

# Intelligent thinking



**Mark Loosmore of AT8 continues his reviews of practice management systems with a closer look at IntelliFlo's Intelligent Office**

As part of AT8's research into the leading Practice Management systems we recently met with IntelliFlo to look in some detail at their solution Intelligent Office (IO). Interestingly, the discussions we had were less about a feature/function comparison but more about how Intelligent Office is helping IFA firms prepare for the post-RDR world.

Founded by Nick Eatock, IntelliFlo was borne out of a management buyout in December 2004 from Inter-Alliance where Eatock's team had created an online back-office system for the network. Intelligent Office was created and is still maintained today as a pure Software as a Service (SaaS) solution. By SaaS, we mean a solution that it is hosted by IntelliFlo, accessed through the internet and is managed centrally as a single code base (a single set of programs and services that support every user of the solution). Firms can then sign up without the worry of having to manage their own servers or back-ups, and knowing that an 'industrial strength' architecture is in place to manage all aspects of the software, including ensuring performance, scalability and security, allowing firms to concentrate

on their skills, not the software on which they run their business. SaaS solutions typically evolve quickly, which is vital as software solutions adapt to the demands of RDR both in the lead up to 2012 and post RDR as the full impacts are realised.

## SaaS commercial benefits

The SaaS business model has a number of commercial benefits. Having a single code stream can be very effective and allows upgrades to be made quickly, allowing IntelliFlo to invest in taking the product forward. With RDR looming, never has it been more important for IT solutions to have investment in their product roadmaps. Many vendors will claim their products are RDR-ready, but this is a bold claim. With many uncertainties still in place around the final shape of the regulations, the truth is that the impacts on systems will be fully understood only once the new processes are up and running. The SaaS vendors' business model encourages this investment and ensures they can react quickly.

While the details of RDR will shape the final implementation of IT solutions, there are some key activities in which distributor

firms will need to invest. At, or near the top of this list is the segmentation of their client banks: firms are unlikely to be able to offer the same level of service to all of their clients. Different clients will have a different propensity to pay fees and demand different service levels. Intelligent Office has a new management information module that allows customisable, bespoke reports to be run on any of the data items held in the system. Using this reporting functionality, the firm or adviser can list all clients with certain characteristics, for example with assets under management of over £200,000 and within five years of retirement. Through filtering, clients can be segmented into groups with similar characteristics.

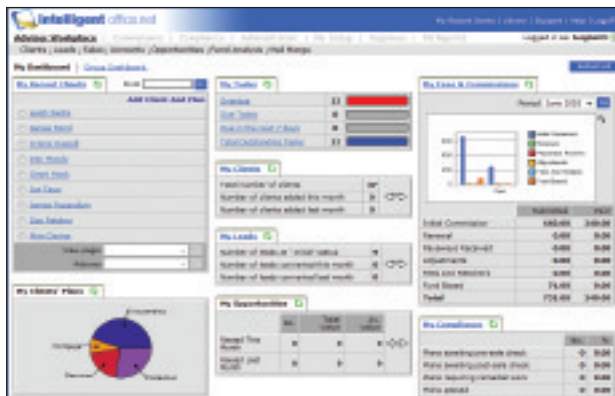
## Flagging up clients

Intelligent Office has a client segment flag against each record. The flag can be as simple as Platinum, Gold or Silver clients (no one seems to like having bronze clients nowadays), or can be far more granular. Intelligent Office also has a good workflow tool to set up core processes. Tasks can be driven by the results of previous tasks and be triggered by other events. In addition,



## Transition to RDR

**SCOTTISH WIDOWS**



they can also be varied by attributes of the client. Clearly, different processes can be set up for different client segments. So a Platinum client may be eligible for six-monthly visits, a quarterly updated portfolio report and monthly newsletters; whereas a silver client may only receive an annual visit and an annual portfolio report.

Items such as the portfolio reports themselves are highly configurable and can be driven by different templates for different client segments too. A platinum client can receive a detailed report, while the silver client may be given only a summary report. It is configurable to the adviser's view of how much or how little information the client will want, need or be prepared to pay for.

Clearly, the reports need to have the latest values in them to be relevant and Intelligent Office now links to 22 insurance companies to obtain electronic valuations. The

facility will enable not only the values of the investments but the number of units to be kept up to date. Of course, not all product providers are covered and even where links are in place to the product provider, not all of the legacy policies are available. In these circumstances, values are updated via a Financial Express price feed. Manually updating this information is a very labour intensive activity, prone to human error, so automating this process through systems like Intelligent Office can save costs and improve accuracy.

### The move to fees

One of the most controversial changes of RDR is the move to fees from commission. Many advisers we talk to are no longer frightened of this move as there is a growing confidence in the value of the services they offer. However, there is no denying that the concept will be new and remain a challenge for some advisers and many clients. To help with the transition to fees it will be important to have transparent, justifiable costs. Many advisers will look to monitor activity and capture this in their systems to provide demonstrable proof of activity and where fees are based on time they may use this to provide a breakdown of costs. IntelliFlo captures the time taken on activities by a member of staff and can then apply a different charging structure against each member of staff. We would like to see a more granular breakdown of the charging rates with each member of staff having the ability to charge different rates by different activities and we are informed the fees area of

the system is one that is having significant investment in it at the moment. The time recording can either be done manually by completing the time against an activity or via a stop watch functionality, which will record time automatically.

We have only touched on a small aspect of Intelligent Office here. However, more detailed information on this and other solutions exists in the full practice management report that AT8 has produced. Intelligent Office is now one of the most established systems on the market, with the second-largest market share (according to the number of firms using the solution). Its functionality is strong and stands up well against most solutions. At £125 per month per administrator and £75 per month per adviser it is at the top end in terms of price, but this includes the cost of hosting the solution, so saves costs in procuring and managing hardware and the supporting infrastructure. It is clear that to survive the RDR changes advisers will need to use technology more, and Intelligent Office is a strong candidate for many adviser firms to consider adopting.

### KEY INSIGHTS

- 'RDR-ready' is more than just a marketing statement. It requires understanding, action and investment.
- The ability to adapt quickly to RDR, for advisers and technology suppliers, will be essential.
- Segmentation and effective CRM capability will determine success.
- Proposition definition and articulation must be developed now: use technology to drive support.
- Being all things to all people is likely to be (too) expensive.

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