

ROI: 300%
Payback: \$ 270,000



Bottom Line

Lipper accelerates product development cycle by 300%. Now, analysts can prototype new analytics within minutes delivering financial analytic solutions to clients the next day.

Company Overview

Lipper, a wholly owned subsidiary of Reuters, is a global information and fund analysis firm that delivers mission-critical intelligence to fund companies and financial intermediaries. The company tracks more than 95% of U.S. fund assets and through its overseas offices analyzes and collects data on more than 80,000 funds worldwide. Lipper is a vital source of financial information for leading media including The Wall Street Journal, *Forbes*, *Barrons*, and *CBSMarketwatch.com*.

“At Lipper, our clients rely on our expertise to deliver the best information available to make actionable decisions. Our customers depend on our ability to find new ways to analyze historical financial data to discover important patterns, trends and relationships that impact mutual fund performance. As a credible, knowledge-based company, we need robust, proven analytic solutions to provide our customers with information they can use with confidence to guide fund decisions from fund scoring to risk management,” said Andrew Clark, senior research analyst, Lipper.

The Challenge

Andrew Clark needed a flexible platform for customizing analytics using Lipper’s unique methodology. Lipper needed an analytic solution for reviewing historical financial data and creating fund analysis tools that could be delivered to mutual fund managers and advisors enterprise-wide. Lipper uses Insightful’s solution to build customizable analytics to develop new products for evaluating mutual fund performance.

Insightful’s robust, reliable results offered by S-PLUS® and S+FinMetrics™ ensure that Lipper delivers clear, consistent meaningful information to its customers to improve investment decision-making. Insightful’s comprehensive analytic solution provides Lipper with the information it needs to provide its clients with standard benchmarking and industry-specific modeling for unique data sets. The classification, econometric, and summary capabilities in S-PLUS allow Clark to analyze leading and lagging fund sectors. Superior visualization techniques including interactive graphics provide Lipper with an effective way to communicate results to mutual fund managers quickly.

The Strategy

“Insightful Corporation has been delivering proven analytic solutions to Wall Street for more than 15 years, so we were confident that their software would provide us with the tools we needed to analyze our financial data,” said Clark. “In our business delivering the best information quickly is essential. The programming language of S-PLUS has allowed us to prototype new analytics within minutes and deliver new information to our clients the next day.”

With over 100 passive indices, 19 active indices and a new set of tools called Lipper Leaders. These analytic tools help mutual fund managers benchmark fund performance against standard indices. Lipper Leaders use S-PLUS and S+FinMetrics analytics to help mutual fund managers analyze financial data, validate

results and make performance comparisons. Typically, mutual fund managers rely on Lipper’s analytic expertise to analyze their fund performance against 19 actively managed indices (or HBIs – Holdings Based Indices).

Key Benefits

Lipper has improved productivity significantly by adopting Insightful’s flexible and extensible analytic solution. Now building new analytics on-the-fly to meet changing market and customer demands is a reality.

Calculating the ROI

According to Clark, the company’s productivity gains have been impressive. “Within the last year, we’ve been able to move initial business concepts to working prototypes within a month—a record for our company.” Further, Clark has been able to perform “on-the-fly” analysis on global fund market data applying new analytics to gain insight that was not available before. Better information leads to better decision-making and more satisfied customers.

ROI Direct Benefits	Before	After	Savings
Accelerated new product development time.	9 months	3 months	\$270,000
On-the-fly analytic programming	Not possible.	Now possible.	100% Improvement
Indirect Benefits			
Extensibility	Slow, development cycle.	Fast, responsive development cycle.	Time and better customer service.
Trellis Graphics	Poor communication.	Accelerated cycle from understanding results to decision-making. More effective communication across the organization.	Time
Faster Analytics	Waiting for results	Accelerated time between business idea and prototype.	Time and indirect costs and market opportunity.
Using resources wisely	Time consuming product development cycle.	Leverages internal resources more wisely.	More time to build new analytics or products for customers.
More confident decision-making	Historically required time to add in new relevant analytics and to review results.	Analytics and visualization provide new insight and better view of results for more confident decision-making.	Better information faster, leads to better decision-making.

Applications

- Exploratory Data Analysis
- Visualization
- Data Mining

Products**S-PLUS****S+FinMetrics**