50 instead of \$20, Exception Manager will flag it, prioritize it based on its potential impact, and determine the seniority level of the person needed to clear it. We can write the business rules to do precisely what we want.”

“We’ve only been running Exception Manager a short time,” Layne adds, “but we’ve already uncovered at least one item that we very well might have missed otherwise and that would likely have impacted our NAV accuracy.”

A TRUE PARTNERSHIP

When The Principal decided to adopt Asset Arena Investment Accounting and its Exception Manger module, they also decided to work with Asset Arena Professional Services on the implementation. “We had two reasons for working with SunGard’s consultants,” Layne says, “to complete the implementation more quickly, and to make sure we were getting the full potential out of the new systems.”

The implementation process began with an onsite assessment to prepare for the project by reviewing the strategic objectives and business processes of The Principal. The SunGard team was

WORK AND HOME LIFE: Beth Graff

OFFICE: I’m with Layne here in one of the many buildings in the Des Moines corporate complex.

COMMUTE: 12 to 15 minutes from West Des Moines.

DISTINCTIVE DECOR: Pictures my kids have made.

ORIGINAL HOME TOWN: Walcott, Iowa, which is near Davenport.

EDUCATION: I also studied accounting at the University of Northern Iowa.

FAMILY: I’m also married with three kids, two boys, age 10 and 8, and a girl who’s 4.

FREE TIME: All of my kids are involved in sports, and I’m their biggest fan. I don’t coach—except from the sidelines.

DREAM JOB: I like it here too. I’ve been here 13 years.

composed of software, industry and process consulting experts from Asset Arena Professional Services and SunGard Consulting Services. “Together, we went through each of our daily activities and work-flowed them out,” Beth says. “SunGard then documented every point where Exception Manager could benefit us. Some of these were opportunities we were aware of, but others were things only they could identify because they know the software and its capabilities so well.”

With the implementation still recent, Layne and Beth don’t yet have a precise sense of the return on investment they’ll see. It’s clear, however, that they’ve taken a major step toward each of their key goals. The fund accounting team is already working more efficiently, they have more powerful tools in place to maintain accuracy, and they are ready to grow as The Principal does.

THE SUNGARD SOLUTION:
ASSET ARENA INVESTMENT ACCOUNTING
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