

MIXING TECHNOLOGY AND INDUSTRY TALENT SETS NEW STANDARDS AT CANOE

Tom Burroughes of *Family Wealth Report* interviews **Seth Brotman**, Chief Executive of Canoe Intelligence, on the qualities that have brought it to success.

What do you think is the main reason you have reached this award-winning stage? What sort of challenges did you have to take on?

Our focus has allowed us to overcome challenges and navigate the twists and turns of building a business that, at its core, is innovative. Canoe technology is purpose-built for the alternative investment ecosystem, from document ingestion and categorization to data extraction, validation and delivery.

Every single feature improvement is designed to materially streamline operational efficiency for alternative investors and allocators. The idea for Canoe originated within a private investment firm, Portage Partners. With an overwhelming amount of manual data entry required to manage alternative investment reporting, Portage focused on creating an automated solution to the data problem they faced. As it turns out, most firms investing in and allocating to alternatives could also benefit from this technology, so we spun out in 2017 and commercially launched Canoe in late 2018. Since the beginning, we've maintained a focused, client-first approach to building and enhancing our technology. We listen to our clients, keep a pulse on industry challenges and develop creative ways to overcome those challenges with technology.

What can you tell us about how your colleagues contributed to this success?

We're very fortunate to have a highly unique mix of technology talent and industry expertise. As we've built out our teams, we've focused on hiring those with alternative investment backgrounds, those who really understand the industry's challenges, its evolution and have personally felt the operational pains associated with alternative investment reporting.

In previous roles, I focused on alternative investments research and analysis working for multi-billion dollar allocators and family offices. Our co-founder and CTO is a double-threat with alternative investments experience and deep knowledge in artificial intelligence, machine learning and other advanced data collection techniques. Members of our commercial team spent time at Addepar and Black Diamond. Others, including our CRO and head of operations, began their careers at Cambridge Associates working with nonprofits and family offices to select managers and track asset allocation across portfolios. This widespread industry knowledge and know-how permeates our firm

and allows us to move quickly in solving our clients' challenges with smart technology.

How have you dealt with the changes taking place in the North American wealth management market and in what way did your award reflect that?

Clients of advisors and wealth managers are expecting more for less; more frequency in reporting, more communication, and fewer fees to do it. Balancing client expectations while continuing to deliver premium client service, perspective and insight is a real challenge. Our clients have achieved higher levels of efficiency and scale utilizing our technology. Canoe frees up human capital to focus on client service and investment management, optimizing processes to improve reporting, reduce latency, and facilitate sustainable business growth. Our team and technology remains focused on solving these pervasive challenges for wealth managers, today and into the future, so that these businesses can scale.

From whom do you take inspiration, either in terms of people or other organizations, inside or outside the North American wealth sector?

Our clients are our inspiration and our teachers. As we listen to their challenges, it's our responsibility to translate them into actionable technology solutions. Working with a number of innovative clients like StepStone Global, Lexington Partners, Truvo Partners, Hamilton Lane and others, we've uncovered new ways that Canoe can be used to empower data science activities and streamline operations for the benefit of all of our clients. Moreover, having a team full of industry practitioners amplifies our creativity and allows us to spearhead the evolution of managing alternative investments.

What sets you apart from your peers this year?

In looking at our niche alternative investment operations space, there are two types of peers: technology and managed services. Because we infuse our industry expertise and knowledge into our technology, our solution is unique in the marketplace. In general, we find that technology competitors are industry agnostic data capture or OCR tools, and are not purpose-built to solve the specific problems our clients face. Managed services providers understand the issue, however; they are recreating the problem by deploying human

capital to solve it. Considerations around latency, data quality, process control, scalability and cost efficiency exist. At Canoe, our mix of technology and industry talent enable us to deliver the most innovative and impactful solutions for our clients. That's what sets us apart.

What will you do to keep to the standard of an award-winner and push ahead in the future?

Automation in alternative investment operations is novel, and that excites us. Our clients typically have 5 types of needs when it comes to this workflow: document ingestion, document categorization, data extraction, data validation, and data delivery to downstream systems. We're staying focused on this document to data to intelligence transformation, systematically applying technology to every step, and making a positive impact for so many firms looking to scale. It's this impact that continues propelling our innovation and creativity. We are just getting started.

What do you hope will be the main consequence of achieving this accolade?

It's truly an honor to be recognized for this award, especially this early in our company's growth. At this point, we're focused on education. Applying automation to solve data and operational challenges is still in the experimental or pilot phase for many firms, so expanding the reach of our message, and the ability for those investing in or allocating to alternatives to improve data accuracy, unlock new efficiencies and scale sustainably is really important.

How will you use the award to raise your profile in the industry and among clients?

Innovation is core to our culture and our client-first approach. Being named the most Innovative Client Solution by *Family Wealth Report* is proof that our hard work is paying off and being recognized as differentiated. FWR is so well respected among our clients and the industry, so this award will naturally help us in raising our profile in the space. ■