



2Plan or not to plan?

As part of a series for *Professional Adviser*, AT8 Group's Mark Loosmore is interviewing a number of distributors on how they are using IT to improve their businesses.

This week: 2Plan Wealth Management

During the last month, AT8 has enjoyed meeting a range of large and small IFAs, to investigate how they use technology to streamline their businesses. We have gained valuable insights to the working practices of the modern IFA and the role IT plays within their firm. It has also helped us understand which technology suppliers are leading the field and which live up to their marketing stories.

This week's interview with 2Plan Wealth Management was a little different to those we have covered so far as the majority of the technology used has been home grown. Going back 10 or 15 years it was the norm for large distributors to create their own solutions and, in the mortgage broking market, the trend continued until quite recently. However, it is a trend that has all but died out, with distributors usually turning to the third-party software houses that are able to spread the cost of development, which is needed due to the scale of investment required.

Recently we have seen a number of changes to this trend with the introduction of some new development tools and methodologies. Some large and small firms have sought to get their specific business processes within their systems, holding the strong belief that this can't be achieved through current third-party systems that may force them to compromise their business models.

2Plan most certainly fall into this category, having spent considerable time and money setting up their own infrastructure to support their exact requirements and they are arguably the highest profile company to do this in recent years. The success of this strategy depends on a clear vision and the ability to execute to the highest standards, so we were looking forward to learning more about the 2Plan systems.

The first thing to note is that 2Plan secured external investment from Standard Life in order to create a business set up for growth and longevity from day one. Indeed, since inception and despite the current market difficulties, they have grown to nearly 200 advisers in three years.

Technology has clearly been part of this vision from the start. To deliver this vision, they have built a team of high-calibre developers from high pressured backgrounds such as developing military hardware like missile systems and nuclear submarines. Mark Smith, IT director, was at pains to point out to the team that, while lives may not be lost as a result of what they do, the consequences could still be severe with the FSA

gunning for them if they get it wrong.

The team has built an incredible range of technology in a short period of time. They have a functional point of sale system that has an intelligent fact find that guides the advisers through the sales process, designed to only ask the relevant questions as the needs develop.

Risk profiling

The system includes a Psychometric Risk Profiling tool that allows an overall Risk Profile to be identified and for this profile to be flexed against individual objectives. The Risk Profile is then used with a set of their own model portfolios to design the most appropriate investment portfolio for the client.

Interestingly, 2Plan has stopped short of providing or integrating to any of the cash-flow planning tools. The reason for this is that 2Plan see this as being outside of its infrastructure service. However, we suspect that such tools are used because many of the advisers it has recruited are dealing with high net worth customers that can benefit from such tools. The fact find dovetails with a 'quote and apply' process which does come from a third party in the form of Exweb. It is an interesting decision to choose to build nearly all of the IT infrastructure apart from the quote and apply process and one that I believe highlights the complexity of some third party services that it is better to integrate rather than build – a decision we would support as sensible business practice.

2Plan's sales system also includes its own

research system (with the data being supplied by a third party). The system is a step further than most 'own builds' but has enabled a tight tie-in of the research with the rest of the sales process. A suitability-letter generator is also a key part of the solution.

The 2Plan team has also created three other core systems for managing the back-office processes. The first is the central / head-office system and this manages the processing of business, the setting of fees, commission reconciliation and HR services. The second is known as 'client manager' – a web based system that is in effect a contact management system that also includes contract enquiry. Contract Enquiry is still in its early stages, but already has seven

providers on it with another four being added shortly. The third is known as 'Nexus' and is the Adviser Portal intranet which covers the adviser commission statements, pipeline tracking and compliance functions.

Client portal

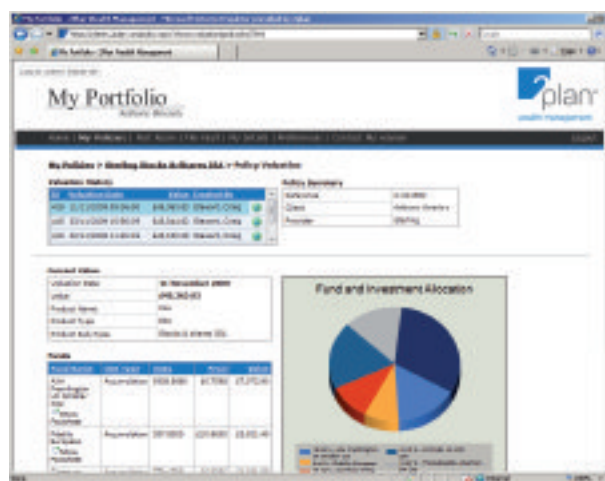
2Plan has begun to offer some clients access to its client portal where they can view their fact find, look at their current portfolio, get updated valuations and upload and view important documents. AT8 has long supported the concept of client portals, recognising the important role it can play in client communication, so it is good to see another client portal application being adopted.

2Plan also supports the IFAs in the creation of their own websites using a template-based system to get IFA sites up quickly and cost effectively.

As well as an impressive stack of software applications, 2Plan has invested heavily in getting the IT infrastructure up to the highest standards. It has twin data centres split between Leeds and Wapping as well as a well-thought-out security and disaster recovery plan.

2Plan has achieved an incredible amount in a short period of time. The infrastructure it has created could be applicable to other IFAs in the market and while 2Plan states it has no plans at the moment to market its IT solutions outside of its current organisation, it will be interesting to see if it becomes tempted to deploy its solutions to the wider industry.

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