

Selection made simple



Continuing his exclusive series for *Professional Adviser*, Mark Loosmore from technology consultancy AT8 Group analyses product and fund tools for advisers. This week: Selector from OBSR

In the IFA market, the Selector system from Old Broad Street Research (OBSR) lacks the brand awareness of its closest competitors, Defaqto and Synaptic. However, it does have both an impressive legacy and a strong client base, as well as a subtly different market position.

Formed by a management buyout in 1999, OBSR has serviced a number of long-established customers for more than 10 years as an independent company. Its remit is wider than the Selector system. Indeed, its core revenues come from the consultancy research services it offers distributors and insurance companies.

Strong research processes

Its focus on research, as well as technology, comes across strongly when meeting the OBSR team. That is not to say the technology is a secondary consideration – it is a modern, web-native system, that references the strong research processes it runs and the human dimension it overlays on top of its technology offering.

Not only can its clients benefit from access to data from the Selector system, but they can liaise with client managers who have direct access to the 23-strong research team to seek answers to bespoke questions about the availability of the funds and underlying data.

The data OBSR collects on the products and funds is deep. It employs both qualitative and quantitative fund research techniques – analysing and categorising the output to make it easily digestible for the end user. The accessibility of the data leads me to the next striking feature of the OBSR system: its simplicity of use.

Selector is a very clear and easy system to use. At the highest level there are three basic functions: Product research, Fund research and Client research. The first two essentially offer the same processes and provide

access to product and fund data, as well as factsheets.

The system uses a simple filter and search approach to narrow the product or fund needed and then the user can look at the relevant factsheets and graphs. Factsheets are clearly laid out, but arguably could be made a little more glossy in appearance to impress clients.

Audit trail

Client research is where the drive for consistent auditable processes is most evident. There is a single enforced process that provides an audit trail should the case ever need to be reviewed for any reason, whether this be driven by compliance or customer service.

The process starts by entering a few key properties for the case being researched, details such as investment amount, frequency and term. This data immediately narrows down the list of appropriate products available. Next, investment details are used to filter the products or funds further. This includes attitude to risk (ATR), the investment rating and the categories of funds being reviewed.

The method of collecting the ATR is solely by inputting a value – there is neither dialogue nor tools to help understand or review the ATR. Our experience is that, while many IFAs understand the need for ATR questionnaires, they are reluctant to pay for them and therefore rely on provider-created ATR.

I think this process may be challenged under the RDR and therefore the more independent the use of the tools provided, the better. Accordingly, I would have liked to have seen such a tool here – even if it is simply as a third-party integration.

Fund ratings

As the research process is so thorough across the entire

system, there are various ‘value adds’ that not all other systems provide. Fund ratings are a good example of this, where the research team has not just collected the data, but analysed it and provided ratings against the key funds and products.

This type of added value is a core principle of OBSR: it wants to be an outsourced research function, with

these features is not as deep as its competitors, but OBSR would argue that, in keeping the number of features available to search on at a controlled level, it is being faithful to its mantra of keeping the system ‘easy to use’.

Finally, weightings are put on the importance of each of these sets of research criteria and, if required, on the individual cri-

a fund to be able to see back to the products linked to that fund.

The report

Once the research process is complete, a set of documents is produced for the user, which includes the relevant fact sheets, a client-facing report and a compliance report showing the full audit trail.

The compliance report is a vital part of the system providing important evidence of how any case was researched. The end client report is currently a little disappointing and not really customer facing. In fairness to OBSR, many IFAs will already have reporting tools that will just need this data copied into them, so this may not be an issue for many.

Selector is a standalone tool and has no integrations. It doesn't integrate to any front- or back-office tools, nor does it link to any quotes engines. OBSR is very mindful of this and has been in discussions with companies that market front and back office systems.

Selector is a valuable tool for any size of distributor. Interestingly though, its success has been mainly with the larger companies. There may be many reasons for this, including the desire these organisations have for controlled, auditable processes. It may also be because this is the market where OBSR has been most successful with its consulting services.

The product is a cost-effective solution and price should not be a barrier to the small IFA making an investment.

At a starting price of £52.50 +VAT per RI per month, it is cheaper than some if not all of its competitors and its robustness of process and depth of data make it well worth considering.



the tool as just an interface to that function. It would argue that it has done all the legwork researching and understanding the data, so the user doesn't need to worry and can simply work from the data in the system.

The categories of the funds also benefit from the depth of understanding OBSR has of the data, as the categories are broken down, not just at the standard sector level, but by areas such as investment type and style.

A third level of filtering is then applied by the key fund/product features. The granularity of

teria. There is also the opportunity for the user to add ratings for service, to ensure their experience of dealing with the product manufacturer is taken into account. These weightings and the search criteria used can be saved as a template for later reuse if required.

Once ready, the filtering is performed and the resulting funds or products listed on screen. If the research is at product level, the relevant associated funds are available for selection. However, this link is one-way, and we felt it would be nice when researching

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