

BETTER BUSINESS TECHNOLOGY REVIEW

Pushing the core service forward

AT8 is currently visiting a number of key product providers to look at the e-commerce facilities and tools they are providing to distribution partners. This week **Mark Loosmore** looks at Just Retirement in Reigate, a company focused on the growing area of impaired annuities, where it has established a significant foothold and currently leads the market.



Just Retirement was formed in 2004 from the ashes of Britannic Retirement Solutions and has been on a fast track ever since. In 2009 it was the market leader in enhanced annuities, and despite its tight focus on this one area it was also the third-largest annuity provider overall. It now has more than 300 employees and, remarkably in today's market, has an additional 50 job vacancies to support its continuing growth.

David Cooper, director of marketing and distribution, puts this success down to a focus on product innovation. However, he believes the focus on service has been the most important factor. As a start-up business, it was able to build its infrastructure from new and was not held back by any legacy systems. The group decided to build its technology platforms from scratch, because it did not believe any systems in the market supported the annuities market effectively, especially its innovations and service standards.

The self-build approach ensured Just Retirement could automate the processes in the way it believed it should be set up to ensure maximum effect: streamlining the new business processes and focusing on customer service were the priorities. Its focus was, and still is, to find ways to process business quicker and to keep the adviser

and client informed of progress along the way. Its goal has been to keep processing times to below 30 days, with the intention of reducing this to just 21 days.

Just Retirement has also worked with Origo, to support its Options Pension Transfer Programme, which is designed to speed up the transfer of money on the purchase of an annuity. Just Retirement has already seen this cut fund transfer times from 35 days to an average of 12 days and is now sometimes achieving this in just seven days.

E-commerce

The annuity market as a whole is still behind the times in e-commerce terms. Little business is actually transacted electronically in a product sector that we believe has many traits that make it ideally suited to e-commerce:

- The process is slow and needs speeding up;
- The advice and apply process is unnecessarily cumbersome;
- For smaller pieces of business it is often difficult for advisers to be able to cost justify the effort involved, especially in a fee-based world;
- Often, the advice is provided

from a centralised call centre where e-commerce enablement could improve speed and efficiency compared with many traditional advice models.

Part of the problem is that, in the past, annuity business was more a process of osmosis, whereby maturing funds transferred to a standard annuity product with the originating pension provider. The questionable value, increased awareness and competitive forces have caused advisers and consumers to look at the alternatives. However, the competitive and innovative dynamics applied to legacy (sleepy) practices create an inherent complexity for processing annuity business with 'third parties'.

Indeed, some insurers have been slow to invest in speeding up the application process as this is seen as a means of speeding up the attrition [exit] of funds from their business, unless they are seeking to offer competitive rates to attract business. In reality, annuities are an increasingly important issue and pressure is growing to improve the value for money and to process the business quickly.

Indeed, some would argue that there is a principle of Treating Customers Fairly here too. Improving the speed and efficiency is influenced by a willingness to do so on the part of providers, but if they choose to do so, e-commerce can be an important part of enablement.

The real issue may be linked to the size of the market opportunity and the involvement of larger insurers, which have many other product priorities to support electronically and which, quite naturally, focus on the areas that drive the most business. The net result is that few providers have invested in effective technology for the annuity sector.

Despite this, the larger portals such as 1st – The Exchange, Assureweb and Weblines have

been pushing forward in creating an e-commerce platforms in this area. Just Retirement has chosen to prioritise 1st – The Exchange in its e-commerce strategy. It delivers quotes to 1st – the Exchange's Platform – Exweb – via Origo's XML standards and has pioneered the offering of online underwriting for quotes. More recently, Just Retirement has launched an online pipeline tracking capability for its annuity service via The Exchange.

Dave Miller, of 1st – The Exchange, says: "We have had an extremely productive working relationship with Just Retirement, which continues to push the service forward, investing ahead of the market to bring new services such as pipeline tracking to market. We are currently working with Just Retirement to streamline the application process, and we look forward to delivering further innovative services to market soon."

Adviser extranet

Just Retirement does have an adviser extranet marketed as Just Retirement's Adviser centre. It provides a number of educational tools, videos and calculators on the extranet, although at time of writing it does not contain any new business capability. We feel this is an important missing element to the group's proposition, but we understand that development plans are in place to address this.

Just Retirement takes its industry position very seriously and values highly its distribution partners' opinions. The combination of these priorities has led the group to invest in building an impressive e-commerce facility with one key partner, Jardine Lloyd Thompson (JLT). The JLT solution is, in effect, a self-serve/simplified advice service. The solution is aimed at automating the sale of annuities, acting as an education facility illustrating the various features of annuities

clearly along with their effects on retirement benefits. Through the education process, the system gently directs clients towards being able to fulfil their annuity purchase. Quotes are obtained from the Exweb service, providing quotes not only for Just Retirement products, but for other leading providers too. If a product is purchased, Just Retirement and JLT are recompensed, regardless of which product is chosen, not just for the ones from the Just Retirement suite.

Core line

Just Retirement's progress in the annuity market has been impressive in a short period of time. The group has an advantage over its competition in that it is very focused on a core (niche) line of business: the enhanced annuity market, with the only other product line for general investment being its equity release products.

The results on growth are tangible. It has won numerous awards over the past three years. Its technology platform is effective and has enabled it to drive high levels of service. We have been impressed with its support of the portal market, in particular Exweb and found the JLT solution to be a bold and differentiated approach. We would like to see more e-commerce support on its extranet and look forward to seeing the fruits of its planned developments in this area.

KEY INSIGHTS

- A clear strategic vision;
- A focus on a niche need area that is especially topical for the foreseeable future;
- A focus on the key areas of adviser and customer value, products and service;
- An investment in technology to support the innovation of its business model;
- Working with partners in an effective way;
- A continuing ambition to stay ahead as others seek to follow.



"Streamlining business processes and focusing on customer service were Just Retirement's priorities. It aims to find ways to process business quicker and to keep the adviser and client informed of progress along the way"

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