

Entity Management Software

A Buyer's Guide

Executive Summary

Entity Management Software (EMS) responds to a growing need across industries. From major corporations and financial services providers to tax and legal organizations, entity management challenges impact many aspects of business function. The right EMS is mission-critical. But in a marketplace crowded with software options, what should a buyer consider before purchasing?

This guide will take you through the critical stages of the buyer's journey and give you the data, knowledge and tools you need to bring key stakeholders on board with the purchase and make an informed decision about which EMS option is right for your organization.

The first portion of this guide focuses on the journey within your organization, including data and talking points to help make the case to internal stakeholders. This segment covers critical subjects, including an overview of the risks and issues of poor entity management, examples of common organizational pain points that EMS can solve, and the potential post-implementation return on investment.

The second portion of this guide covers the critical topics and issues to consider as an empowered and informed buyer. This section includes an overview and micro case studies demonstrating the importance of purpose-built EMS, along with a buyer's toolkit. The toolkit includes a checklist of critical features and capabilities to look for when assessing software options and key vendor questions to ask during the buying process.



As you embark on your entity management software buying process, the knowledge and tools given here will lead to a smooth journey and optimal outcome for the specific needs of your business.

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Entity Management: It Impacts Everything

Across industries—real estate, asset management, private equity, healthcare, legal—entity management hurdles touch every aspect of the business. Financial services organizations must fulfill various compliance duties relating to anti-money laundering and other corporate transparency or beneficial ownership laws. Companies with complex structures must identify and track and visualize ownership and respond promptly to KYC or UBO requests. Multinational corporations with many subsidiaries need to view organizational structures and keep up with key compliance or reporting deadlines for each individual entity. Companies targeting a merger or acquisition need bullet-proof records and crystal-clear affiliate data. Legal firms need to streamline legal filing processes and manage compliance processes.

The right entity management software (EMS) can fulfill all these needs and more. It can: facilitate data access organization-wide; reduce compliance and governance risks; increase accuracy; aggregate data for analysis and actionable insights; automate and streamline manual processes; and create efficiencies. The correct EMS is a strategic technology investment with long term organization-wide benefits, from ensuring good governance and meeting key compliance deadlines, to facilitating transactions and streamlining operations and workflows.



When preparing to invest in EMS, the buyer embarks on a complex, multi-stage process. Each step is critical, whether they are making the case to key stakeholders and users within their organization, educating themselves about key features and capabilities, or researching and comparing competing software options. The knowledge and tools within this guide will help support each phase of the EMS buying journey.

"We would have a very difficult time doing all our compliance work without a really good, robust product that keeps us on track. With (entity management software) our firm can provide a valuable service to our clients that they need, and monetize that."

– Denise Davis, Attorney,
Yoder Ainlay Ulmer & Buckingham LLP

Part 1: Making a Case for Purchase

The first step in the buying journey is to make the case for the purchase within your organization. From decision-makers who control the budget to future users who may resist change or new technology, these tools and talking points will help bring key stakeholders on board.

The Risks: Flawed Entity Management Creates Preventable Problems

What happens when entity management is flawed or lax? Entity management is critical for tax, finance, and legal departments and impacts risk, compliance, and efficiency. The dangers of poor entity management are widespread, from fines and penalties for missing critical compliance deadlines to wasted hours on manual, repetitive tasks and barriers to completing deals and transactions.

“Entity management software gives us the information that we need when we need it, and we're able to share this benefit with other teams. It makes it really simple for everybody to access what they need at any time, and makes all of us more efficient.”

– Deanna Venello, Legal Operations Manager, Commvault

Entity Management Gaps: What are the Hazards?

When fragmented data and information is widespread within an organization, it creates problems and data gaps company-wide. Organizations that lack a centralized source of truth run the risk of errors, inefficiencies, and increased costs. Research by Ernst & Young shows that 68% of legal professionals surveyed do not have access to accurate, up-to-date information on legal entities, and 66% have challenges staying up to date with regulations across jurisdictions.

Preventable governance and compliance lapses lead to legal and tax penalties and fines as staff struggles to keep up-to-date on all filings and compliance tasks. While compliance personnel and budgets are stagnant or shrinking, regulatory compliance and reporting burdens are rapidly increasing. Within this landscape, poor entity management will exacerbate this resource gap, creating a substantial risk of compliance failure. A [2022 report by Thomson Reuters](#) on the cost of compliance found that while 74% of survey respondents expect organizational compliance burdens to grow, 64% do not expect their compliance staff budgets to keep pace.

