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Portfolio.me: Put Your Money Where It Matters

The Vision



Choose the issues that matter most to you

Portfolio.me tailors your portfolio around the issues that resonate with you most.



The founders of Portfolio.me saw an opportunity at the intersection of two powerful trends: Americans are increasingly socially conscious and passionate about causes. Technology makes it possible to bring innovation and personalization to investing like never before.

The Challenge

Most people feel disconnected from their investments and if they dig down, they often find their mutual funds and retirement accounts own shares in companies with values antagonistic to their own. The options open to average investors are generally opaque and do not allow any control over individual holdings.

Portfolio.me's Philip Martin, Cristhian Dick and Alberto Pontonio sensed investors want a platform that aligns their investments with their social priorities.

While new entrants into the fintech sector are proliferating, the three principals of Portfolio.me – all of whom have deep experience in stock trading and money management – focused on their unique ability to deliver superior institutional-quality investment management with a socially responsible model, thanks to their historical affiliation with industry leader Martin Investments of Chicago.

Previously this service was primarily accessible to institutions and private wealth clients. Professionally managed assets with social investment criteria hit \$7 trillion in the United States in 2014, but scalable products with attractive returns have been scarce. Until now.

The Goal

The trio envisioned Portfolio.me as a simple online platform that personalizes socially responsible investing so you can feel good about where your money goes and you don't sacrifice return in doing so.



"Portfolio.me is totally customized to what's important to you."

Chris Carella, Neo

Neo's Role

Portfolio.me's founders first began looking for a developer to build the platform. But they realized the project was more complex and chose Neo because they needed a partner that could develop branding, technology and strategy.

The six-person Neo team is working collaboratively with Portfolio.me's founders on a 24-week timeline that started in June and culminates in the product's October launch. The stakes are high because a market-ready financial product must be refined, a strategy developed, and staff and infrastructure put in place for Portfolio.me to progress when Neo departs after launch.

What Matters To You?

The Neo-Portfolio.me team mapped out a user experience with branching logic to discover what is important to you as an

investor. Your views are queried on seven major themes: governance, product responsibility, environment, resource conservation, social impact, labor and the workplace and sin stocks (gambling, alcohol, and cigarettes.) Portfolio.me will then build a portfolio that fits your criteria.

“We’ve found that people’s views are quite nuanced. They might be very concerned about LGBT rights and water quality, and this enables us to drill down into that,” Carella said.

Launch Goals

The goals for a product launch are intentionally modest, he said, because Portfolio.me will continue to develop investor preference identification and portfolio automation after going live.

The team anticipates a debut cohort of about 90 customers with five new customers joining per day. A minimum investment of \$5,000 will keep the product accessible but ensure that clients are truly motivated. Having accounts with higher balances is a better metric for Portfolio.me’s success than simple user numbers.

As the banking industry found to its dismay, servicing many small accounts is a costly drain on profitability and infrastructure for financial service providers. Moreover, Portfolio.me will depend on its ability to position itself successfully as a financial tool for advancing its customers’ deeply held beliefs. So the

willingness of an investor to entrust more money to the platform is a sign of greater engagement and commitment. Ultimately, the size of Portfolio.me's assets under management will drive ROI.

Key Challenges So Far

Technology Integration

Portfolio.me requires complex technology that is highly secure and complies with securities regulations for reporting, account administration, money transfer, trading and portfolio optimization. Each function on its own would be daunting to build and potentially not adequately secure or compliant. Dealing with people's hard-earned savings poses a high burden. As a result, we chose to turn to trusted third-party providers for individual services. But integrating them and making them understand one another is challenging. For example, each stock has several unique identifiers that are used by different services, so we had to figure out how to make them talk to each other. In addition, the platform has to perform an intensive calculation for scores on social criteria and building the founders' script into the platform required an elegant solution.

Identifying Early Adopters

One of the team's biggest challenges was to profile their customer. Millennials with high social consciousness and affinity

for technology were considered likely candidates. But based on extensive research and interviews, they discovered the prototypical early adopter is a woman in her 40s or 50s passionate about causes. Life changes such as having children or divorce motivate her to think about retirement. She is likely to have at least \$100,000 in a retirement portfolio already, and the objective is to bring a portion of that to Portfolio.me.

Cracking the Message

Delving deep into the psyche of the target customers revealed that while investing ethically is supremely important, these investors are not willing to sacrifice performance to do so. The team encountered wariness to the concept because of concerns users would be expected to give up some financial return in exchange for the “feel good” of investing responsibly. The marketing needed to address both social and financial priorities.

Moving Beyond MVP

The Portfolio.me project entails building a market-ready product including branding, technology and strategy – all on a 24-week timeline. A major opportunity for Neo has been to transfer its aptitude with MVPs to a finished product.

Navigating A Highly Regulated Environment

Financial services is one of the most highly regulated industries around with a very high compliance burden. Portfolio.me founders' ties to Martin Investments are one of the team's strongest assets because of Martin's track record of superior returns and experience with socially responsible investing. Conveying that message in a compliant manner given that the two entities have no legal or financial ties has required great care. More broadly, there are strict rules against implying that any past return predicts future performance or making any promises about results. Those must be carefully adhered to.