

VENDORS BITE BACK: SURVEY OF PORTFOLIO SYSTEM VENDORS TAKES A LITTLE HEAT

SEVERAL portfolio management software vendors have voiced criticism of a survey conducted by Somerset, N.J.-based consulting firm The Spaulding Group (TSG) (*IMT*, Nov. 25, 1994). The vendors—some of whom were stung by the survey's published results—say the poll suffered from a too-low response rate and provided information of questionable utility.

TSG's so-called Portfolio Accounting System Survey was released in January. Among other things, the survey reports that approximately 35 percent of the money management firms that responded are dissatisfied with the capabilities of their portfolio accounting systems. A summary of the results distributed last fall by TSG also included several harsh comments by users regarding their systems; though the systems and vendors were named the users remain anonymous.

TSG president David Spaulding defends the survey, noting that the consultancy disclosed its response rates in its published reports. A January 1995 publication of so-called "detail results" included a disclaimer in its prefatory section: "Caution should be exercised when viewing these results. In some cases, a fairly sizable number of responses came from a vendor's clients. However, in other cases, the number of respondents is low (perhaps two or three). To extrapolate the results

when the number of responses is low can be risky."

Of the 19 portfolio management systems criticized by the survey in detail, some seven had only two or three users responding.

The survey's range has also been criticized. When it set out, TSG intended to focus on firms with assets under management of at least \$500 million, but eventually drew from a broader range of firms whose assets fell as low as \$21 million. The fattest firm to respond had \$124 billion under management.

Picky, Picky, Picky

The criticism the vendors have lodged range from matters of form to matters of content. Some vendors question TSG's reason for lumping such a varied array of portfolio accounting system vendors into a single survey. A spokesperson at National Investors Data Services Inc. says: "You have certain vendors that are dealing with only one platform, where we deal with a variety of platforms.... What it comes down to is there are different levels that maybe should have been addressed."

Meanwhile, a spokesperson at Data Exchange Inc. says that TSG should not have included two users of the DXV portfolio accounting system because Data Exchange stopped supporting the Wang Laboratories Inc. hardware-based DXV system over a year ago. "You have an obligation to ask if the system is obsolete, or did the vendor drop support," says the spokesperson. "The only thing that we give releases and support to is our [Microsoft Corp.] Windows-based WinDX system." (An official at Data Exchange notes that the vendor has not fully stopped support for DXV, though it has significantly limited the DXV services it does provide.)

In response to the Data Exchange spokesperson's criticisms, Spaulding says: "He felt statistically the numbers, the information, wasn't significant. I never claimed that it was." Echoing the published disclaimer, he says: "The people should use some caution when they try to extrapolate ... if there's a limited number of respondents."

Response Rate

Another source of contention for several vendors was the survey's response rate. Of 900 questionnaires sent out, 120 responses came back. An official at DST Belvedere Inc. says: "That seems like a low percentage, especially when you consider there are over 3,000 in-

