

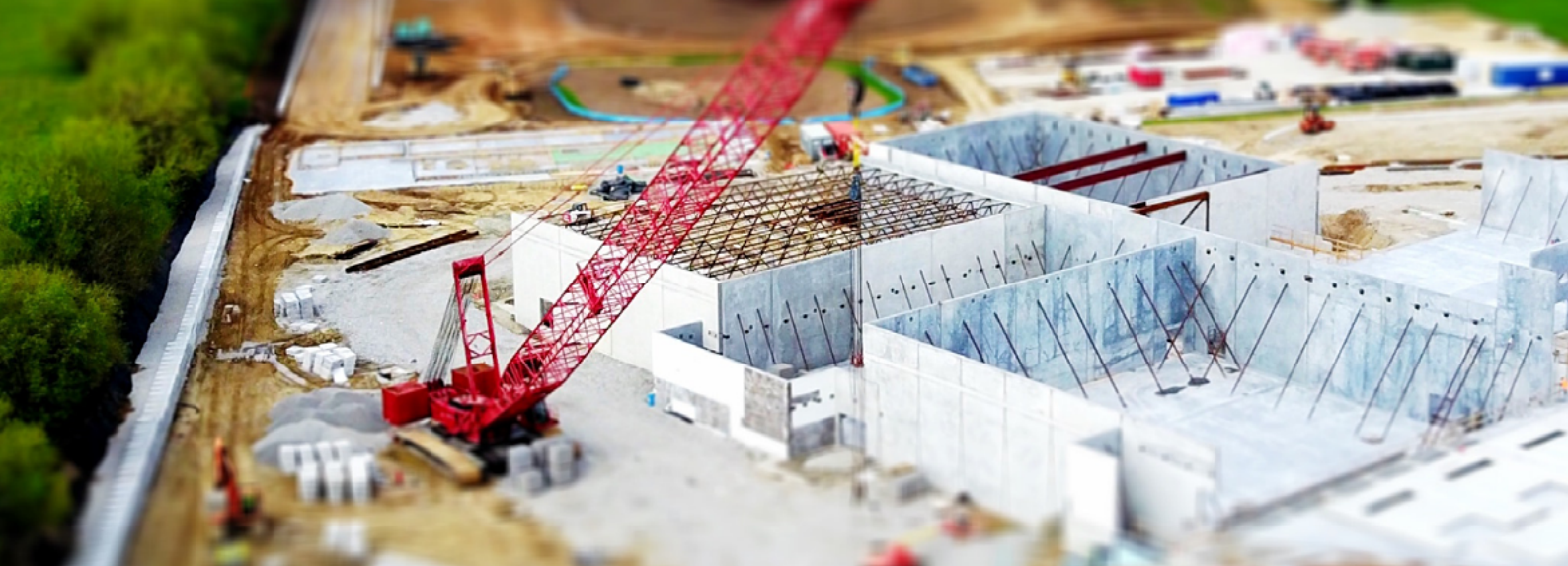


Investing in the right planning solution

“Workday Adaptive Planning has fundamentally changed the way we work. It provides a wealth of accurate information quickly. With it we can forecast, see pipeline, and manage our existing portfolio of loans. The dashboards provide a brilliant overview of everything we need to know.”

– Justin Smart, Chief Operating Officer, Trilogy Funds





Trilogy Funds is one of Australia's leading fund managers and financiers of property-based investments. They have been building wealth together with Australian investors, advisers, developers and brokers for over 23 years. They specialise in operating mortgage trusts, diversified income funds and property trusts.

Challenge

Trilogy Funds' flagship product is the Trilogy Monthly Income Fund (TMIT), which provides finance on a diverse range of property developments in the residential, commercial, industrial and retail property sectors in Australia. TMIT is a pooled first mortgage investment, which provides competitive monthly income to investors.

TMIT's loans are originated and managed by a team of Portfolio Managers (PMs). They traditionally managed their loans using bespoke Excel spreadsheets to forecast how loans would be drawn down over time and when they would begin to repay the loans.

The spreadsheets were potentially prone to error and it was impossible to see a consolidated position of the entire loan portfolio.

To combat the issue of consolidation, the Chief Operating Officer utilised a series of 'S' curves to predict how loans would perform. This worked well, but it never gave the Leadership Team the accuracy and flexibility they were seeking.

Trilogy Funds also faced another challenge in terms of meeting the twice yearly reporting obligation of a new accounting standard which required the business to formulate its expected credit loss provision (ECL) for TMIT.

The task associated with calculating the ECL was significant as it required a detailed analysis of each loans cashflow forecast, as well as conducting a series of meetings with PMs to obtain information regarding the borrower and the securities that backed the loan.

