

Planners look to lower costs, lift efficiency

PUBLISHED: 08 Nov 2011 PRINT EDITION: 08 Nov 2011

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Financial planners are turning to cloud technology more and more to boost business efficiency – but industry participants say there is a long way to go before cloud usage becomes widespread in Australia's lucrative wealth sector.

Many advisers are scrambling to ensure their businesses are ready for the expected changes from the federal government's Future of Financial Advice reforms and cloud technology is an increasingly appealing channel to streamline their businesses.

Nearly one in four planners are calling for a portal storing all client information for technology providers to access when allowed, a survey by Investment Trends shows.

"They're looking for an online portal, which will allow platforms and other parties to access information remotely," senior analyst Recep Peker says.

"This will allow planners and their staff to save time doing menial tasks such as data entry and focus more on providing high-quality advice," he said.

There is also significant demand for further integration between investment platforms and the planning software advisers use, and the ability to do applications online.

Some advice-dealer groups are paying attention to their advisers' cries for improved technology services, and turning to cloud technology to meet their demands.

Synchron tries to use cloud "as much as possible" throughout its business, including payroll, data management and storage, and financial planning software, among others, Synchron director Paul Riegelhuth says.

"Certainly the young advisers are embracing it, but ever increasing interest is also coming from older advisers," Riegelhuth says.

Synchron also recommends its advisers use the XPLAN financial planning software by IRESS. "Everything comes off the IRESS website," Riegelhuth says.

Matthew Walker, a financial planner and director of WLM Financial Services, believes cloud computing is the future for small to medium-sized enterprises, including financial planning companies.

"It's an extension of the internet in your business. I would argue that it's safer and more secure – information being hosted offsite in a purpose-built data centre than, say, in a small office," he said.

The FOFA reforms include a push to low-cost simple advice, more compliance and an opt-in rule that advisers say may drive up the cost of providing advice.

The shift to cloud computing for client data management and software, for instance, will improve the portability and accessibility of client information – in turn easing the administration cost passed down to clients, some advisers say.

"The extension of cloud also comes into all these smart devices like tablets, and what we're looking to do is give our clients access to the advice information no matter where they are 24/7," Walker says.

But not all advisers are convinced cloud technology is the best way to improve their businesses.

Securitor financial planner Anne Graham says while her practice uses internet-based software, she is not currently prepared to use cloud technology across all parts of her business, due to security concerns, among others.

"We don't plan on using that kind of system for say, payroll, right now," she says.

"It's all office based at the moment – security is the most important issue you have to get right with cloud, and you have to make sure there's back-up."

Wolf Schumacher, a director of web-based applications systems provider RewardSuper, says while some planning

Solutions needed

- The industry wants an online service that will allow planners to outsource administrative tasks such as data entry.
- But security issues are of concern to some firms.
- Planners also want better integration of professional software with investment platforms.

software allows advisers to access cloud technology, “there’s not much else” available – which needs to be rectified for the advice industry to grow.

“Everyone can use Google and other services that are available in the cloud, but there’s not many pure vertical applications,” Schumacher says.

RewardSuper, which targets accounting practices for a large part of its business, is increasingly looking at the type of products and services it can provide to financial planners in a bid to carve market share in the sector.

For advisers such as Walker, moving towards cloud computing is not just a choice but a necessity to ensure the advice industry keeps up with technology advances.

“Having a whole pile of servers in your office is becoming redundant,” he said.

“As more and more business go online, they have to make sure they can be connected no matter what.”

The Australian Financial Review

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