Lack of transparency and communication between departments and stakeholders, and difficulty in quickly accessing information leads to the risk of failure in achieving corporate goals. From failed positioning for a merger or acquisition to inefficient operations and missed growth opportunities, flawed entity management leads to avoidable business risks. **A recent study by Deloitte found that in mergers and acquisition transactions, 59% say that poor entity management causes buyers to question whether sellers own their subsidiaries.**

Process inefficiencies and redundancies lead to lost time and staff burnout. Reliance on manual processes increases the risk of errors and failures, costing organizations hours and resources. **In research from Ernst & Young, 87% of attorneys surveyed report that their department spends too much time on repetitive, low-value, and routine tasks relating to legal entity management.**

The Solution: Entity Management Software Eliminates Risk and Pain Points

A critical question for every buyer is: what pain points can this software eliminate in my organization? Finance and tax teams have myriad challenges, such as mandated compliance reporting and "know your client" laws. Corporations with complex structures need to track subsidiaries, shares, and ownership. Legal teams often need to search through emails or binders to validate ownership and entity details for clients. As a starting point for a buyer's internal analysis, here are five universal pain points spanning across industries that well-designed software will eliminate.

1 Fragmented and Inaccessible Information

The Pain:

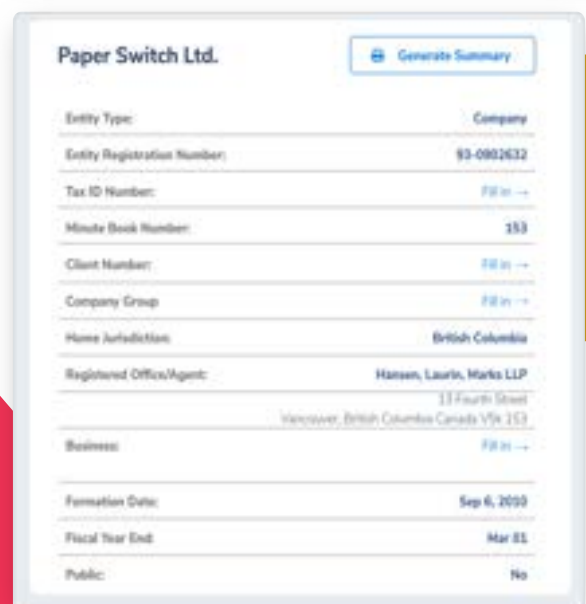
For many companies and firms, data is not centralized, leading to time wasted looking for information, risks of outdated data, and security perils.

The Fix:

A centralized system allows easy access and truth-keeping. Aggregating everything in one secure, easy-to-access location creates timely, accurate data across jurisdictions, countries, and office locations. Top-tier entity management software (EMS) becomes a single source of truth.

"I'm onboarding a new client right now (who did not previously use entity management software) and it's just a disaster. They don't know when shares were issued, who owns them or who had them before and what the history was. Without an entity management platform, it's tough."

– Denise Davis, Attorney,
Yoder Ainlay Ulmer & Buckingham LLP



The screenshot shows a software interface for "Paper Switch Ltd." with a "Generate Summary" button. The interface displays various entity details in a table-like format:

Paper Switch Ltd.	
Entity Type:	Company
Entity Registration Number:	93-0902632
Tax ID Number:	Fill in →
Minute Book Number:	153
Client Number:	Fill in →
Company Group:	Fill in →
Home Jurisdiction:	British Columbia
Registered Office/Agent:	Hansen, Laurin, Marks LLP 111 Fourth Street Vancouver, British Columbia Canada V6K 1S3
Business:	Fill in →
Formation Date:	Sep 6, 2009
Fiscal Year End:	Mar 31
Public:	No

