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# KEYNOTE INTERVIEW

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## Succeeding through synchronicity



*The technology driving the future of fund services will see GPs and administrators eliminate barriers between clients and providers, say Alter Domus's Maximilien Dambax and Tim Toska*

Fund administrators strive to be an extension of a GP's own office as a rule, and promise 'partnership' as often as private equity firms tout 'operational expertise.' In most cases, administrators do manage to be valuable partners, and technology has played a huge part in that accomplishment.

It seems that role will only grow, but what sort of role will it be? Will machine learning completely automate fund administration? Will administrators morph into tech firms, maintaining and innovating systems and software, or will the human factor still be relevant? We sat down with Alter Domus's Tim Toska, global head of private equity,

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and Maximilien Dambax, group product head of fund and corporate services, to discuss how the digital revolution is helping integrate service providers with clients like never before.

**Q Have there been any major shifts in your business in the last year?**

**Tim Toska:** We've adapted quite well to the reality of working in the time of covid, but that's because a lot of the technology and strategies already in

development fit the moment so well in terms of servicing funds around the world. We have a global client base and when we went to a hybrid working schedule, with the end of true face-to-face meetings, we had the tools to do that without missing a beat.

But the pandemic did prompt a lot of people to prioritize digitizing data and making other upgrades to continue delivering information in a timely, meaningful way to LPs. In a post-covid landscape, investors will be more interested in swift, robust reporting, continuity plans and comprehensive valuations, given how volatile the market is likely to be.

**Maximilien Dambax:** Even before the pandemic, we were very active in driving our clients away from relying on emails with attachments for reporting and getting them up to speed with a portal offering. Covid has only accelerated that adoption for three key reasons: the volume of requests, growing concerns around security given the sophistication of breaches, and the demand for greater transparency.

Our approach has long been that for our clients around the globe, we want full transparency with an activity dashboard where the client can track all our activities, which streamlines the back and forth among our staff, our clients and their investors. It also meets the growing demand for underlying data and a shift from paper documentation to digital interactions during fundraising and marketing.

### **Q Has the pandemic altered fundraising processes beyond just going virtual?**

**TT:** As a fund administrator, we do a lot for capital raising, and prior to covid, we developed a digital subscription tool that digitizes the clients' documents and places them in a secure portal where potential LPs can review them, complete with restricted fields and DocuSign signatures. Managing the mailing and signing of hard copies has always been a burden, even in a pre-covid environment, so prospective clients have requested demos and current clients have really enjoyed adopting this.

This portal is also able to connect with a client's CRM, making for a more efficient and secure means of communicating with LPs, when everyone is unnerved by how savvy hackers are getting in breaking through cybersecurity measures. But there's an efficiency element here as well.

We began an initiative in 2019 around robotic process automation (RPA) and that involves a lot of digital onboarding so we're getting much faster at that. And I have to say, we're

only scratching the surface of machine learning at this point.

**MD:** The portals foster a dialogue, a real two-way street between us and our clients so they know exactly what our activities are, with notifications whenever we complete a given task. As much as LPs are looking for more transparency, our clients also want the same from us. And when we deliver this degree of transparency, we shift from being a service provider to being an actual partner, all with the help of our technology. The ambition really is to replace pen, paper and post in communications among anyone involved in the investor subscription and on-boarding process for instance.

### **Q Doesn't that push fund administrators into being tech firms? And does it change what talent you bring aboard?**

**MD:** Technology is a tool to cope with the challenges, but it's not enough. It has to be the right technology, and second, we need to deploy and optimize the applications across the organization, addressing the full suite of their needs and helping the client to embrace the necessary changes. But yes, we do need those experts to help improve a process or redesign and be part of that journey.

*"In a post-covid landscape, investors will be more interested in swift, robust reporting"*

**TIM TOSKA**

**TT:** Let me add that one thing that's made a significant improvement: Back at the end of 2019, we hired a head of automation. He came from outside the industry, which proved to be a great choice. He doesn't make the usual assumptions and forces us to think through what the actual problem is with a given process. This way we are addressing issues up front as processes are designed and identifying any potential bugs or suggesting solutions that need to be made. We may want a quick fix, but he maintains a sequential, systemic approach of outlining the task properly, and that's saved us a lot of headaches later on. It's a breath of fresh air.

**MD:** The automation team is making a big impact. And we aren't keeping them in a silo. We're instead allowing them to collaborate with the whole team. This places their talents into the DNA of our firm and gets us all thinking about how best to use the tech prowess that's available right now.

**TT:** That gets to a more consequential point in that it's still a people industry, and as much as we talk about technology, touting this or that tool or innovation, it's still about knowing how to use them properly in the context of client service. One way to think about all these innovations is that they are only bringing us closer to our clients. As more of the basic blocking and tackling is handled by automated processes, we're freed up to make more strategic contributions to our clients.

**MD:** The future of fund services is going to continue to be defined by the ongoing digital transformation of what we do, but the winners are going to know how to use those innovations to bring them into even better alignment with their clients. It may seem that automation may reduce us to a commodity business, but the reality is that the best among us will contribute to our clients in ways no machine, no matter how smart, ever can. ■