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## Manufacturing and Innovation: A Tale of One Distinct Vision

by Dr. Richard Michaud

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For more than two decades, the business landscape for many U.S. companies has evolved into a paradigm characterized by outsourcing product research and innovation, manufacturing services, or both — whether globally or nationwide. Oftentimes, this disconnect in business operations, if not managed properly, can result in a loss of product or service market share, forcing the organizational pendulum to reverse direction to regain competitiveness and spur new ideas.

For New Frontier Advisors, however, the pendulum has never moved; the business paradigm has never shifted. Since 2004, we have consistently sought to link our research and forward-thinking into the production of investment software aimed at continuing to improve and refine our portfolios. We have never felt the need to separate innovative operations from our manufacturing base. Although nothing in our mission or business philosophy has dramatically changed over the years, other companies, especially larger technology giants, are finally beginning to realize that exporting their manufacturing services to other parts of the world can actually limit understanding of their own innovations, including the ability to refine and alter their ideas to inspire new ones. To our advantage, New Frontier is a software provider and research institution that manages its own portfolios. This approach allows us to efficiently integrate our research into improving our financial technology and its adaptation to usable software tools. First, we find a good idea. We then conduct practical research, followed by the creation of an efficient process to manifest the idea. Once a level of optimal efficiency is attained, we apply our innovation to actual real-life scenarios to see how it works. Moreover, as investment advisors, our recommendations are developed through a continuous feedback cycle. As our investment committee strives to create viable financial products, it also brainstorms research ideas. Based on that input, our research team comes up with new developments for practical application. To complete the product development cycle, our investment committee applies the research by using it and testing it. If successful in the field, the research goes into the actual software production and regular investment committee use. Through constant feedback, we can ensure that our technology is both cutting-edge and practical for investment committees. Our hybrid management approach of blending manufacturing with innovation not only serves to further



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the competitiveness of American industry, but it also showcases our experience as a pioneer in practical economic research and portfolio optimization through technology. Our intent is to attract clients to our products and methodology — all directed at a new investment frontier that statistically analyzes risk and return estimates of assets and their correlations before crafting effective portfolio strategies.

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