

BETTER BUSINESS TECHNOLOGY REVIEW

'An iconic designer'

This week, AT8's Mark Loosmore met with Gaudi, a company that provides an outsourced capability to enable IFAs to set up their own SIPP propositions



CASE STUDY: INFORMED CHOICE



Nick Bamford is the managing director of Informed Choice – one of Gaudi's first clients. Bamford has deployed the Gaudi service to support his SIPP proposition, which can be serviced via the web using the 'Brilliantwithmoney' website or via its advisers using an Informed Choice-branded site.

The enthusiasm with which Bamford talks about the system is impressive. In his words "it's really quite brilliant" (no pun intended). "On very few occasions in my career in Financial Services have I seen an IT project delivered in such a timely fashion with such enthusiasm as I have from the Gaudi team," he says.

What appears to have excited Bamford is that the proposition is aimed to help mid-sized IFA firms develop their own proposition to enable consumers to have control over their pensions, either via self-service or through an adviser. Gaudi is enabling IFA firms to achieve its proposition by spending thousands, not millions of pounds. Informed Choice may be one of the most high-profile firms in the market, but it does not have the scale or capitalisation of a network or a national. Still, it has delivered a cost-effective solution that offers a high degree of service to its clients.

We are pleased to see a SIPP proposition being developed and aimed at being within the reach of medium and small firms. As Bamford says: "What may ultimately start to differentiate IFAs post-2012 is the ability to give consumers the chance to manage their own pensions." However, it will require a 'whole of market' position to be supported, so the pressure is on for Gaudi and its competitors to extend their reach and integrations to more platforms and fund managers.

The SIPP market is not one we have written about very often but it is a growing market – which in this day and age is a positive and perhaps even exciting place to be! There are currently 580,000 SIPPs in the market – a growth of 30% over the last year and this equates to £70bn of assets under management. SIPP Guru John Moret predicts that within five years the market will reach one million SIPPs.

Out-of-date

Currently, there are a great number of SIPPs sitting on legacy systems that cannot be easily accessed by the parties involved. Clients are often remote from the information they need to see and their advisers are usually no better off.

Simple tasks like getting access to a summary of premiums put into a SIPP can take time, with the adviser having to phone around different providers for information and then collate disparate paper statements into

a single summary statement, which is then printed off and posted to the client – time consuming and cumbersome.

Recent research from companies like Mintel has shown that what consumers want is more choice and control over their pensions and that they see technology as an integral part of achieving this. Paper is simply too slow in a world where consumers expect immediacy with the responses to their actions.

Gaudi was set up two years ago and has been developing its SIPP proposition behind closed doors until its soft launch at the end of last year. It has a refreshing approach and has none of the legacy issues that holds many established providers back.

We spoke to the CEO, Clifton Melvin and the operations director Patrick Vaughan. Although we had not met Vaughan before, we have known Melvin in various roles over the years. Melvin is steeped in the financial services industry with

an impressive CV including the role of CEO at Winterthur Life before its acquisition by AXA. Vaughan's CV is more SIPP-focused, including running the SIPP operation at Capita.

Single system

The Gaudi approach is to ensure all the data is held in a single system, available to be accessed via the web. Advisers, fund managers, product providers, service agents, and the customer can all have access depending on the permissions that are granted by the system.

Integrations with other systems in the distribution chain are being put in place, including adviser back office systems and wrap platforms. However, the back-office integration currently

only extends to ClientAssyst and Advisor Office (AO), while the only platform integrations are to Ascentric, Charles Stanley and its own in-house commercial property portfolio. These integrations need to be extended rapidly to gain traction in the market place.

However, Gaudi is keen to point out that its linkages are determined by the needs of its

business partners and further integrations will follow as the market dictates.

Gaudi has several workflows built in that seek to ensure all relevant data is collected and passed to the

fund manager. They include support for processes like applying for a new SIPP, pensions transfers and SIPP valuations and so on.

To some extent, the look and feel of the system is dictated by the branding of the SIPP provider. However, in the example we saw, it fitted seamlessly into an IFA's website brand.

Usability

The usability could do with being clearer as it has moved away from using the navigation controls of a browser to keep the session open and under the control of the system until the process is complete.

We understand this is dynamic but we would have expected the browser controls, like forward and backward buttons, to be replicated in the application and for a process trail or 'breadcrumb trail' to be apparent.

With the growing importance of retirement planning and pension provision, we look forward to reporting on its future progress.

KEY INSIGHTS

- Big budgets may not be necessary
- A clear and focused vision based on user and customer needs
- Strong leadership
- Great choice of respected users as advocates
- See the needs as opportunities to be satisfied – they are more likely to succeed
- Incremental development – build, launch, evaluate, prove and improve



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