Know What You’re Getting Before Your Technology Conversion

Converting from one technology system to another is one of the biggest and most important decisions your advisory firm can make.

Your choice of technology to support your firm’s initiatives can affect your operational efficiency, growth plans, employee morale, and even the security of client accounts.

When looking to make a move, most advisor tech firms will offer to convert data from your previous system. Some will only offer to convert your performance data or a more rare—but also more advanced conversion—might involve converting full asset and transaction information as well. So, how do you make sure you find a partner and conversion process that best fits your need?

In this post, we’ll cover the differences between both transactional and performance conversions and what to expect before your implementation begins.

Types of Portfolio Management Technology Conversions

While most portfolio management platforms may offer to convert your data, not all conversions are built the same. To start, some vendors may only convert performance data and not touch your transactional information. Here are the basics of each process to level set your understanding:

Transactional Conversion

Your tech provider converts and reconciles each individual transaction that ever occurred in your previous legacy system. Once your transactions are imported and reconciled, you can run performance reports for any time period and any portfolio grouping (e.g. household, accounts in the same model, asset class, position, etc) on an ad-hoc basis.

Performance Conversion

Your tech provider will load your transaction information but those transactions will not be used to calculate performance on the fly. Instead, your new partner will load the performance intervals, typically monthly, saved in your legacy system so the system can display them on reports for specific intervals, such as month-end reporting. This method only allows for household and account level month end performance. You lose the ability for additional groupings and "point to point" custom date ranges.

Beyond the basics, here is a side by side comparison of how each conversion process accounts for reporting and oversight activities:

Performance Reporting	**Transactional Conversion**	**Performance Conversion**
Household Performance	Yes	Yes*
Account Performance	Yes	Yes*
Security Performance	Yes	No
Asset Category Performance	Yes	No
Asset Class Perfomance	Yes	No
Sector Performance	Yes	No
Performance by Management Style or Strategy	Yes	No
On-Demand Point to Point Performance	Yes	No
BOD or EOD Cash Flow Impact	EOD or BOD	BOD
Toggle between IRR, TWR, and/or Simple Performance returns	Yes	No
Activity Reporting	**Transactional Conversion**	**Performance Conversion**
Initial Value	Yes	Yes*
Contributions	Yes	Yes*
Distributions	Yes	Yes*
Transfer Ins/Outs	Yes	No
Dividends & Interest	Yes	No
Bond Accrual	Yes	No
Activity Reporting	Yes	No
Market Value Increase	Yes	No
Compliance and Oversight	**Transactional Conversion**	**Performance Conversion**
Performance	Daily	Monthly
Historic Trade Blotter	Yes	No

Historic Transaction Data Mining	Yes	No

Keep in mind that the quality of your data conversion largely depends on the quality of the data you've kept. If you don't have good records or you're working with limited transaction types, a full transactional conversion may not be able to rectify years' worth of data inconsistency.

Aside from the type of conversion you choose, you also need to choose a vendor based on the support they offer around your implementation.

Support Your Technology Vendor Should Offer

Beyond the data conversion process itself, a true tech partner who is there to support your evolving needs should also offer hands-on training, consultative support, and a direct-line to subject matter experts who can answer your questions about your data quality and timing of the conversion. If a vendor you're looking at doesn't offer these things, it's a red flag right away.

Here at Orion, we offer our advisors and firms support during conversion by:

- **Introducing You to a Dedicated Onboarding Manager**
  Each new advisory firm receives a dedicated Onboarding manager to guide them throughout their entire onboarding process. This Onboarding manager runs regular meetings and sets goals, timelines, and keeps the project on task and on time.
- **Leveraging Experienced Historical Data Analysts**
  Orion's accounting analysts analyze and reconcile your data as it's moved to our platform. With a few decades' worth of combined experience, our analysts have seen almost every type of data from every type of system, so we're able to give you unique insights into what we see when we examine the data you're bringing over.
- **Putting You in Direct Contact with Our Subject Matter Experts**
  Orion's service-level support is bolstered by Subject Matter Experts(SMEs). Our SME teams are involved with every new firm and offer detailed insights, personal answers, and unique training support.

- **Assigning You with a First-Year Advocate**
  In addition to the project manager each new firm works with during a conversion, new firms are also assigned a First-Year Advocate. This independent observer within Orion ensures that your firm's voice is heard and helps to keep the implementation team on track with their goals.
- **Offering On-Demand Online Training**
  In addition to the hands-on training new firms receive from the conversion and SME teams, all advisory firms can also access on-demand online training through the Orion Ascent e-learning platform. The system offers guided walkthroughs, videos, quizzes, and much more to create Orion experts out of every firm.

Curious If Orion Can Convert Transactional Data From Your System?

The transactional data in most systems or custodians can be converted into Orion, and this service is no additional cost to new advisors. If you would like to learn more about your options with converting your data and providing a better experience for you clients please click here to get in touch with our team today.

* *Limited to month end intervals only, not point to point*

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