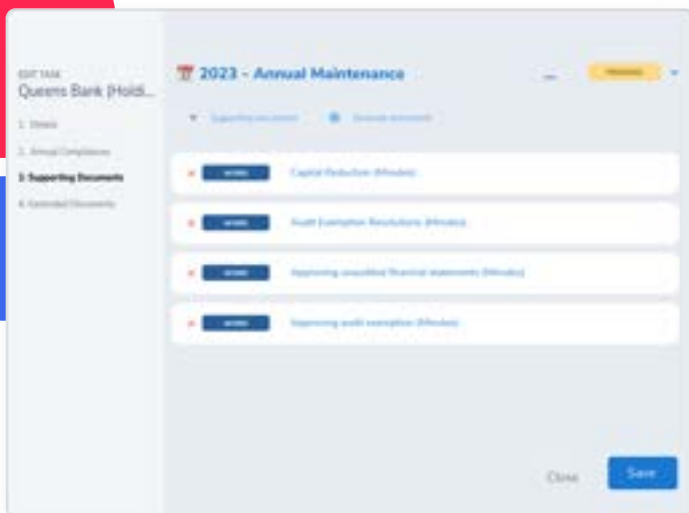
2 Outdated Processes

The Pain:

Some organizations still rely on time-consuming and error-prone procedures, such as manually reviewing files and spreadsheets when verifying or updating corporate data. This creates a high potential for errors and deep inefficiencies, increasing costs.

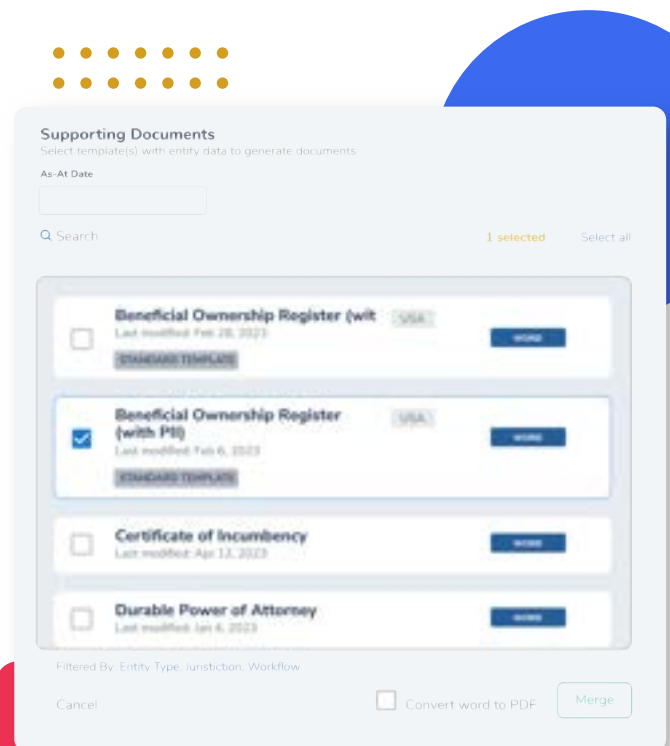
The Fix:

Top-tier entity management software can eliminate manual processes with custom and standardized workflows, automated paperwork and streamlined tasks. The result? Fewer errors and more time saved, improving company-wide efficiency.



The Fix:

Well-designed entity management software can help strengthen and streamline corporate governance and simplify compliance tasks with automated reporting and analytics. A good entity management solution will provide straightforward tracking and management of compliance tasks and deadlines, enabling accountability.



3 Governance Lapses

The Pain:

Keeping current on annual filings, reporting, and compliance tasks can be arduous and fraught with issues. Mistakes and lack of timeliness in governance lead to legal and financial matters.

"Before we implemented entity management software, we struggled with keeping documents together and with accessibility. Whether you're a growing company or a static company, it's better to have this system."

– Adele Pieterse, Paralegal, Benevity

4 Poor Communication

The Pain:

Lack of communication and collaboration between departments and stakeholders can cause everything from minor issues and mistakes to significant lapses that can cost both the organization and clients. For example, a lack of transparency between tax, legal, and finance departments can lead to missed deadlines resulting in penalties or fines.

The Fix:

A software solution that creates a centralized data system provides company-wide access to timely, accurate information, improving communication and collaboration.

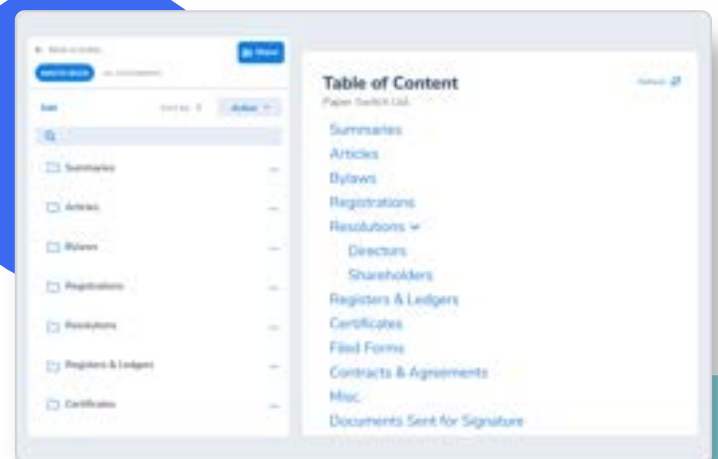
5 Divided, Disjointed Data

The Pain:

Fragmented data systems and poor information reduces insight into strategic corporate goals, essential legal functions, and customer behavior.

