



Microsoft .NET Customer Solution Case Study



Customer: NorthStar Capital Partners

Web Site:

www.northstarcapitalpartners.com

Customer Size: Five employees

Country or Region: United States

Industry: Financial services

Partner: bpCentral

Web site: www.bpcentral.com

Customer Profile

NorthStar Capital Partners, based in Boulder and Denver, Colorado, is a value-added investment banking firm offering expert advice and long-term growth strategies.

Software and Services

- Windows Mobile® 5.0
- Windows Vista®
- Windows® XP Professional
- Microsoft® Office
 - Microsoft Office Excel® 2007
 - Microsoft Office Outlook® 2007
 - Microsoft Office Word 2007
- Technologies
 - Microsoft .NET Framework

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www.microsoft.com/casestudies



Investment Bank Enhances Client Service with Real-time Analysis of Complex Transactions

“The speed and accuracy I get from Liquid Scenarios make me look more professional. Not only do I deliver answers faster, but I deliver them with a higher degree of certainty. That’s huge in this business.”

Jeffrey A. Mazer, Managing Partner, NorthStar Capital Partners

NorthStar Capital Partners had to be fast and accurate with financial analyses that would traditionally take a week or more to produce. So it turned to Liquid Scenarios Enterprise from Microsoft® Gold Certified Partner bpCentral. As a result, weeklong analyses are now completed in minutes and what-if scenarios are tested in real time whenever clients have questions. NorthStar is still a small investment banking firm—it just looks like a large one.

Business Needs

Jeffrey A. Mazer likes working for a small company. He just needs it to look like a large company when it comes to providing client service.

Mazer is Managing Partner at NorthStar Capital Partners, a value-added investment banking firm based in Boulder and Denver, Colorado. The company is focused on helping middle-market companies—with from U.S.\$20 million to \$500 million in annual revenues—to accelerate their growth and create shareholder value. Many of the financial transactions on which he advises

clients concern raising capital or buying or selling a business.

Mazer must be able to tell a client how each of its investors will fare financially under any given sales scenario; to conduct what-if analyses of financial transactions; and to respond to federal regulations, such as Internal Revenue Code (IRC) 409A, which requires a company to put a value on every stock option it distributes.

The mathematics on which such advice turns can involve tens of thousands or hundreds of thousands of calculations managed in

Microsoft®

spreadsheets with thousands of cells. Implementing these calculations can cost \$25,000 or more per client. But the cost is the least of the matter when clients need advice in real time—and the calculations on which the advice is based can take a week or more to input and produce.

“It’s standard for small investment firms to provide approximate figures and to depend on their clients to do the heavy-duty number crunching on their own,” says Mazer. “Obviously, in a service-oriented business, that’s not an ideal way to proceed. We were looking for something better. Something that would enable us to produce the complex financial analyses that much larger firms can produce with their staffs of analysts—without our having to keep an analyst on staff.”

Solution

Mazer and his colleagues found that “something” in the form of Liquid Scenarios Enterprise from Microsoft® Gold Certified Partner bpCentral, a Boulder, Colorado-based company specializing in solutions for the processing and analysis of financial information.

The solution, which runs on desktop and laptop computers running the Windows Vista® and Windows® XP operating systems as well as Windows Mobile® powered smartphones and mobile devices, uses proprietary algorithms to instantly and accurately calculate the financial returns to each investor under various exit and value scenarios.

Mazer has been using Liquid Scenarios since it became available. He downloaded the software over the Internet to his desktop computer and his Hewlett-Packard iPAQ smartphone running Windows Mobile 5.0 software.

The solution enables him to import a capitalization table—the basis for much of his financial analyses—in seconds. Then it produces a complex, accurate financial model within minutes that Mazer uses to test the effects of pricing decisions, liquidation preferences, dividend information, and other variables on the values of companies and the returns to each investor.

Because of the tremendous detail that Mazer wants to see at a glance, he uses Liquid Scenarios primarily at his desktop. When he’s away from the office, and particularly when he’s with clients, he uses the solution on a laptop computer or on his iPAQ as a way to support real-time discussions.

“Because we developed Liquid Scenarios using technologies such as the Microsoft .NET Framework, we could easily extend our solution from the desktop to the mobile device without having to rewrite our code,” says Lorenzo Carver, Chief Knowledge Architect, bpCentral. “And Microsoft technologies give us seamless integration with Microsoft Office programs, so customers can export their data to Microsoft Office Excel®, Word, and Outlook®, to use and share their information as easily as they would any other information they handle daily.”

Benefits

“My business depends on my ability to convince my clients that I can deliver the financial information and analysis they need in a timely, professional manner,” says Mazer. “The speed and accuracy I get from Liquid Scenarios make me look more professional. Not only do I deliver answers faster, but I deliver them with a higher degree of certainty. That’s huge in this business.”

In a highly competitive industry, Mazer says that the superior financial analysis and

professionalism he now delivers is helping NorthStar Capital to retain clients, gain additional business from those clients, and win new business through referrals from current clients.

The ability to offer the type of in-depth financial analysis typically associated with much larger investment banking firms means that NorthStar can compete more effectively for the business of those larger firms, should it choose to do so. And the ability to respond precisely to regulatory requirements such as IRC 409A means that NorthStar can help its clients to be in full compliance with those requirements.

Because analysis with Liquid Scenarios is both faster and more accurate, Mazer is free to conduct far more analyses of a given transaction than he typically would have conducted in the past.

“The flexibility that Liquid Scenarios gives me is tremendously important,” he says. “Because making changes and seeing the effect of those changes through a thousand spreadsheet cells are so easy, I can conduct far more complex and varied what-if scenarios—and I can conduct those analyses while I’m talking with my clients. That means I gain a better understanding of a transaction and its impact, and I can communicate that to my clients whenever they need the information.”

Mazer says that these benefits have been remarkably easy to come by. “I just downloaded the software, and it was ready to work,” he says. “No customization. No complex installation process. Given how sophisticated this software is, I’m amazed at how easy it is to use.”