FinFolio: A Perfect Blend of Trading, Wealth Management, and Material Design
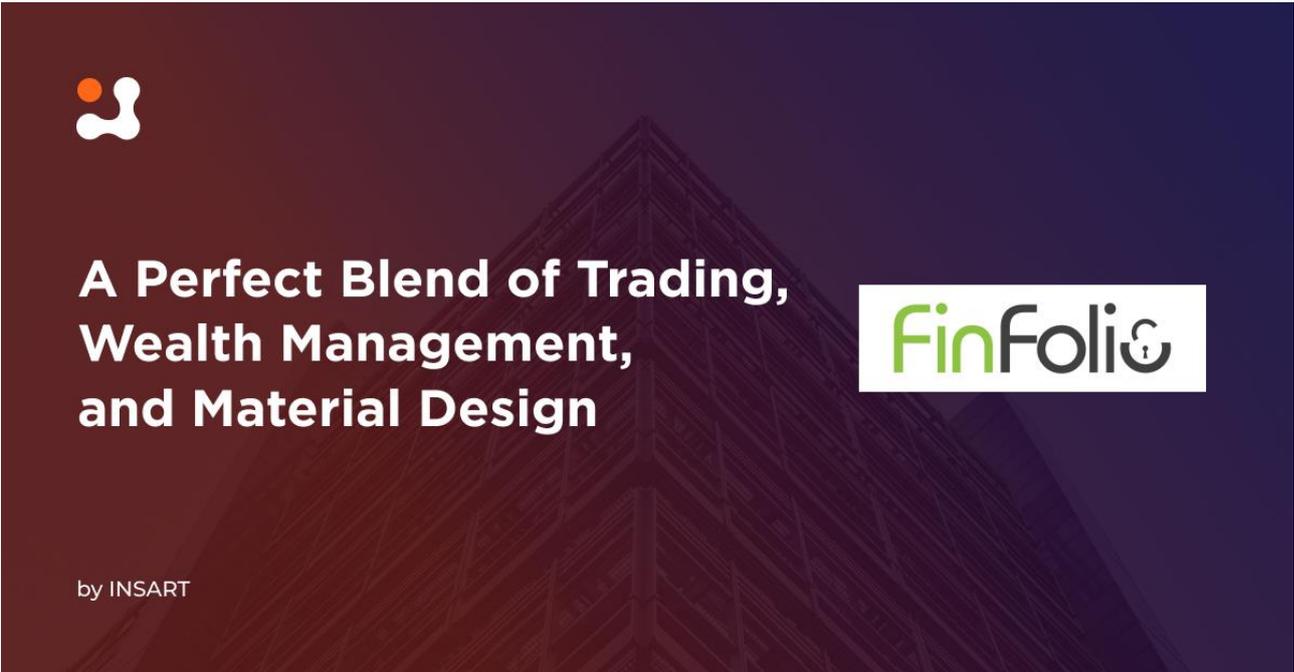
Site:	www.finfolio.com
Established:	2008
Value proposition:	Provider of a full-fledged wealth-management service including trading capabilities and great intuitive visualizations.
The executive team:	Matt Abar, CEO and Founder Douglas Moses, Advisory Board Member Devin Vigil, Vice President of Sales

We have previously interviewed companies that all have a certain focus or core value. These could be their rich list of integrations, bulletproof security, enhanced reporting, portfolio visualization, or something else. Now we have something special under the microscope—a startup that managed to build a comprehensive wealth-management hub over a desktop trading system in less than a year, and continues to experience an influx of customers. FinFolio is a unique product, to my mind, as it incorporates all the elements required for success and takes wealth-management tools to a whole new level.

FinFolio is a fast-growing portfolio-management platform with outstanding trading features and an intuitive, user-friendly design. In fact, the word "design" should be written in bold, as it's something that really makes a difference in the market. It delivers wealth management on tablets and smartphones everywhere across the globe in just a few taps with the same quality and simplicity.

I traveled out to Denver with the aim of interviewing FinFolio's founder and CEO, Matt Abar. We discussed trends fueling the company, and the feature set and configurations, as well as current pains and trends.

Who's in touch

Matt is a remarkable person to converse with. He has been in the FinTech industry for approximately 20 years, working with early-stage startups and specializing in portfolio management. His introduction to FinTech happened in dbCAMS. Also, he ran the technology team at Investment Advisory Network—one of the first providers of Wrap technology. Another company, Techfi, he established by himself.