The Fix:

When data is timely, accessible, and usable, stakeholders can focus on strategic initiatives, rapidly adapt to changing regulations, and quickly adopt innovative strategies to stay competitive. Automated reporting and analytics allow for improved forecasting and predictive analysis, and new and innovative strategies.



“Adopting more modern, leading legal entity management systems can resolve the most common challenges and deliver efficiencies by creating a single source of truth for the organization that can be used for real-time governance insights.

- Ernst & Young Entity Compliance and Governance Report, 2021

The Bottom Line: Entity Management Software and ROI

The next stage of the buyer journey and stakeholder engagement is an analysis of the bottom line: What will the payoff be when this organization invests in effective entity management software?

Where to Look: Key Areas of Entity Management ROI

The return on investment (ROI) varies based on the needs and circumstances of the organization. While each company is an individual case, organizations often report significant ROI in the following areas following implementation:

Time savings:

EMS can automate many tasks, such as deadline tracking, report generation, and document filing. This saves employees time, while task automation reduces error risks. Time saved is dollars earned for the organization.

Compliance improvements:

By automating compliance tasks, EMS can help organizations comply with relevant laws and regulations. This can reduce the risk of fines, penalties, and legal disputes. Automating reporting and analytics simplifies compliance tasks and business processes.

Better decision-making:

EMS can provide real-time visibility into an organization's entities, enabling better decision-making based on accurate and up-to-date information. Centralizing data systems creates easy access; a single source of truth creates timely, accurate data.

Cost savings:

EMS eliminates manual processes and automates paperwork, saving time and streamlining tasks. By reducing the need for manual data entry and other administrative tasks, EMS helps reduce labor costs. It can also help prevent costly mistakes that might result in fines or legal fees.

Look at the processes and needs within your organization to see if any of these critical areas are ripe for improvement.



The Proof: User ROI Post- Implementation

How can organizations quantify the return on investment? From time saved to revenue generated, below are concrete ROI examples and statistics from companies and firms that have implemented a top-tier EMS solution:

- A nationwide accounting firm increased new incorporations by 300% and increased client uptake of virtual minute books by 20%.
- A multinational software company reduced its document research time from an average of two hours to five minutes.
- A major law firm previously spent up to eight hours per entity manually tracking stock certificates for large corporations. With top-tier EMS, that process now only takes 20 minutes.
- A legal technology consultant created a document automation process with EMS that reduced document generation for corporate restructuring and reorganization from an average of four to six hours to 15 minutes per entity.
- A large corporate law firm reduced the time required to create a new corporate entity from four hours to 30 minutes after EMS implementation.

In the buyer's research process, an internal analysis of the potential returns for your organization can lead you in the right direction when choosing the best software for your needs. What ROI will the right EMS solution create for your organization?

Part 2: Tools for the Buying Process

Once the key stakeholders are on board with the purchase, the next step is to analyze which entity management software solution (EMS) is right for your organization. An EMS should be built for that use alone, not adapted from another software solution created for a different purpose.

Buyer Awareness: The Importance of Purpose-Built Technology

A purpose-built EMS can be tailored to meet specific entity management needs, including automating workflows, serving as a single source of truth with historic traceability, and allowing clients to self-serve. While many other software packages offer a variety of single-point solutions that address various facets of entity management, they often require several solutions targeted at individual needs.

"Virtual minute books are incredibly powerful. You can organize them in such a way that it actually is easier to use than a physical minute book, and you can also give clients virtual access to them."

– Andrew Chiang, founder, Chiang Consulting

Purpose-built EMS should serve as a one-stop shop for all entity management needs within an organization. Software created for this need will offer a suite of features encompassing all entity management needs while integrating smoothly with the other tools that your organization already uses. The right solution will also be flexible enough to support the company as it scales. A key benefit of purpose-built software is eliminating time-consuming and costly manual processes while ensuring the platform becomes a universally accessible single source of truth.

