

# The most bang for bucks



Over the past few weeks we have enjoyed reviewing the various research tools available to help IFAs access information on and select products and funds. This week **Mark Loosmore**, from technology consultancy AT8 Group, goes on the road to see where you might get the most from your tech spend

We have enjoyed reviewing a number of the leading software tools this year and have been impressed at the level of technology support available to IFAs to help them run effective businesses and provide quality advice.

Having seen so many tools promise so much, we decided it was time to go on the road and talk to some of the companies using the technology to gauge where, in the harsh reality of today's business climate, IFAs were getting the most 'bang for their technology bucks'. To this end, over the coming weeks, we will be visiting networks, banks, IFAs and service providers to better understand their use of technology and produce case studies for publication in this *Professional Adviser* column.

## Investment in new ideas

In recent times a huge amount has been invested in technology to help the distribution of financial products. Some of this investment has gone into new ideas and ways of using technology, while other investment has gone into improving, streamlining and updating existing solutions. Either way, the long list of technology programmes is impressive.

Openwork has invested heavily in updating its systems and has been working with Distribution Technology to implement its point-of-sale capability. Openwork is also enhancing its Training and Competence systems, this time in partnership with Redland. These investments will increase the productivity of their members, streamline their support operations and help prepare them for the 2012 RDR deadlines.

## Partnering up

SimplyBiz has partnered with IntelliFlo to provide a tailored version on Intelligent Office to its firms, while also offering some new TCF technology from FinQS to help advisers to survey their client base and extract valuable management information. Their first step into providing an IFA back-office/middle-office solution to their firms gets right to the heart of how service providers and networks can help

their members run their business in an efficient and compliant manner. The creative use of technology to manage the important task of gaining customer feedback, we believe, will also lead to substantial business benefits. Our first case study next week will look at the SimplyBiz technology in more depth.

Bluefin has also invested in taking the IntelliFlo solution, which is a major new win for the Kingston-based supplier.

Positive Solutions has continued to work closely with True Potential and has a technology model that many hold up as one of the best technology implementations in the market today. True Potential is elegant in its simplicity and while not yet as functionally rich as some of the established vendors, is becoming a real contender for the smaller IFA firms. Its business model is sufficiently differentiated from the other vendors, not charging implementation fees or licences but taking a slice of earnings, which is giving them a clear and somewhat bold market position.

Sesame is in the process of rolling out 1st - The Exchange's

Adviser Evolution product to its life and pension advisers, while the mortgage advisers are being supplied with Mortgage Brain's, The Key product. Both are large-scale and strategic projects for both the network and the suppliers alike.

## Banks and technology

The banks have also continued to invest in technology. HSBC, Barclays Wealth division and Bank of Ireland have all been working with Focus to launch new point-of-sale and back-office tools.

Despite some recessionary challenges, the mortgage networks have continued to invest in maintaining and updating systems with Trigold Crystal still supporting large roll-outs of their software to Legal & General and The Mortgage Times (Vision) networks. Interestingly, these Networks are also using the software to support their members that are performing more general L&P related financial planning, leading Trigold Crystal to become a more credible choice outside of the pure mortgage space.

Technology refreshes and

redevelopments are also occurring within the IT suppliers themselves. Plum has completed its rewrite, providing now a single look and feel across its entire product suite. Solution 4 is making substantial inroads into extending its product, and despite having put its enabler project on hold, Capita has begun to invest heavily in its core products from, Synaptic, Quay and Weblinc.

We should be cautious, though, in suggesting it is a happy and prosperous world for the suppliers of IT systems. A lot of the solutions deployed this year have been the result of long-term development projects, and the new business wins for these suppliers have been harder to find in the past few months. Consolidation has already begun with the Trigold /Crystal merger and we wouldn't be surprised to see this trend continue.

There have also been several major projects cancelled before they have reached completion. Some of these cancellations have been due to changing business conditions and priorities. However, some have been a result

of delivery issues and budget overruns, which is not always of the suppliers making. Any firm embarking on a major system change should take external advice and guidance to learn the lessons of these projects and to maximise their personal chances of success.

## Different tech priorities

From the discussions we have had already with both the technology suppliers and the advisers, there is a change in technology priorities. For example, networks and service providers have traditionally focused on providing point-of-sale systems. They can therefore enforce consistent and compliant sales processes, while leaving member firms to select their own back-office systems. We perceive this is changing and an increasing focus is being placed on the middle- and back-office systems that can drive efficiencies into the core of their members.

## Networks change attitude

Networks have also traditionally shunned the idea of mandating technology use. Again, we perceive this to be changing. Sometimes the prescription is only in small areas of the sales process, usually around new business submission in the form of a POS. However, this is spreading wider as organisations seek means of minimising compliance risks and look to deliver service and support within the heart of an adviser business.

As we meet the distributors it will be interesting to note whether our perceived acceleration in the uptake in use of financial planning and research tools is materialising on the ground. We also look forward to seeing how large the move to submitting business electronically has been in reality. Finally, we will be looking to see just how joined up are their systems and to see which distributors are the closest to achieving seamless whole-office technology management processes.

The next few weeks promise to be fascinating; we hope you will enjoy reading our findings as we document our travels around the UK financial services distributors.



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