

Technology at its heart



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: Chartwell Group

This week's case study is on Chartwell Group and has a slightly different focus, being as much about re-engineering a business model as it is about technology. However, technology is at the heart of the re-engineered business, with Chartwell taking great care in choosing its technology partners.

Chartwell has been operating in the financial services market since 1995 when it launched its direct-client, execution-only business. The direct side of Chartwell is still thriving and our interview this week was with Rob Hudson, who is responsible for the operation. Before joining Chartwell, Hudson worked in the City as a management consultant where he assisted a range of financial service providers, including St James's Place, Fidelity and Citigroup.

Typically, he assisted companies in the development of platform, pension and direct to client strategies and implementations; experience that made him ideally suited to driving change in the Chartwell business.

Chartwell Private Client was formed in 2000, operating a medium-sized advisory group targeted at the high-net worth clients. Ten years on, and having completed several acquisitions and mergers, the two arms of the business still operate effectively and have both been key to shaping the management's thoughts about how to move the company forward and beyond RDR.

The latest stage of the Chartwell evolution began a couple of months ago with the launch of a remote advisory service, which combines the values of the advice-based service it has operated via Chartwell Private Client with the skills developed through the management of its direct service.

Client segmentation

Client segmentation has been ongoing for some time, with clients being aligned to the most suitable advice and service channel. The segmentation has a large element of price involved, which is important to ensure Chartwell delivers a high-value proposition for both parties.

The feedback from those being serviced via the remote advice route has been excellent and the



company is encouraged by the response.

It is worth looking at the remote advice team in more detail. The Chartwell Private Client business has now become fee-based, so the remote advice team has been set up in recognition that the fees associated with face-to-face servicing would not be affordable for many existing and prospective customers. The direct business had proven that a low-cost delivery model was possible and it was felt that the same cost benefits could be gained from a remote advice-based business.

Clients of the remote advice team have a nominated contact, but the advice may be obtained from a number of people in the team with different specialists helping as needed.

With three channels now in place, Chartwell faces a number of key challenges including:

- Effective segmentation of its client bank to be serviced by the most appropriate channel;
- Having a common, core technology platform across all channels;
- Defining the processes clearly and effectively;
- The need to have a single view of a client across the business.

The point-of-sale solution

To address these needs Chartwell is making a significant investment in getting the right technology solutions. The first is Dynamic Point of

Sale® (DPOS), which is the point-of-sale solution from Distribution Technology.

Chartwell was already using the Distribution Technology financial planning tool Dynamic Planner® to help analyse a client's attitude to risk and to keep clients in line with Chartwell's own model portfolios.

The next logical step was to extend its relationship with Distribution Technology to use the full point-of-sale (POS) solution. The solution will enable advisers to complete electronic fact finds, to use electronic quote and apply functions via the Assureweb platform, complete financial analysis reports, topped and tailed with the necessary components of a suitability letter.

DPOS goes a step further than some traditional POS systems to include client management facilities that will be essential in getting any team-based selling approach to work effectively, while also making efficient multi-channel delivery a reality.

DPOS is also connecting directly to a number of platforms and product providers in the future, so was felt to be an ideal place to start when creating a financial hub for different channels to operate from.

Ascentric wraps up package

The other key technology partner is Ascentric which, after careful

analysis, was chosen as Chartwell's single wrap provider. Chartwell has spent considerable effort and money to bespoke the platform to its own needs, so it is easy to understand why it is focusing on one platform. Chartwell selected Ascentric after careful due diligence and was won over by its independence from providers, its overall market position, and its ability to support Chartwell's multiple business channels.

Hudson emphasises that he has been delighted with their choice, stating: "Ascentric is very efficient. There are no surprises. It does what it says on the tin."

The advisers are all employed and the solutions are mandated in all channels, so adoption of Ascentric has been high. Ascentric is also investing heavily in the relationship and is supporting the direct arm of Chartwell as well in the New Year with a direct SIPP.

Business development manager

With technology so important to its business, Chartwell now has a dedicated business development manager (BDM), who is responsible for liaising with technology suppliers and platforms, planning key integrations and generally keeping ahead of the game. An insightful recruitment in which not many companies the size of Chartwell have invested.

Hudson and his team have a clear vision of where they are taking the business. They believe it will be "RDR ready", but this does not appear to be the main goal – rather it is a by-product – which is very refreshing and the way it should be.

Technology is at the heart of this company, which has taken its time in evaluating and selecting its partners: Distribution Technology and Ascentric. We look forward to hearing more about the business as its remote advice centre takes off.

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CHARTWELL GROUP: KEY INSIGHTS

- Has a strong focus on customer segmentation
- Has a multi-channel approach providing tiers of advice and costs
- Uses Distribution Technology as the core system supporting the sales process and client management
- Has a substantial investment in risk profiling and the use of home-grown model portfolios
- Invests in a fully bespoke version of Ascentric to provide a single, state-of-the-art, wrap platform