Purpose-Built is Key: Case Studies

These micro-case studies demonstrate key elements of purpose-built software compared to other entity management solutions.





From Siloed Information to Universal Access: Purpose-Built Makes it Possible

Deanna Venello is a legal operations manager for a multinational corporation, with stakeholders across departments like Tax and Finance who need access to entity data. With the company's previous EMS, information was fragmented across several different platforms and locations.

Key stakeholders could not self-serve, and Venello's team was constantly fielding requests for information, which ate into time needed for mission-critical work. Fulfilling a data request from another department could sometimes take as long as two hours. "Teams came to us all the time asking for information, and I kept wondering why! We should all be able to access these documents," she said.

Once the company migrated to top-tier, purpose-built EMS, Venello created user roles for other teams so they could self-serve from various data sources. For example, a stakeholder from the tax department who needs information on a

specific entity can now access the system and view what they need without reaching out to Venello's team—and if her team does need to respond to a data request, it now takes only minutes rather than hours.

NAME	TYPE	USER TYPE	ADDED DATE	ADDED BY
 Diana Wong Mak dana.wong@athennian.com	Individual	summary-only	2023-03-15	Derek Cheung
 Kenny Laurin kenneth.laurin@athennian.com	Individual	read-only	2023-03-08	Jordan Rindahl
 Jennifer Menendez jennifer.menendez@athennian.com	Individual	office admin	2023-03-03	Derek Cheung
 Amanda Gil amanda.gil@athennian.com	Individual	office admin	2023-03-03	Derek Cheung

With the robust user permissions of the new EMS, her team can create various access options, from limited read-only to broad edit and upload permissions. Now, stakeholders across departments and time zones rarely rely on Venello's team as an information intermediary—they have full access to everything they need, whenever they need it.

The Power of Automation: Purpose-Built EMS Increases Efficiency

Legal technology consultant Andrew Chiang works with law firms to implement critical legal technology improvements. He often leverages purpose-built EMS to automate increasingly complex documents and tasks, dramatically increasing efficiency and reducing non-billable hours.

Chiang regularly finds multiple time-consuming processes that increase clients' non-billable hours,

such as director verification and signatures for complex sets of documents. "Imagine dozens of different documents where you have to copy and paste the signature blocks for directors," he said. "What a waste of time."

He leverages an EMS to automate verifications, signatures and many other processes, often resulting in dramatic efficiency increases for his clients. "I take a very time-consuming process that previously took hours or even days and convert it to something they can accomplish with the click of a button," he said. He notes that clients regularly see significant decreases in non-billable hours once his systems are implemented.

Beneficial Ownership Report

BLUE LAKE GROUP INC. (Delaware, USA, 913483920)

Part A - Personal information of individuals with beneficial ownership or substantial control

Name	Date of Birth	Address	Country (or countries for tax purposes)	Start date of beneficial ownership	End date of beneficial ownership	Describe how the individual has beneficial ownership
James Sengco	1979-08-08	3 West Plaza Arlene, Delaware 19801	USA	2013-01-01		25.00% Capital & 0.00% voting
John Malachuk	1984-08-01	400 George Lane London, England E10 1AA	United Kingdom	2013-01-01		10.00% Capital & 0.00% voting
Greg Hill	1980-04-08	414 Church Ridge Drive Chicago, Illinois 60606		2013-01-01		4.00% Capital & 0.00% voting
Cherylan Shearer		10000 Vineland Avenue Houston, Texas 77037	USA	2013-08-01		Enter ownership details here

Part B - Organizational Structure To Complete Part A

Entity	Organizational Structure
2012-01-01	Report on 2013-01-01-01-01-01

Chiang also uses this EMS to create new revenue opportunities for clients, for example, by automating suites of documents such as new employee agreements or director's resolutions with pre-generated clauses. With a purpose-built EMS, Chiang said, "We can minimize workload and make the firm more competitive."

A Great View: Purpose-Built Makes Charts and Visuals a Snap

Cherylan Shearer, a paralegal with a major corporate law firm, needed to generate organizational charts and create visuals that demonstrated organizational and ownership structures. With the firm's legacy entity management software, that process was arduous, requiring users to review the system to verify all

the ownership details, double-check hard-copy sources to validate the data, and pull the information into a more visual application, like PowerPoint. Organizational charts built using fragmented pieces of data required multiple manual and time consuming steps to ensure 100% accuracy.