> "I guess [...] we were the first company to launch a web-based portfolio-management product, which was called AdvisorMart. It was the predecessor to most of the popular companies such as Orian, Tamarac, and Black Diamond. We were probably ahead of our time."

Matt says he ended up selling that company to Advent Software and took time off before starting FinFolio.

The concept

The company built desktop wealth-management software almost a decade back. Surprisingly, it had sales issues until a pivot three years ago. Later they diverted all the resources into writing a new front-end and tooled up the back-end with REST API. As a result, they released a product with an unrivaled responsive design, which is so unlike the walls of text one can see from competitors.

> "We're closing a new wealth-management firm every eight-and-a-half days right now. We are accelerating very, very quickly, especially [given] that we've got this type of traction in just 10 months after the launch."

The UI of FinFolio is comprised of big charts and touchable things, which makes it possible to use it on a tablet or phone. Another idea was to make the system self-contained. Users won't need to go in and out of different apps, because it has everything. However, FinFolio are not among those who try to take the advisor out of the picture. On the contrary, they strive to empower the advisor.

FinFolio features guide

Matt was kind enough to run a quick demo of their product for me during our meeting. We traveled around the app's tabs and explored its capabilities in live mode. First of all, he showed me the dashboards.

- **Dashboards.** This tab offers a view of all the accounts at once and is very customizable. Among the available dashboards are bond maturity, daily return analysis, demographics, calculation analysis, security cross-reference, options, top holdings, transactions, and many others.

- **Portfolio**. This tab lists all the user's households in a hierarchical structure. This includes different clients, team members and their cross-relationships, and accounts. The user can set specific trading rules for an account and receive alerts when a certain rule is violated.

    "Very few firms would ever look at a single investment account in isolation. We have strategies here. [One] can set up different strategies for tax, trust fund, education fund, etc."

- **Reports**. The reporting feature comes with a standard library of portfolio-management reports that enables tax and performance reporting. The reports are wrapped up in a superior user experience. Once the client runs a report they have a lot of control over it, so they can quickly go in and change the component that's displaying. Also, users can create their own reports and print out PDFs if necessary.

- **Client portals**. With portals, users can see a summary of necessary information from reports and dashboards in real time. These are also configurable, so the client can choose what blocks they want to see every time they log into the app, whatever device they are using. FinFolio allows advisors to white-label their portals with logos and graphics of their own, and provides secure storage for document and their management.

- ***Rebalancing***. FinFolio undertakes trading for those who don't necessarily work within models that one would find in a rebalancer. This is a strength of the company, as their primary focus was previously trading. According to Matt, they support automated rebalancing, SMA, UMA sleeves, directed trades, harvest gains, and lots of other useful stuff.

  > "I think it was Bill Gates who said, 'With all Microsoft Office products, most people only use 20% of the product, but it's always a different 20%,' so that's what it is. So we like to support all the major workflows for clients to get what they need."

- ***Billing***. FinFolio provides a clear billing dashboard that generates the billing file, which sometimes should be sent to Schwab or through FTP.

  > "Our company slogan is 'Wealth management simplified.' We're trying to take what is an inherently a very complicated process and turn it into something that's very friendly to look at, has very clearly defined steps and [is] just one click away without the necessity to open up a user manual and jump around to different software packages."

Company internals

Matt says they have a small team onsite and many members distributed all over the world. In the next few paragraphs, I'll describe how they run inner processes and how it led them to success.

Remote team structuring

An important part of FinFolio's success is their remote team, Matt says. He personally took great pains to hire the best talent from all over the globe, including Ukraine and Belarus. Now they have around 25 employees. The team is broken up into sales, support, operations, product development, and several smaller functions, such as legal. For intercommunication, they use Slack. As Matt says, that's their main tool for managing a remote team.

> "I have personally been running product development since our pivot. We've had some lead developers, but I'm the one that's been doing the product design. I'm actively interviewing right now to actually bring in some people to take that over for me."

The biggest group is in operations, according to Matt. They do clients' implementations and convert data from their competitors' systems into a format relevant for FinFolio. Now they're close to bringing in DevOps as a formal role.

