

BETTER BUSINESS TECHNOLOGY REVIEW

Does practice make perfect?

Mark Loosmore gives a round-up of the results of AT8's practice management systems market review, as vendors vie for a slice of the pre-RDR pie



Over the past few months we have reported on some of the leading practice management systems in the market.

We have looked at those that come from a front-office background, such as Dynamic Planner, and those with a back-office heritage, such as Adviser Office and Intelligent Office. We have reviewed mortgage specialist systems, such as TrigoldCrystal and MBL's The Key. We have also looked at those with a heritage deep in the world of financial planning, such as the Prestwood Truth system. The boundaries between these solutions is blurring, with the likes of Intelligent Office becoming increasingly strong in the provision of front- and back-office functionality, as well as addressing mortgages and financial planning needs. However, the heritage of the systems still provides a guide to the key areas of strength in the increasingly holistic range of solutions.

A booming market

One thing is certain: the market is buoyant. The RDR is forcing distributors to rethink their IT platforms to ensure they can support the new way of working. There is an increased focus on client segmentation, which requires effective data management. Fee charging is forcing many distributors to re-engineer their processes to ensure they demonstrate continued client value and to help administer and collect the fees. Meanwhile, many are looking to practice management systems to drive out cost inefficiencies, and some are even looking to fully automate advice processes to the mass market.

With this background of change, there are some big projects being started. In some

cases you have to question whether vendors are biting off more than they can chew. It will not be long before vendors have to close the door on new business or risk a fall in the quality of their deliveries, especially those vendors that have a high degree of bespoke work in their solutions. Never before has it been so important to have a well-architected product that can be easily configured at the heart of any

approach that controls the distribution of licences.

Certainly, if you look at the number of distributor firms, as opposed to individual users, Adviser Office still dominates with 25% with MBL in second place (albeit with a mortgage bias) and IntelliFlo is in third place, followed by True Potential in fourth (see the graphic below). Nevertheless, True Potential is a relatively new solution and has done well to

market, Time4Advice, has built a whole service proposition around Microsoft Dynamics CRM. As well as tailoring the generic functionality of the Microsoft solution to the needs of the adviser community, it adds a leading financial planning tool, a quotation platform, a research system, an ATR questionnaire, a financial strategy tool, a suitability generator and customer feedback system. Time4Advice also hosts the solution, in effect providing an 'IFA Office in a box'.

A Plum role

We have also seen some of the older, established systems re-engineered and refreshed. Plum has completed its redesign and moved to a new interface adding several new features, including the ability to select from a wide range of productivity graphs, linked to the original data. It has also continued to grow its lists of integrations to product providers and is about to launch an integration to the Standard Life wrap platform that automatically creates the products and funds. Plum is continually adding further functionality which currently includes enhancing its commission module for more payment structures and ease-of-use, moving towards RDR.

SSP has updated its solution to have a much more modern look and feel and have grasped the SaaS model by the horns, which is helping it to convert some leading banks to its new infrastructure. JCS has also re-launched with a high-profile marketing campaign. The relaunch included a rewrite of its core software and the launch of an integrated cashflow planning tool called Adviser Lifestyle. Further releases for JCS are expected in Q1 next year and these include a new e-commis-

sions tool and a client view of the core software, which it is building in partnership with IFAsystems.

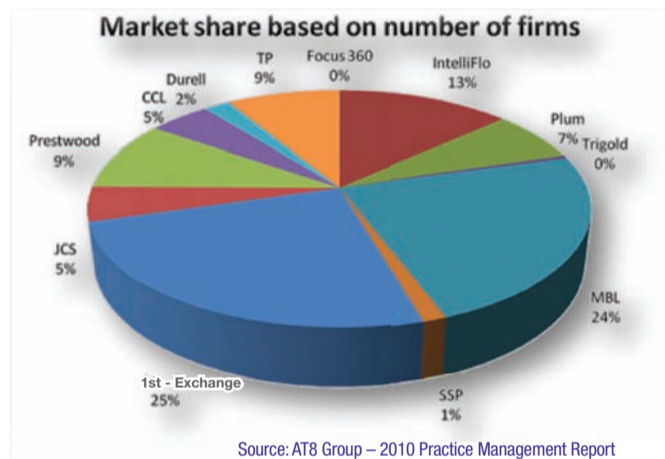
Capita has announced it is reinvestigating the CCD the solution it originally bought from Quay. The early designs we have seen look impressive.

A final comment should go to Prestwood, as it has launched a new approach to the use of their Truth Financial Planning solution with its 'mind mapping' software to capture and explore needs and solutions in an engaging way that can then take the 'mind map' ideas into the modelling and planning process.

The battleground next year will be in the provision of financial planning tools and B2C capability. The financial tools battle has already begun, with JCS's launch of 'Adviser Lifestyle' aimed at the Prestwood market and with the impending launch of new financial planning tools from IntelliFlo and 1st - The Exchange.

Despite what many vendors say they can deliver, we do not believe they provide a true 'whole of office' solution. With the wide choice comes confusion, especially as the vendors are in the process of reinventing themselves for the post-RDR world. However, the confusion must not turn into an excuse for delaying decisions, because new solutions need to be in place long before the end of 2012. Resources will start to become in short supply and costs will rise. As supplier resources become stretched, delays will creep into projects, and firms must plan contingencies into delivery timescales.

Technology offers some real opportunities to firms moving towards the post-RDR world, but these firms should not delay as they may find themselves at the back of a very long and expensive queue.



practice management solution.

So, which vendors are winning the pre-RDR land-grab for market share at the moment? AT8 carried out a survey of various vendors for our practice management report. This investigated the various systems' functionality, usage positions, and their strengths and weaknesses.

From the user numbers we were supplied, Adviser Office still leads the way in the financial advice market, with between 12,000 and 13,000 users, while IntelliFlo and True Potential fight for second place. However, the user numbers vendors claim should be treated with caution. The pricing model of True Potential (an 'all you can eat' for the price model) encourages wider adoption in each firm, whereas IntelliFlo charges per user, an

achieve the market share it has in such a short timescale.

Newly adopted solutions

The market never stays still for long and we have some new solutions being adopted this year. In particular, we have seen the emergence of the generic CRM platforms being used. Salesforce.com and Microsoft Dynamics CRM are now being used by several in the industry. The generic CRM approach is particularly being seen among small wealth managers who use a limited number of platforms to manage the sales and administration of their investment business and need a powerful CRM tool to ensure they are delivering the highest standards of personalised customer service.

A new solution for the



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