ADDEPAR

BLUE OAK CAPITAL, LLC

How One RIA Uses Addepar to Stay Lean

Blue Oak Capital is small by design. With just two partners, it was built around a laser focus on relationships. Its commitment to ensuring clients will always have direct access to partners familiar with their portfolios means technology is mission-critical for the firm. In order to stay competitive, the partners at Blue Oak invest in cutting-edge technology that gives them the confidence of knowing what's happening with their clients' portfolios at a glance. Addepar and its network of integrations play a key role in allowing Blue Oak to deliver all the data clients need while maintaining a lean team.

CHALLENGE

Finding automation tools to extend the firm's capacity

When Loren Walden and Tom Baker founded Blue Oak Capital in the late 1990s, they set out to build on what they'd learned at other investment firms. In particular, they wanted to eliminate all the bureaucracy that interfered with their ability to build great client relationships. So they decided to make their new company as lean as possible: No staff, just partners.

"Blue Oak's philosophy is to do things better, smarter, faster, more thoughtfully," said Matt Kenaston, who joined in 2009. He's one of the firm's two current employees, both partners. "Even today, it's considered avant-garde," Kenaston added. "Many people then and now say that it can't be done – that we as a firm would run into too many challenges, too many difficulties, and that we would have to add people."

Of course, eliminating administrative staff doesn't do away with the paperwork. To make the business structure work, Blue Oak's partners needed to find smart, sophisticated tools to allow them to automate things like performance reporting, reconciliation, and report building. Building a solid technology infrastructure was crucial to delivering top-notch investment management to clients while also cultivating deep, trust-based relationships.

FIRM STATS

Headquarters	Menlo Park, California
Founders	Loren Walden Tom Baker
Partners	Tom Baker Matthew Kenaston
Established	1999
Assets Under Advisement	$450 million
Team Members	2
Clients Served	130 families
Tech Partners Integrated with Addepar	Redblack and Salesforce
Custodian	Schwab Gateway

"Addepar is the bedrock of our technology suite."

- Matt Kenaston

SOLUTION

Using powerful customization to increase productivity

Even though Blue Oak was founded on the idea of eliminating bureaucracy, partners discovered they couldn't completely avoid it. Before they adopted

Addepar, Blue Oak used a software provider that required partners to jump through cumbersome hoops to make changes in how data was formatted and presented to clients. Adding or renaming a column in a client's financial report could require submitting a ticket and waiting several weeks for the feature to be created or changed.

With Addepar, partners can make those changes themselves. "Addepar gives us the flexibility to create column titles that meet clients where they are," said Kenaston. Instead of columns titled "year-to-date time-weighted return," it uses titles like "year-to-date change" that are easier for clients to understand. "It's really subtle but to me, it says we're being really thoughtful." Blue Oak's partners can go even farther if they want. For example, with a client who lives in Thailand for half the year, they can adjust the report to show the client's portfolio denominated in Thai baht and in U.S. dollars.

"We're trying to simplify the language of our reports so that clients can take a glance at them or at their portal view and instantly understand what's happening," Kenaston added. "What we recognized was that Addepar is a super powerful tool if we were willing to take the leap and harness it."

"Our adoption of Addepar has helped us expand our capacity to win new business because of the flexibility of the platform and our ability to put together a comprehensive report for our clients' financial situations."

- Matt Kenaston

RESULTS

Deep, trust-based relationships with clients

Eliminating human involvement in the collection or reporting of data is a key tenet of Blue Oak's business model. "If the computer's doing all the work, I don't have to," said Kenaston. "I can be more proactive." With the right technology partners, the firm can deliver comprehensive reporting for even the most sophisticated portfolios and expand its capacity in ways that weren't possible before.

For example, Addepar allows Blue Oak to create model portfolios for groups of clients or individual clients that can then be used to identify where the portfolios might be drifting off track. "Before Addepar, that was a nightmare," Kenaston said.

That level of customization and functionality allows partners to spend more time focused on relationship building. "When a client picks up the phone and calls Blue Oak, they have direct access to a decision-maker, a portfolio manager, somebody who knows them, who knows what's happening in their portfolio, who can relate what's happening in the broader market specifically to them," said Kenaston. With Addepar and its integrations with Redblack and Salesforce, "There's a massive amount of power there for us to demonstrate to our prospective and current clients that we're listening to them."

"The first thing I do in the morning is open Addepar."

- Tom Baker

"We recognized Addepar is a super powerful tool if we were willing to take the leap and harness it"

- Matt Kenaston

Addepar is a leading provider of technology for the wealth management industry. The company's performance analytics and reporting platform aggregates portfolio, market, and client data in one place. Addepar works with leading financial advisors, family offices, and large financial institutions that manage over $1.3 trillion of assets on Addepar.