# SBCERA Records Management Project
Decision Memo for "Organize and Search" (Upmonth)

Prepared for: SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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## INTRODUCTION

San Bernardino County Employees' Retirement Association (SBCERA) hired Cordatius LLC (Cordatius) to assist in identifying a suite of systems that could satisfy the functional requirements identified in the RFP. SBCERA evaluated two proposed systems suggested by Cordatius, based on their extensive and current knowledge of the document management industry. We are pleased to present Upmonth as the vendor that has been selected, and this document outlines the selection process and the reasoning behind the final decision.

## GOALS

Project was launched with several goals that were determined as operational (common to most investment offices) and specific (to SBCERA) goals, based on discussions with SBCERA staff.

### Operational Goals

The common operational goals include (but not limited to):

- Minimize the total number of technology components utilized by the investment office, while satisfying all stated functional needs.
- Improve the quality of life of all members in the investment office.
- Create a central document system with a single data warehouse servicing all asset classes.
- Improve overall document quality and integrity, while simplifying data collection and normalization towards a single and reliable source of truth.
- Further, streamline and consolidate all processes.
- Reduce/Control costs.
- Equip the investment office for the medium to long term technological need.

### SBCERA Specific Goals

Specifically, for SBCERA, the following goals and targets were identified.

- Create an efficient and streamlined document management flow/process
- Capture all exisitng files in the folder structures and documents entering the system (i.e., email).
- Make loading documents easier, using intelligent technology (i.e., both email and folder structure).
- Help migrate all notes from the Web App, and make it easily searchable.
- Create a mechanism that automatically "tags" all of the SBCERA documents, past, present, and future.
- Make finding documents easier, using machine intelligence and AI.
- Help retain corporate memory for SBCERA.

- Help SBCERA scale operationally with minimal on-going effort.
- Help make document sharing with clients easy and secure.

## SELECTION PROCESS

After considering Cordatius' extensive experience in the field, Standard Report's Upmonth, and Backstop Solutions, were presented as potential solutions. Following discussions with SBCERA staff and considering Cordatius' strong recommendation, the vendors were selected for evaluation. The first phase of the project involved a thorough review of SBCERA's functional needs, specifically pertaining to documents. The findings from this review were then used to guide vendor's demonstration for an effective round of evaluation.

Prior and current Cordatius experience was used to conduct the formal process. This stage included:

- Preparatory calls: This step included a preparatory call, introducing SBCERA and its data flows, the functional needs, and a recommendation on functionalities to highlight. Follow up calls were also held to provide more clarity on the matter.

- Demo: Vendors had the opportunity to demonstrate their capabilities to the SBCERA team (60-90 min).

- Internal discussion: Multiple rounds of discussion with the SBCERA team were held which included discussions around the strengths and weaknesses of the vendors.

- Preparatory calls: Additional functional needs were identified, and preparatory calls were held with the vendors, for a second round of demonstrations.

- Follow-up Demo: Vendors had the opportunity to demonstrate its capabilities further to the SBCERA team (30 min) this time with specific features in mind based on feedback collected after the first demo.

- A mutual NDA was executed with the vendors for the Proof of Concept (PoC) round.

- A PoC document was created outlining to vendor's the goals and decision parameters.

- A set of documents were carefully selected and prepared by Cordatius and SBCERA. The goal was to create a targeted and complex, but not unreasonably taxing test of the vendor's capabilities.

- The PoC document as well as SBCERA specific documents were shared with the vendors.

- Two additional pre-PoC discussions were held by Cordatius with the vendors.

- The two-hour PoC demo was held with SBCERA staff, followed by follow-on clarifying demos.

- Following the PoC, the vendors were asked to provide initial pricing, and references.

- Reference calls were held as part of the due diligence process.

- A final decision was made, and this decision memo was prepared.

- Price negotiations were held with the selected vendor (Upmonth) and a request was made to receive Best and Final offer (BAFO).

- Final pricing is agreed upon, and the contract is expected to be executed shortly.

- Statement of Work (SOW): Detailed SOW will be finalized shortly after the contract signature, and before the start of implementation.

## DECISION RATIONALE

The decision is based on the following factors:

1. Upmonth meets all the necessary requirements.

2. Upmonth is only dedicated to document management (singular platform focus).

3. Upmonth is solely dedicated to the investment office document management (singular client-type focus).

4. Upmonth is built on a modern technology stack (compared to its competitors).

5. Upmonth has several long-term investors (Endowments, Foundations) as clients (i.e., AUM $0.8B to $108B)

6. Upmonth is able to load 1000s of documents efficiently and quickly.

7. Upmonth can systematically process documents with minimal human intervention with a consistently high level of accuracy.

8. SBCERA can access documents across all teams' members and devices using Upmonth.

9. Upmonth's price is competitive.

10. Upmonth's desire and willingness to work with clients to ensure client satisfaction (Cordatius has seen this firsthand with its past clients that engaged Upmonth).

## SPECIFIC BENEFITS

The final decision is attributable to several specific benefits and characteristics:

1. Fast, automated, and reliable document loading: Upmonth specializes in accounting for the human element in qualitative document management. Upmonth is the only solution with fully automated document organization and delivers accurate and predictable results for SBCERA. Other vendors would rely on SBCERA staff to generate labels for all uploaded files, a strategy that, compared to Upmonth, has a lower ROI, is more labor-intensive, more error-prone, and less scalable as SBCERA's portfolio and mandates evolve. We estimate that this technology will increase investment and operation team members' productivity significantly.