The model was very large and difficult to flex. The process from end to end would generally take 3-4 weeks to complete for each reporting period.

Trilogy Funds set out to find a solution that could:

- Provide a uniform approach to the way PMs created forecasts and managed their loans
- Centralise and report on all information within the loan portfolio
- Monitor and measure the performance of each PM
- Improve the management of its Treasury function
- Give the Leadership Team insights into the loan portfolio
- Meet reporting requirements for the ECL

Solution

From inconsistent, disparate spreadsheets to a centralised system

With the introduction of Workday Adaptive Planning (WAP), all this changed. Everything was centralised. Models and dashboards were built to manage every stage of a loan, providing consistency, accurate calculations, and a central view of all information.

Now, PMs have a dashboard to view all the loans they manage. They can easily make their own enquiries on a loan given the speed of access to the key information.

PMs are also able to produce indicative finance terms to prospective borrowers from WAP, as well as track the status of each deal in their pipeline.

A bird's eye view for the Leadership Team

On a higher level, the Leadership Team now have access to the latest consolidated results at a click of the mouse.

The dashboard illustrates all of the key metrics, including geographic spread, loan terms by product, LVR, maturity profiles, and cost to complete graphs, as well as a summary of the business written by each PM, including the total revenue generated during the period.

For both the PMs and the Leadership Team, the forecasted information is far more accurate, thus enabling them to make better data driven decisions.



Trilogy Funds' solution: Budgeting and Planning consulting

[Learn more](#)



Channel Partner
Workday Adaptive Planning



An Expected Credit Loss model you can flex

The ECL model QMetrix built utilised the PMs' existing cashflow forecasts. It incorporated fields that were easy for the PMs to populate, and included information regarding the borrower and the securities associated with the loan.

When evaluating sensitivities, the main drivers of the ECL model can be easily flexed. This new ECL model made the auditor's job significantly easier. They were very impressed with the robustness of the model and how easily they could stress test assumptions.

The work that used to take Trilogy Funds 3-4 weeks is now done in a matter of hours.

Future plans

Having seen what is possible with WAP, Trilogy Funds has plans to apply it to their property division when performing due diligence for acquisitions into the Trilogy Industrial Property Trust (TIPT).

The current Excel financial model is very complex. It utilises a 3-way cashflow and is not integrated with the ERP.

The figures produced from the model are typically incorporated into a Product Disclosure Statement when raising equity from investors, hence the level of accuracy and attention to detail is paramount.

Working with Workday Adaptive Planning and QMetrix

Justin Smart, Chief Operating Officer at Trilogy Funds, says, "The ability for us to get information from Workday Adaptive Planning is brilliant. It has fundamentally changed how we manage the loan portfolio.

"It is accurate and provides up-to-date information at the touch of a button without having to ask anyone. I find the dashboards to be a terrific tool as a picture tells a thousand words."

When searching for a solution provider to work with, Justin was seeking a company that had the relevant financial services expertise in dealing with complex projects, as well as the breadth of a team that could assist Trilogy Funds in its adoption of PowerBI.

Justin initially wanted to work with someone local to their state of Queensland. However, he chose to work with the QMetrix team based in Victoria.

Justin says, "Our preference was to work with a local provider due to the complexities involved in the project. What impressed me most about QMetrix was their ability to get their head around our complex business rules very quickly. The team was able to spin up a proof of concept from WAP within a very short time frame.

It was at this point that I had comfort in knowing we had chosen the right provider. They are a great group to work with. I highly recommend the team at QMetrix."



Impact

For Trilogy Funds

Seamless integration with ERP, loans administration, and registry systems

Ease for Portfolio Managers to forecast prospective loans, see their pipeline, and manage their current loans accurately

Better way of managing the team, reducing back-and-forth communications as everything is in a centralised system

Ability to identify and address potential challenges quickly before they turn into problems

Live, accurate, consolidated information the Leadership Team can access anytime, and flex to understand how changes could affect the business

Dashboards that show key information at a glance and provide reports immediately

Confidence in numbers to make data-backed decisions for now and into the future

QMetrix

QMetrix provides professional advisory services that empower our clients to operate with the agility needed in today's business environment. Our corporate Budgeting and Planning, Master Data Management, Business Intelligence and Analytics, and Forms and Workflow Automation solutions help to drive better business performance.

We work together with clients to achieve the right outcome for their unique business, providing end-to-end solutions from analysis to design and delivery. We serve clients across Australia and South East Asia.

Learn about QMetrix's corporate budgeting and planning solutions



1300 785 336
info@qmetrix.com.au
www.qmetrix.com.au

