The role of advisers is evolving


Loosmore

Continuing his exclusive series for *Professional Adviser*, Mark Loosmore from technology consultancy AT8 Group analyses planning tools for advisers. Each week Mark selects tools currently available to UK IFAs and assesses their strengths and weaknesses. Our aim is to help advisers compare and contrast solutions so they can identify the tools that may be most suitable for their businesses.

This week: Adviser Evolution

I have written much over the past weeks about the importance of financial planning tools and the importance of having these tools integrated to other systems that IFAs use.

With this in mind I was delighted to see what 1st-The Exchange – the IT company with the largest user base of back-office systems – is planning to launch in the autumn. The new suite of tools is intended to provide a more holistic and extensive financial planning capability in their 'Adviser Evolution' (AE) product.

It has to be said that 1st-The Exchange has had some financial planning functionality in its established system, Adviser Office, for some time. However, these tools are not the most graphical or sophisticated, but they have ensured that the company has learnt about this market space. They have therefore helped to prepare the ground for what is a more comprehensive and appealing set of tools integrated into their newer 'enterprise' POS solution AE.

Strategic step forward

Before discussing the financial planning tools themselves, it is worth a few words on Adviser Evolution. 'Evo', as you will hear the 1st-The Exchange team refer to the product, is a strategic step forward from Adviser Office; launching them as a major player in the front office. Until now, their front-office (POS) presence has been based on a number of tools hidden among a wealth of other functionality in Adviser Office (AO).

Evo brings these tools to the fore, but with a fresh, modern and, most importantly, user-friendly interface. It is possible to customise Evo substantially and so get close to the ideal process and branding that each user requires.

Evo is primarily a front-office tool, however. While it has more functionality than many Point of Sale systems, it is important to understand that it doesn't yet provide the full functionality of AO.

Therefore, some key back-office tasks, such as commission management and valuations are not part of the current system.

This isn't necessarily a problem as Evo doesn't claim to be a back-office product. But it is important that purchasers understand what they are buying with Evo. However, of more concern to me is that Evo is not a true web application and so requires a client-side install that I feel brings with it the headache of managing an infrastructure and a lack of accessibility from those remote computers that don't have the application installed.

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With Evo being a front-office tool, it is not surprising to see 1st-The Exchange announce plans to add planning tools to the product roadmap. These tools are not available yet, so they are difficult to review in full (as a result we haven't included our normal comparative table).

However, 1st-The Exchange has shared its plans and early developments with us and the solution looks very interesting. The tools contain three core areas:

- Financial planning (setting objectives);
- Wealth management (monitoring and reporting);
- Execution (trades and investments).

Stochastic toolset

It also uses the standard Towers Perrin (TP) Risk Profiler based on eight questions, with the ability to create bespoke risk profilers also being possible. Currently the tools use deterministic methodologies, but in January 2010 they plan to launch a full Stochastic toolset based on the TP Engine, which we have covered previously and endorse as a capable means of powering any toolset.

They plan to cover: retirement, protection, school fees, specific goals, debt consolidation, mortgage and GI, tax calculators and investment (the only gaps being estate planning and CGT planning).

In addition, they plan to have the ability to both drive through a 'focused need' without having to a undergo the holistic planning session and to support a full cash-flow analysis with the portfolio balancing/asset allocation based on the TP Stochastic model.

The launch date is yet to be confirmed, but we believe the firm will aim to launch the first version in early autumn. We'll have to wait to see what level of functionality there will be. However, from the preview we have seen, it looks promising.

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