



Plugging into opportunities

By Alan Dunne

IN every crisis there is opportunity, and I would suggest there has never been a better time for financial planners to assess their practices.

If your offerings to clients are largely correct and your business well positioned, it is an ideal time to delve more deeply into back-office business processes and procedures to identify areas where improvements and efficiency gains can be made.

This process will allow your practice to assess how well its technology, tools and software are meeting the needs of the business and can generate significant productivity improvements.

If there is the potential to change some of the technology used or introduce something new, now is the best time to investigate new software as choices have expanded well beyond the incumbent players. But which offering is going to be the right one for your business?

To determine this, ignore the bells, whistles, and extravagant claims made about software and consider it purely as a tool that is irrelevant unless it fits into your business and processes.

Focus first on what

can assist your business to build efficiency at the practical level and then on the strategic fit for the services you envisage you will offer going forward.

The right choice will become clear.

For Fiducian, having learnt from our experiences with our original in-house planning software, some of the key considerations were obvious.

It was apparent that we needed a good customer relations management (CRM) database, one that not only captured all the client data we collected but ensured that data only needed to be entered into the database once.

Strong integration with Microsoft Office and compatibility with Excel, the workhorse programs in most planning practices, was vital for reporting, while the ability to take data from any platform, price, or research feed were important features for efficiently monitoring client portfolios.

And of course there was the hot topic of producing the Statement of Advice (SoA) to consider. The Investment Trends 2007 Planner Technology Survey identified an average production time of 7.5 hours for

an SoA, while one newer provider claimed an SoA could be churned out in just 30 minutes.

Total production time is a function of the quality of the data collected, the complexity of the planning advice being sought by the client and the level of personalisation desired – but how well software helps plays an important part in the efficiency of this process.

A single system was vital for us for working with client data. It avoided users having to ‘re-key’ information to analyse cash flow, tax, risk profiles, Centrelink entitlements and so on, when creating and comparing strategies. It also minimised the manual editing of the SoA document by providing a selection of templated text and offered good integration of data, tables and charts.

One overriding consideration for Fiducian was the need to provide sufficient flexibility to cater for the diversity in business processes and workflows across all the practices in a dealer group. Each practice is distinctive in the way it services clients and captures, stores, uses and reports information.

At the dealer level we

had a different set of considerations of which building efficiency into practices was the most important. We saw a centralised system as the perfect vehicle for the efficient delivery of business tools, documents, marketing resources, news, and other essential services to practices as well for handling integration with external data providers.

It also met another need: improving compliance through the proper storage of dealer level information, such as adviser authorisations, compliance registers, and training records.

It was imperative that the system used a modern and widely-used database and program technology that was modular based to allow for growth and enhancement. Also vital was the adoption of any broadly used standards available, such as those developed by IRESS/Coin for platform data and straight-through-processing.

These were just some of the considerations apparent to us when we looked closely at the systems that would fit our business. We ultimately decided to scrap our original planning system and build a new one. This has

been in place for several years now and delivering most of what we envisaged it should.

Like it or not, the spotlight is now on our industry to prove the value of the services we provide. I would suggest that it is the lessons being learnt now and the work being carried out to better adapt advice services to client needs in this time of crisis that will drive this industry forward professionally and enhance its strength and standing in the long term.

Flexible planning systems are crucial to enabling financial planners to focus on delivering those services.

Alan Dunne is the head of information technology at Fiducian Portfolio Services.

