

Octopus – a focus on multi-tasking support

AT8's Mark Loosmore reports on Octopus Investment's bespoke contact management system which the firm has honed to maximise customer service



Octopus was formed in 2000 from a group of former Mercury Asset Management fund managers. It focuses on specific niche products including Venture Capital Trusts (VCT), Enterprise Investment Schemes (EIS) and Inheritance Tax (IHT) investment solutions, as well as multi-manager and absolute return funds. In each of these they have carved out a market leadership position. Since its formation, the company has achieved rapid growth, doubling in size every year, even in the current tough market conditions.

The success of the company has been as a result of its focus on building and nurturing direct relationships with advisers. Octopus values and respects the role of intermediary networks and service providers and works hard to manage and support their respective roles in the market. However, wherever possible and because of the complex nature of some of its products, effective relationship management is vital to its success, so the company also likes to have direct access to provide support to the adviser.

Two support teams

Octopus has invested in two teams of relationship managers; one field-based that can provide face-to-face support and one office-based that is more instantly accessible for technical support. The two teams work closely together sharing information on each and every contact point they have in order to support the needs of each adviser.

Given the focus on individual relationships, understanding each adviser's business model, along with their role and relationships is vital. It is not surprising therefore to see that the technology investment has not initially been in externally facing systems. Octopus has focused on creating a bespoke contact management system to aid the rela-

tionship management and in administration solutions in order to ensure service quality is high.

The in-house IT administration system built by Octopus is called Novus and they are proud of the end result and more importantly the service benefits it delivers to its clients. In-house built systems are not a route that we at AT8 would normally champion, but given the nature of the products and services delivered by Octopus, it is arguably inevitable. The approach has allowed them to hone their processes to maximise customer service, as demonstrated by several customer service awards they have achieved in recent years including two *Professional Adviser* awards.

The contact management system is heralded as a particular success. It joins the two sales teams together, ensuring

the system that ensures the various parties are focused on delivering improved customer service. A good example of this is a workflow process that ensures that within 24 hours of receiving an application form, the adviser is called to confirm receipt of the application, confirm the paperwork is in order and to thank them for placing the business with Octopus. As Adam Field, head of the firm's office relationship management team states: "We took time out to think how we would like to be treated as customers ourselves and have built in the workflow processes to achieve this".

Customer service

The same workflow system underpins the operational systems used to ensure efficient processing of the business that is introduced. Again the objective

and consistency on receipt of the commission. It is worth noting that the system is also 'RDR ready' with both commission and factory gate pricing remuneration models being supported.

Having a business driven by a workflow system in this manner also provides a wealth of Management Information (MI) that wasn't previously available. The MI enables the business to continually hone its support practices and if things do go wrong (which inevitability they do at some point in all businesses) then the problems can be traced back to the root-cause and prevented from happening again.

Looking forward, Octopus recognises they now need to ensure their adviser facing systems are funded as well as their internal systems and they are embarking on a programme to ensure they achieve this. To implement this effectively they are working to develop a system to embrace the independent platform vendor route in addition to driving products via their own extranet (albeit this would probably be hidden behind the adviser's own back-office or POS system).

Given the considerable role of platforms and wraps, supporting them is a critical deliverable for Octopus. The first of these the company has chosen to go live with will be Transact and it will be available by the end of the summer. They hope to announce relationships with other platform operators in the near future.

Octopus recognises that a degree of uncertainty currently exists within the platform world. The FSA publication DP10/2 only serves to add to this uncertainty as advisers are being manoeuvred into running multiple platforms, checking that platforms are the right solution for the client, regularly checking the right clients are on the right platform and ensuring that each transaction is assessed for value on or off platform. With the

need for cross-platform views and management capability, we could see the role of back-office solutions acting as a wrap for an adviser. The effect could also be to encourage fund managers to directly link to these platforms to support electronic contract enquiry to assist advisers with their valuations of client portfolios. Octopus is monitoring this trend carefully and has begun conversations with the leading practice management/back-office systems about such integration facilities.

The bottom line is they are looking to provide choice. Electronic fund valuations could be linked directly to the adviser systems, provided via wraps or via a call-centre depending on the individual adviser processes and preferences.

Future success

Octopus is a relatively young company. Its internal systems are mature and have enabled them to gain the market reputation they have for individual adviser service. To succeed and grow in the future they need to build upon this approach and provide electronic means to support advisers. They have recognised this and we look forward to watching their systems develop in the coming months.

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each relationship manager is fully versed on the contact history with the adviser – making sure that the 'left hand knows what the right hand is doing'. It is also integrated to Microsoft Outlook to enable meetings to be centrally booked and passed out to the field-based sales team. More impressive is the workflow capability that sits behind

is to deliver consistent levels of customer service that reflect well on the adviser and make their job easier. A good example of the operational workflows would be the commission process that ensures payment is made seven days after the application is received. The speed of processing the commission is important, but so too is the accuracy, reliability

KEY INSIGHTS

- Individuality and innovation in product may be best served with bespoke/in-house technology support solutions
- Actively assess how change (such as platforms) will affect business operation and the need for support in the future
- Act quickly and proactively to capitalise on opportunity
- Design systems for rewards (business from advisers), not just awards (one should result in the other)
- Know who your customer really is and focus on their needs
- Keep an open mind, development is an ongoing journey

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