2. Faster document retrieval across all asset classes from any device: SBCERA benefits from technologically   superior document retrieval (e.g., Natural language abilities, on any device) with Upmonth, whose search is faster and more comprehensive than the other vendors in the market. SBCERA's current (and future) use cases are better addressed by Upmonth, which will result in wider organizational adoption, higher user satisfaction, and a stronger knowledge base across the team.

3. Rapid client on-boarding (with Cordatius): SBCERA will be up and running with Upmonth in a couple of months, thanks to the automated document organization. Other vendors require longer implementation cycle (i.e.,5-8 months), more upfront efforts/resources, and configuration to import the SBCERA document library.

4. Day-to-day use: In addition to freeing crucial bandwidth (i.e., time spent by SBCERA staff) by eliminating manual document management, SBCERA is also integrating an employee-first mentality with Upmonth that will deliver further operational efficiency. Upmonth features intuitive, easy-to-use interfaces, customizable user dashboards, a mobile-ready web application, and powerful yet simple natural-language search tools.

5. Flexible, adaptable, and learning system: A key differentiator of Upmonth is its flexibility and ability adapt to the investment process of its users. Each user starts with a blank slate that can be customized to their specific tasks, asset classes or strategies of focus. Upmonth is a learning system. It uses feedback from its interactions with users to better organize their libraries: when SBCERA adds a new investment manager to its universe, Upmonth will automatically identify old documents belonging to the manager.

6. Extreme focus on client needs: Upmonth has a singular focus on its client's needs. Through multiple past projects, and evidenced by the reference call, Upmonth focuses on servicing its clients completely. It has delivered functionality request to its client's satisfaction.

## UPMONTH FEATURES

Upmonth has many more features for the benefit of our front-, middle- and back-office users, including, but not limited to, the following:

Bulk Upload, Download and Sync of files

- Asynchronous drag-and-drop file uploads

- Sync desktop files with the application using desktop app

- API with box and Intralinks, for syncing of files

- Native full-feature memo editor

- Upload files via e-mail attachments and links


AI Automation & Organization

- Automatic removal of duplicates

- Content-based duplicate file management

- Auto-labeling of investments, dates and document types

- Custom rules for task and alert automations

- Custom upload zones with rules integration

- Auto identification of Similar file(s)

- Real-time library dashboards

- Custom dashboards of user queries

- Custom grouping of files by Investment Fund

- Custom grouping matrix of documents by funds, labels, and topic

- Document timelines for gap identifications

- Continuous AI re-classification and re-organization


Retrieval

- Natural language search -- beyond database style filtering and sorting

- Document retrieval using natural language processing

- Table extraction to email form pdf to csv

- Open search across shared libraries

- Native viewer for MS emails, Excel, and Word files

- Optical character recognition (OCR) for scanned documents and handwritten text

Sharing & Security

- Access management with hierarchical privileges

- One-click document sharing

- Simplified sharing of files across entities

- Watermarks for downloaded documents

- Customizable company divisions, address books and distribution lists

- Whitelist of approved library contributors

- Full company activity logs

- 2FA

- Single Sign On support for Microsoft and Google

- ISO 90001 certification

## RISKS

Every technology project carries an inherent risk. These risks are currently estimated to be minimal, but worth mentioning:

1.  Adoption risk: The adoption of Upmonth requires a shift in the user's mindset. One needs to move away from using shared drives and manual tagging and instead embrace a framework similar to Google Search, which uses Natural Language Processes. Cordatius is guiding the learning process through well-planned steps.

    Risk: Medium

2.  Startup risk: Smaller or newer firms have a higher risk of failure compared to more established ones. Upmonth, which was established in 2015, is now an 8-year-old company that currently has around 20 clients. Thanks to the financial support of its founder, the company has successfully passed the initial risky phase of its business and remains self-funded.

    Risk: Low

3.  Implementation risk: The implementation phase of any project is prone to problems. However, Upmonth stands out as a solution that can minimize the risk of implementation issues because of its fast and easy client onboarding process.

    Risk: Low

4.  Acquisition risk: Successful companies are at risk of being acquired. Successful companies (like Upmonth) are more prone to this kind of risk. Cordatius/SBCERA discussion with Upmonth CEO has indicated that being acquired is not currently being considered.

    Risk: Low

## ABOUT UPMONTH

Upmonth is led by co-founder Borzou Azima. Through Q1 2024, Upmonth serves some of the most high-profile endowments, pensions, family offices, advisors, and asset managers, with $500bn in assets depending on the application and custom solutions.

Standard Report LLC is the legal entity that controls the Upmonth SAAS application. The firm is transitioning to Greenwich, CT. Standard Report is a New York entity with registered offices at 667 Madison Avenue, New York, NY.

The firm operates an 11-member team, including three client-facing persons and 8 senior developers. The CEO and CTO have been members of the firm since inception.  As of the end of Q3 2023 Upmonth claimed 680 registered users, with 180+ active users across 21 clients, distributed as follows: (85% pension/endowments, 13% GPs, 2% OCIO)

## REFERENCES

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## INVESTORS

Self-funded