

Settling the online/offline debate



Continuing his exclusive series for *Professional Adviser*, Mark Loosmore from technology consultancy AT8 Group analyses Product and Funds tools for advisers. In the next few weeks, Mark will select a tool currently available to UK IFAs and assess its strengths and weaknesses. Our aim is to help advisers compare and contrast solutions so they can identify the tools that may be most suitable for their businesses. This week: Synaptic

Following our reviews of a range of planning tools and various T&C systems, we are now looking at some of the product and fund research engines that I believe will have an increasing role to play in the post-RDR world.

This week we review Synaptic, one of the longest running solutions in this space. Indeed, Synaptic has an impressive pedigree, having been set up in 1994 to provide product research systems, and more recently, fund research systems to thousands of IFAs. In 2006 Synaptic was bought by Capita and integrated with Capita's other acquisitions of Weblines and Quay.

Move to online

The most recent version of Synaptic was launched in 2006. It contains a number of significant changes and improvements from the early releases. The first change is a technology point, rather than one based on functionality or data quality: this is the move to a pure online solution. The debate between online and offline technology continues aggressively in the market and is one in which we are frequently involved.

The truth is that the correct answer will vary depending on the particular business practice and how it needs to operate. But that the move to online is progressing inexorably should not deter people from using a system such as Synaptic.

Indeed, with its modern web-based interface, its availability from any connected PC, the wealth of MI and usage statistics available, and the ease of update and upgrades, there are many big plus points for the online world. The previous desktop version is still available for those wanting to work in the offline world.

A second difference from the Synaptic of old is its improved fund research tools to complement and interact with its product research. The fund research looks substantial, and advisers can initiate their research at either fund or product level and link seamlessly into the other area (top down or bottom up).

We liked this capability that allowed us to quickly and easily see either the funds that were linked to the products we were looking for, or products linked to

the funds we were considering.

Another improvement is that the system now tries to expose as much of the data as possible, through multiple touch points, allowing the user to drill down to well-presented levels of granularity giving relevant information and explanation to support the research.

In the past, the system was, in effect, a big list of products which were filtered down to a shortlist through chosen criteria. While the system still can act in this manner, it now seems more intuitive, providing nicely laid out product and fund fact sheets that can be easily converted to PDFs for the client.

user to truly understand the data and avoid filtering out products without fully understanding why. The popularity of acquiring data in this way is borne out by usage statistics that now show 75% of visits to the system are for access to specific areas of data rather than performing a full product research process. However, this may well change as people feel the need to show that they have carried out research in the post-RDR world.

Filtering information

The research process itself is simple. Stage one is the Filtering process. Here the product category is selected and then criteria

chooses which criteria are to be used and rates their importance as low, medium or high. Having completed the ranking process Synaptic contains a powerful report tool to help produce end-client reports.

A few additional features are worth noting within this process. An audit trail is produced, noting the results of the filtering and ranking. This enables vital compliance information to be available in the event that recommendations are ever challenged in the future. In addition, at several points in the system, screens can be saved as PDFs that are professionally laid out and suitable for client presentation. Manual lists

formed and therefore knows why certain products are getting selected more than others.

The information – aggregated so that no individual IFA tasks are visible – must be extremely valuable to the insurers themselves in designing and refining their products. Equally, broker consultants would find this sort of information useful in helping to encourage IFAs to search on the criteria for which they score well and perhaps explain the context of the criteria where they are less well positioned.

Questions of commitment

Undoubtedly, questions will be asked about Capita's commitment to Synaptic given the very public withdrawal from marketing its Enabler proposition, which linked its three core systems: Synaptic, Weblines and Quay together.

I think overstating these concerns is easy and dangerous. Currently, Capita appears to have no desire to dispose of the component parts of enabler as each business is profitable in its own right. Should Capita change its position, given the size of the user base of Synaptic, its profit-making status and the strength of the proposition and software, I have no doubt a buyer would be quickly found who would value and grow the company assets further.

In summary, Synaptic is a well thought out proposition. I found its usability good and the depth of data impressive. I particularly liked the improvements to the fund data, and while the fund research is not yet in the league of Financial Express, the combination of funds and product data linked together in single system is still very attractive. I would like tighter integration with other players in the market and fear its role as part of the Capita empire may continue to hinder this. However, its value as a standalone proposition is sufficient to justify investigation by most truly independent distributors.

Synaptic retails at £85 per user per month for the product research and £57 for the fund research. A combined price is on offer at £122. Discounts are given for volume and affinity membership.



"As an online solution the availability of usage statistics is very powerful. Synaptic holds a wealth of data on every product filter and ranking performed and therefore knows why certain products are getting selected more than others"

The system enables the user to review which products and funds were filtered out by which criteria. It also enables the user to see the data for the chosen criteria before choosing the specific criteria level or range that you want to filter on. Because the fact sheets are well laid out, with supporting graphical presentation that is customer friendly, Synaptic say many of its IFA customers are charging fees for the production of these fact sheets when reviewing their clients' existing holdings, thus helping educate their clients towards a fee-paying remuneration basis, ahead of RDR. There is a powerful graphing feature that enables many different aspects of the funds and products to be further analysed. The approach also includes projecting forward values of funds using stochastic modelling.

The ability to provide extra access to the data enables the

available for the search is listed in one section of the screen, while the products or funds available are shown in another section. The criteria may be based on the product features, the market sector or on conditions that can be set (triggers and thresholds such as asking for the products where the contribution can be less than £25,000).

As the selection box next to the criteria is ticked, the fund list is filtered down. If instead of ticking the selection box the text itself is clicked upon then a column is added next to the fund list to build up a table with the results of that criteria for each fund.

Once the products or funds are filtered, then the remaining funds can be ranked. Interestingly, the ranking can now be carried out on the same, or a separate set of criteria from those selected for filtering. In the ranking process, the user

of products or funds can also be created and then analysed, enabling advisers to enter a client's existing portfolio and review it against any of the criteria held within the system.

Integration is available to a few back-office and quotation systems in the market. As you would expect, integration to the other Capita systems is available, but there is also integration to Adviser Office and Exweb. Regular readers will know integration is a hobby horse of mine and I would love to see further integrations – not just to other back-office solutions but to financial planning solutions and other compliance systems.

An interesting aside that we came across in reviewing Synaptic is that as an online solution the availability of usage statistics is very powerful. Synaptic holds a wealth of data on every product filter and ranking per-