ILPA Industry Intelligence:  
2020 ILPA LP Technology Survey  
Key Insights

ILPA’s 2020 LP Technology Survey gathered insights on how LP member organizations define needs, select solutions and assess success for their technology programs. The ultimate goal of this work is to help LPs derive greater benefit from their existing technology tools and to aid LPs in making more informed decisions as they evaluate future options. The insights gleaned from this survey should be of equal interest to anyone involved in the design and implementation of technology serving the private markets industry. Highlights include:

1. **Technology Routinely Falls Short of Expectations:** A majority of LPs (75%) resort to ad-hoc and manual interventions to resolve issues, leaving efficiency gains at least partially unrealized.

2. **Spending More Doesn’t Necessarily Lead to More Satisfaction:** LPs who reported spending in the survey’s mid-range categories were twice as satisfied as those spending the least (32% and 34% for mid-range categories vs 17% for the lowest range), but organizations in the highest spending category report being fully satisfied 20% less often than those in the mid-range.

3. **Off-the-Shelf Solutions Beat Customized Solutions in Satisfaction:** Technology solutions completely sourced from third-party vendors resulted in the most content LPs with 38% fully satisfied with the results. Those who chose to partially customize a resource with external support were dissatisfied a third of the time (33%) and nearly half (46%) of those who handled customization in-house were dissatisfied.

4. **Most LPs are Actively Reviewing Their Existing Technology Solutions and Considering Additions:** The next 12 months are likely to be busy on the technology front, 44% of survey respondents plan to review and potentially replace an existing solution and a majority (59%) are considering new technologies. The activities most frequently cited as areas of interest include data management, performance reporting and contact management.

5. **The Primary Goal of Technology is to Improve Investment Decision Making:** 63% of respondents indicated that improving investment decision capabilities was the most important determinant of technology’s success, significantly outpacing decreasing professional time devoted to administrative tasks (27%) and cost containment (10%).

6. **Increasingly Complex Private Markets Program Drive Technology Investment Decisions:** Nearly half (45%) of respondents indicated that spending decisions for technology were made due to growing program complexity. Other reasons for investing in tech included the size of staff per manager relationship (23%) and expansion of investment activities into new vehicles or strategies (19%).