

SATUIT TECHNOLOGIES CALCAP ADVISORS

ANALYSTS

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THE BOTTOM LINE

CALCAP Advisors deployed Satuit to modernize and automate its investor management and communications processes and position itself for growth. Nucleus found that the Satuit project enabled the firm to increase the consistency and efficiency of communications, improve security, and provide clients with a professional self-service portal for improved transparency and better client reporting while increasing partner productivity by 2.5 percent.

ROI: **374%**

Payback: **4 months**

Average annual benefit: **\$107,853**

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THE COMPANY

CALCAP is a boutique real estate investment and advisory firm based in Pasadena, California. Partnering with businesses, asset managers, real estate investors, and developers, the company represents individual and institutional investors by strategically allocating capital across a multitude of real estate investments. Founded in 2008, the company has raised over \$235 million in investor equity and is currently managing over \$180 million in assets.

THE CHALLENGE

CALCAP was started by a few partners based on their investment experience and relationships, and it initially was not using a customer relationship management

(CRM) system because of both the nature of the relationships and the relatively small number of transactions and clients it managed. The company used Microsoft Excel for its investment record keeping and documentation, stored most of its data in Dropbox, and communicated with its investors via e-mail and hard-copy mail. Quarterly reports were manually generated and compiled into PDFs that were either e-mailed or mailed to more than 200 investors.

As the company grew, it realized that it needed a better way to manage these processes. It also recognized that having a more professional image from a technology perspective – providing secure communications via a self-service portal, for example – would enable it to provide greater transparency to its broad base of investors.

**Cost : Benefit
Ratio | 1 : 4.1**

THE STRATEGY

CALCAP wanted an industry-specific solution to store investor information, maintain investment data, track its investor interactions, and share downloadable reports with its investors via an online portal. The company considered Salesforce, Infusionsoft, Navatar, Backstop Solutions, Meridian-IQ, and BB&C. Ultimately, the company chose the Satuit CRM and customer relationship analysis (CRA) cloud solutions for the following reasons:

- **Price.** CALCAP was not looking for a premium solution or one that was the gold standard for the industry. The company wanted a middle-priced solution with the necessary functionality and flexibility to support its specific needs.
- **Document management functionality.** CALCAP wanted functionality for a document repository where it could store and share investor reports online.
- **Low development and support burden.** As a small yet growing company, CALCAP did not want to devote extensive resources to third-party technology – nor did it want to invest in building technology – so a cloud solution that could be deployed and managed with limited internal support was particularly attractive.

TYPES OF BENEFITS



The company began its deployment in the fourth quarter of 2015, working with Satuit professional services to complete the initial deployment. CALCAP's COO took a two-day training course to learn how Satuit could be better customized for the company's needs. On an ongoing basis, the COO works with Satuit to identify ways to improve and tune the application to CALCAP's specific needs. Since the deployment, he spends approximately six hours each month to manage feature changes and enhancements.

Today, CALCAP has two employees using Satuit 2.0 and has completely automated its investor reporting. The company has a secure online portal where its investors can log in and download dynamic reports to see portfolio highlights with the click of a button. Since releasing the online portal one year ago, 60 percent of its investors use the portal to access information about their accounts.

KEY BENEFIT AREAS

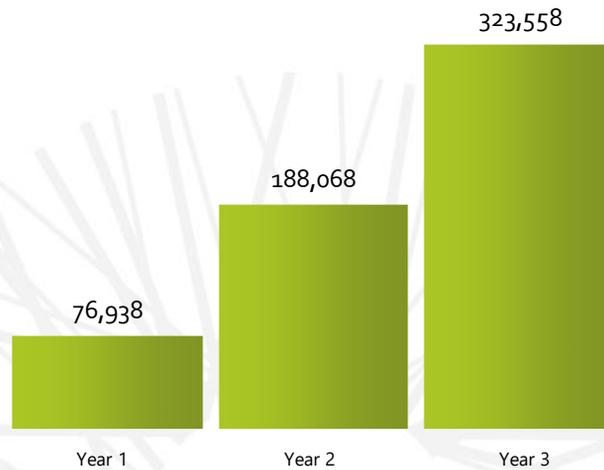
Moving to a single platform to consolidate account and investor information has enabled CALCAP to streamline and automate its financial reporting processes while providing around-the-clock secure access to clients via a secure portal. Key benefits of the project include:

- Increased efficiency. Previous manual processes of distributing information to investors have been eliminated, freeing up high-level staff's time for other client development and business efforts.
- Increased visibility. Having a single source of information for both partners and clients enables partners to focus on relationship building instead of more tactical questions from investors.
- Increased competitiveness. Having a secure, professional grade portal to show both investors and prospects enables CALCAP to compete more effectively against other investment firms that have invested significant resources in data delivery and self-service tools for investors.

KEY COST AREAS

Costs of the project included annual software subscription fees, travel expenses for training, and the cost for one internal staff member to launch and maintain the deployment.

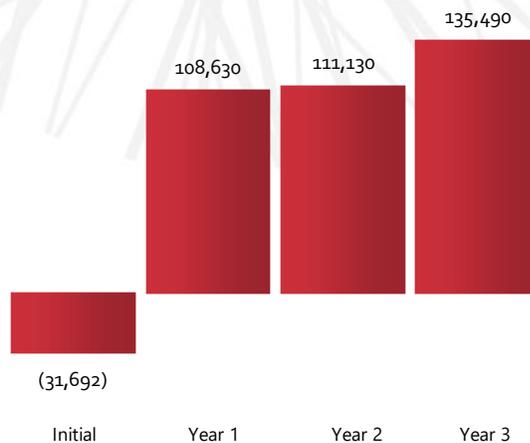
CUMULATIVE NET BENEFIT



BEST PRACTICES

CALCAP operates a unique business in the real estate sector, and the company recognized that to meet its growth targets it needed to move beyond the basic tools available via Microsoft Excel and Dropbox and present a more modernized digital presence to clients and prospects.

NET CASH FLOWS



Moving to Satuit's cloud application has positioned CALCAP to grow its investor base and thus the overall scale of its business without adding significant internal resources. Although the company will likely add resources for communications and client care as it grows, it can also take advantage of Satuit's data structures that are already customized for a parent-child relationships and other characteristics of CALCAP's business.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of software subscription fees, travel expenses for training, and the cost for one internal staff member to launch and maintain the deployment. The implementation was provided by Satuit so that no additional consulting or services investment was required.

Direct benefits quantified included the avoidance of additional staff that would have been needed to deliver the same level of information to investors without Satuit. Indirect benefits included the productivity savings of senior staff that can now focus on relationships rather than business reviews. These productivity savings were quantified based on the average annual fully loaded cost of an employee using a correction factor to account for the inefficient transfer between time saved and additional time worked.

FINANCIAL ANALYSIS

SATUIT TECHNOLOGIES

Annual ROI: 374%

Payback period: 0.3 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	67,500	67,500	67,500
Indirect	0	74,721	74,721	74,721
Total per period	0	142,221	142,221	142,221

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	24,360	24,360	24,360	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	5,409	6,731	6,731	6,731
Training	1,923	0	0	0
Other	0	2,500	0	0
Total per period	31,692	33,591	31,091	6,731

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(31,692)	108,630	111,130	135,490
Net cash flow after taxes	(17,430)	59,746	61,121	74,519
Annual ROI - direct and indirect benefits				374%
Annual ROI - direct benefits only				138%
Net Present Value (NPV)				152,623
Payback period				0.3 years
Average Annual Cost of Ownership				34,368
3-Year IRR				344%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.