Integrations

FinFolio integrates with every major custodian and many of the smaller ones. In particular, they have more than 30 direct connections and also integrations with consolidators such as **ByAllAccounts**. As for financial planning and risk allies, they had insufficient time to build that library, as their product was ready for layering just 10 months ago. Despite this, they still have about half of them plus several planning systems and some of the CRMs, and are currently running the testing of Salesforce integration.

> "2018 is supposed to be our year of integrations. We've been so busy just with the general influx of new clients, but that's very high up on our list."

As for APIs, they launched their own wealthlab.io REST API for portfolio management and trading, making reports and calculations, rebalancing, and many other functions.

Product management

According to Matt, they have a product group that meets every couple of weeks and discusses ideas obtained from several feedback channels: feature requests, sales, and features voting from clients.

> "We sit down with all the possible features we can add, have a big heat map of how hard something is to do versus how much more revenue we think it'll bring us. Then, we prioritize stuff based on the bang-for-the-buck combination."

The implementation of a new sprint usually takes them a month, but Matt is disappointed with this. They are struggling to make sprints shorter by using visualizations and presentations widely to tie everybody together.

> "We do the UX work first. So we have something more real that we can show off. Then we go out and gather another round of feedback. Once they see it on the screens, it will have a bigger impact, so they can give us better, more tangible feedback."

Architecture and stack

For implementing their product, FinFolio chose Microsoft .NET shop, SQL Server, and React for the front-end, not least because their primary trading tool was built on WPF. What's notable is that they managed to use React to its fullest within the product. To ensure the relentless work of a product, they use Microsoft Test Framework.

Today, the architecture of FinFolio is more monolithic.

> "We have a common object framework that is used as a foundation layer for most of the business logic. But once you get past that, we do have [a] more broken out service within, but we present it as one big service."

FinFolio plans to scale up teams and then restructure the core of the product. For that, they want to hire somebody to run the process and won't consider the idea of implementing SAFe principles at FinFolio.

Knowledge transfer

Matt confesses they don't have a systemic approach to domain knowledge transfer. He says it's enough for them to share responsibility and move people into their roles. Nevertheless, they have formalized training for the onboarding process, which includes half-day check-ins with a team member to make sure the training is going well.

Trends, plans, and challenges

According to Matt, plenty is said about millennial investors and millennial employees, but nobody discusses the millennial advisor problem. In the next 10 years, advisors are going to become more mobile and will go to the companies that will be able to give them a more convenient environment. The new software, he says, should bridge that gap, and FinFolio is on the way to providing it.

Currently, the main problem for the platform is bugs.

> "To be very blunt, we're less than a year since launching the product, so we are extremely hyper-focused on bugs. That takes up the bulk of the product resources at this point. So the product group is prioritizing and trying to figure out which bugs affect more people."

Also, according to Matt, they have HR issues. There are no full-time HR personnel within the company, and the team is too busy with the new plans, so everyone is avoiding doing onboarding and retention programs. As a result, they struggle to keep people motivated. However, Matt is very enthusiastic about overcoming this issue:

> "Every early-stage company has problems like this, and these are the good kind to have, where you're worried about growth and scaling to keep on top of it."

As mentioned previously, FinFolio is experiencing an influx of new clients, which creates additional pressure and is the reason why they're no longer going to do certain types of conversions. This helped them to dramatically reduce the amount of customization necessary for all but the largest of clients.

Off the record, we discussed scaling issues and ways to overcome them. It's very tricky to split the team properly and ensure easy communication among all the layers. Matt admits they would like to enlarge the team, and these problems will be coming up soon for FinFolio.

> "[We'll be] generally breaking out development into different groups because [...] support is starting to overwhelm the tiny little channels that we had going into development."

At INSART, we strongly believe that it's crucial for companies to have cross-functional and well-coordinated teams. We discussed a few SAFe principles, such as Agile Release Train, and how they are going to help companies effectively manage their projects.

Takeaways

Great products that answer modern needs always ride high, and FinFolio have proven this. I hope Matt and his team accomplish all their plans and fulfill their highest aspirations.

Written by Vasyl Soloshchuk, CEO and co-owner at INSART, FinTech & Java engineering company. Vasyl is also the author of WealthTech Club, which conducts research into Fortune and Startup Robo-advisor and Wealth Management companies in terms of the technology ecosystem.