

The Alpha approach



Loosmore

Continuing his exclusive series for *Professional Adviser*, Mark Loosmore from technology consultancy AT8 Group analyses planning tools for advisers. Each week Mark selects a tool currently available to UK IFAs and assess its 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: Alpha Terminal

Having written a few reviews on the leading financial planning tools, we were approached by a company called ShareScope asking whether we could review their Alpha Terminal software as well. I was initially somewhat sceptical as I had not previously come across the company, but after a quick high-level discussion I was intrigued enough to find out more.

Alpha Terminal has the sort of investment analysis solution I would previously have associated with the stockbroker market, but the company has turned some of its focus and marketing toward the top-end IFA market and is having some success. It has secured a number of IFA clients, including Charterhouse, Greystone and Hargreaves Lansdown.

There are three types of data that the system provides. First it provides price data for equities, global indices, collectives, commodities and foreign exchange. Second it provides Company Fundamentals – P&L, Market Cap, PE ratios etc. Third, it provides a live news feed from Dow Jones News-wires which includes all RNS announcements.

Alpha Terminal covers equities and collective investments such as investment and unit trust funds as well as ETFs. It enables advisers to quickly analyse performance data in a number of ways along with

an impressive graphing capability to produce a shortlist of the most attractive investment vehicles in a sector.

For example, with more and more people using ETFs for low-cost index tracking, and access to other asset classes such as commodities, the ability to compare rapidly the relative performance and costs of these passive trackers against the more expensive managed alternatives would seem to be a useful tool. For example, over the past three years, the iShares FTSE Xinhua 25 ETF has performed as well as the impressive First State funds. The company says that reducing the time it takes to produce a reliable shortlist provides the adviser with more time to make a considered decision.

Alpha Terminal extends beyond simple pricing information and covers the full order book. The order book access doesn't simply list all outstanding orders with their buy and sell price points, but will also provide a graphical aid to show at which pricing levels there is most support for the stock, along with the expected transaction volumes and so equip an adviser to recommend the most appropriate entry or exit point for their customers.

What makes the system interesting isn't just the data itself, but its powerful analysis capabilities. It includes powerful stock



screening to find companies that match specific investment strategies (e.g. companies with high yields or strong cash flow etc) and then charting these to analyse trends and 'indicators' such as moving averages. The analysis and graphs can be compiled into individual client reports or internal research documents.

Seeing an experienced analyst use the software is incredibly impressive, if not a little frightening for the uninitiated. Trends can be quickly spotted so stocks and funds can be easily evaluated and prioritised. As a lay-person watching it, it almost

seemed unfair to provide some people with such insight into the price movements and order triggers (and set alarms) while others are left in the dark. However, despite claims of a high level of focus on usability I found the navigation of the system quiet confusing and the high speed of the demo left me a little dizzy – though this may say more about me!

ShareScope claims users like the navigation once they have been shown how to use it as it is extremely fast and enables the user to switch between data sets very quickly. I was also left with

the impression that as powerful as the tool seemed, if it was used in the wrong hands, it could be quite dangerous.

The product feels like Bloomberg in many ways, but it lacks a trading platform. However, it doesn't come with a Bloomberg price tag. The product retails at £100 per month per user and it has its sights clearly set at the tier below Bloomberg taking on Proquote and potentially moving into Fidessa's territory.

What isn't clear to me is how many IFAs will actually need this level of functionality. I have no doubt as to the benefits of the tool and price point is surprisingly good, but I feel that the number of IFAs that will be able to use the power it professes is probably relatively small at the moment.

The most likely target is IFAs who are active in the Discretionary fund management space, though I suspect that as the industry moves towards fees and higher professional standards an increasing number of IFAs may then be attracted to use Alpha Terminal.

The company provides a free trial of the system and if bought also offer one-to-one training included in the contract price. I recommend taking a look, even if only out of curiosity, but be prepared for a headache afterwards because there is a lot to take in.

FIND TECH STORIES AT:
www.ifaonline.co.uk

Focus enhances systems to help advisers meet RDR requirements

By Charlotte Banks

Technology provider Focus Solutions has made a number of changes to its TestMeOnline product, to support advisers and firms with RDR compliance.

The Coaching Platform, Focus's group training company, has integrated level 4 workbooks and test questions onto its web-based product.

To help advisers fill any gaps between the existing level 4 qualifications and the new

exams, TestMeOnline has also been developed with competency tracks and fully auditable CPD recording.

In addition, the product now includes a range of supervisory tools which enable firms to define, set, track and record all regulatory and business/individual led development without the need for paper records.

It also allows progress against the firm's competence standards to be viewed via a supervisor

dashboard. This gives both the supervisor and senior management a clear view of adviser activity and development as well as the level of supervisory control in place.

Alison Young, director of The Coaching Platform, says: "The variety of learning methods available within our solution gives customers the flexibility to prescribe the development steps required for initial competence in the new RDR world but also to respond to the overall ongoing

development needs of their staff to build a competitive edge for their organisation.

"The timescales for meeting the requirements of the RDR are in fact pretty tight and having a framework that will support all structured, unstructured, regulatory and skills based development is critical."

TestMeOnline is available as a standalone application or integrated into a range of other solutions including the focus:360° product suite.

CORRECTION

focus: 360

Last week's tool review on the technology page about focus:360 had incorrect pricing information.

The correct information is as follows:

Price

No standard price list as targeted at the enterprise market

The list of Key Features included with the review was correct.