

FengHe Group Business Case

Streamlining Portfolio Management with Preqin Solutions

A leading Asia-based private equity firm deploys Preqin Solutions' flagship modules to enhance performance and increase operational efficiencies.

The Challenge

Considerable time spent on manual processes

Before implementing Preqin Solutions, FengHe relied purely on Excel-based valuation models for each portfolio company across a range of funds it managed. The number of portfolio companies and the different entry points into each fund added to the complexities. Using Excel to maintain the financials of these portfolio companies opened the door to versioning errors, inconsistencies and valuation inaccuracies. The inability of the legacy system to trace the updates and amendments meant the teams spent their valuable time reconciling the data.

In addition to creating reports to meet quarterly reporting requirements, FengHe performs variance analysis to monitor the revenue and expenses of the portfolio companies. This exercise necessitates the consideration of high volumes of quarterly financial data stored across various spreadsheets. Manually extracting different data points from as many as 10 spreadsheets and consolidating them into one report was a highly cumbersome process.

FengHe was seeking innovative solutions that could automate these processes, introduce consistency to data collection and ensure information accuracy.

The Solution

A rapid route to data gathering and processing

Preqin Solutions provided FengHe with portfolio management software that helps the firm to manage high volumes of data. Deploying the software meant a faster route to data collection and analysis for the company, with the Solution allowing all data required for variance analysis to be uncovered in a matter of minutes. Whether a financial figure or a key performance index (KPI), or numbers from a recent or historical period, it can all be extracted in minutes via the Preqin Solutions Excel Live Link.

"Our teams are required to contribute on a range of tasks: from dealing with new investments, fund structuring, through to monitoring and reporting. Automating some of these processes with Preqin Solutions' software has helped teams to save time spent on manual aspects of portfolio management and focus more on analyzing fund performance and driving value."

Andrew Sim, Senior Investment Associate, FengHe Fund Management.



About FengHe Group

FengHe Group was founded in 2010 by John Wu, former Alibaba partner, and Matt Hu, a pioneering institutional asset manager in China. Under their leadership, FengHe has achieved a long track record of investment returns across multiple strategies and geographies. FengHe has come a long way to become a private equity investment vehicle that targets venture capital, hedge funds and real estate asset classes.

FengHe targets companies mainly in the consumer technology sector with high growth potential and innovative business models in Asia, which has the world's largest populations with strong urbanization trends and digital adoption.

Through our extensive knowledge, experience and networks, FengHe is able to uncover and capitalize on the cross-business synergies and trends in Southeast Asia and China.

The Asia-based firm also greatly benefits from the Chinese-English toggle as several LPs prefer their reporting in Chinese. The toggle makes it easy for the firm to produce dual-language reports without having to recreate them from scratch.

As is true with any new technology, adopting a new system is challenging in the beginning. However, Preqin Solutions' friendly and receptive business development and implementation teams provided hands-on support in understanding and resolving FengHe's concerns and in training them to use the system efficiently.

"What makes Preqin Solutions different is that it is flexible and scalable. Preqin Solutions' team worked closely with us to translate our needs into a solution within reasonable timeframes."

Andrew Sim, Senior Investment Associate, FengHe Fund Management.

Why FengHe chose Preqin Solutions

- Flexibility to configure the system to meet their requirements
- Chinese-English toggle that makes reporting in dual languages easy
- Support provided by the Preqin Solutions team during the system evaluation and implementation stages

Benefits

- Gain more control over data with a centralized and transparent data repository
- Eliminate data inconsistencies and inaccuracies, making it more reliable
- Save several weeks of man hours by automating manual processes
- Drive value by shifting focus from data processing and compiling to analysis and value creation
- Enhance reporting processes by creating reports in Chinese or LP-preferred languages

About Preqin Solutions

Preqin Solutions delivers market-leading cloud collaboration software for monitoring, valuation, benchmarking and reporting on private capital portfolio investments. The software automates the compilation, analysis and exchange of all portfolio information including operating metrics (financial, KPIs, ESG), investment valuations and ultimately investment and aggregate fund performance. Through the integration of Preqin and other market data sources, this performance can be benchmarked with reference to public or private markets for internal and investor reporting purposes.

Contact us to arrange an online demonstration and find out how we can help you:

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