Shearer's firm migrated to purpose-built EMS that includes an integrated visual structure chart function. With all the entity data available on the new platform, Shearer can now simply click a button to generate visuals that previously required hours of research and formatting. The new software pulls the exact information she needs using several filters straight from the database and generates visually appealing organizational charts and ownership structures. "I can immediately create an organizational chart showing the main company and the subsidiaries under it," she said. "It's very, very helpful."



Knowledge is Power: What Buyers Should Look for in Entity Management Software

What should a knowledgeable and sophisticated buyer expect to find in top-tier, purpose-built entity management software? There are several vital elements to look for when comparing EMS options:

- **Built for Entity Management:**
Many options offer some elements of entity management capability. But truly purpose-built EMS will be created for that purpose alone.
- **Adaptable:**
Any software that makes the cut for consideration should be adaptable to the unique needs of an individual business.
- **Robust Security:**
Sensitive data should be handled carefully. An optimal software solution should offer the most advanced security certification on the market.

- **Data Backup and Version Control:**
User data should be backed up and safeguarded. Systems should be in place to ensure that the most up-to-date versions of documents are universally available.
- **Cloud-Based:**
Some EMS solutions are stored on servers and require users to load the software onto a physical computer. In today's remote-friendly work environment, a cloud-based solution is vastly preferable. Cloud-based solutions are more secure, readily scalable and flexible.

Now that you have a birds-eye view of the most important considerations, it's time to dive into detailed software comparisons and research. Think of the following pages as your software purchase toolkit, including a checklist of key features to look for and critical questions to ask when assessing an array of EMS options.



The Buyer's Checklist: Does this software have the features I need?

When shopping for entity management software (EMS), the chosen solution must meet all required parameters. The checklist below provides a starting point for comparing various software options.

Key Entity Management Software Features & Capabilities Checklist		
Structure	100% Cloud-Based	
	Scalable Pricing	
	State-of-the-Art Security Certifications	
	Regular Automatic Updates and Enhancements	
Features	Central Source of Truth	
	Easy-To-Use Interface & Automated Workflows	
	Integrations such as eFile, eSignature, iManage, Microsoft 365 & Google Workspace	
	Robust User Permissions	
	Secure, Intuitive Client Portal and Sharing Options	
	Simple, Reliable Collaboration	
	Single Sign On Capability	
	Streamlined Setup & Login	
	Multiple Languages Available	
	Multi-Jurisdictional	
Capabilities	Complete Multi-Step, Complex Share Transactions	
	Advanced Task Management, Reminders & Workflows	
	Audit Trails & Compliance Management	
	Templates & Document Auto-Population	
	Custom Reports, Ledgers & Share Certificates	
	Document Generation, Assembly & Filing	
	Due Diligence, KYC, UBO & other Compliance Workflows & Reminders	
	Entity Formation & Data Storage	
	Financial Records Management	
	Streamlined & Intuitive Charts & Visuals	
	Track Officers, Directors, Managers & Share Certificates	
	View Document History	
	Minute Book Storage & Modification	

Before Purchase: Key Vendor Questions

There are many considerations when selecting entity management software—any addition to your business's technology stack is a significant investment. When comparing different EMS solutions, here are ten key questions:

- 1 How can my organization tailor the functionality to support my core business processes?
- 2 How can my organization adapt and scale the platform to our unique business needs and industry requirements as we scale?
- 3 Does the software provider offer customized training and support for users, both during rollout and post-implementation?
- 4 Can you walk me through the data migration process? What kind of commitment is required from our team?
- 5 Was this software explicitly created for entity management, or adapted from other products via acquisition that served a different use?
- 6 What processes and certifications exist regarding the security of the platform? What is the historic downtime?
- 7 Is the software cloud-based?
- 8 Can any user within my organization access the software at any time, from any place? Are unlimited users included?
- 9 How are roadmap items prioritized? Can you walk me through how customer feedback is collected and implemented?
- 10 How often are product updates scheduled?



Next Steps

Knowing the key features to look for in an EMS solution can help no matter what point you've reached in the process. Ready to take the next step in the entity management software buying journey?

[Request a custom demo of Athennian](#)

About Athennian

Athennian is a modern business entity and subsidiary governance platform that powers teams to be transaction, audit, and compliance-ready. Legal, finance, and tax professionals use Athennian to automate workflows for ownership, governance, tax, and corporate compliance.