IMAP 2020 VIRTUAL INVESTTECH

SPOILT FOR CHOICE - BESET BY RISK

Session 2
- The Power of Data in Investment Decision Making
- Realising the Benefits – how to avoid IT failures

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BT

FinClear

FRANKLIN
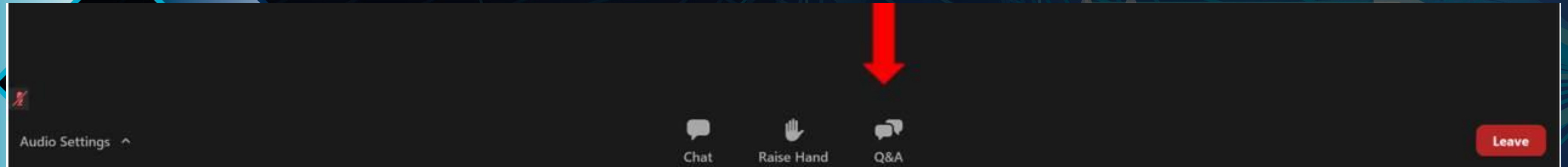TEMPLETON

MACQUARIE

REFINITIV™

DATA IS JUST
THE BEGINNING

Type in your Question and Quiz instructions

-

The Power of Data in Investment Decision Making

-

Dr Alex Johnston – Refinitiv

Nick Morton – Resonant Asset Management

Moderated by Michelle Cameron - Refinitiv

Realising the Benefits – how to avoid IT failures

Andrew O'Riordan - AORAS

About Me

- Background in financial planning has been primarily in AFSL Operations Manager type roles, with 15+ years of senior management roles in the industry.

- Most recently **Operation Manager** for a *boutique AFSL*.

- Previously **Head of Operations** - Financial Planning at *Mortgage Choice (FinChoice).*

- Before this Andrew had been **Head of Dealer Group Services** amongst other positions at *ClearView Wealth Limited*.

- **Financial Planning Business Support Manager** at *Bridges*.

- Operational expertise includes being accountable and responsible for the oversight of the design, development, rollout and ongoing management of effective and compliant Financial Planning advice services.

- Led highly successful national support services.

- *Successfully migrated over 100 data transition projects for financial advisers between advice software CRMs.*
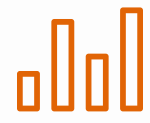
Agenda

Advice Tech Adoption

Project Goals & Roadmap

Are IT Projects costly?

Leveraging Expected Value

Disconnect & Challenges

Case Study & Keys to Success

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AdviceTech Suppliers 25 Categories

Source: Netwealth – AdviceTech 2020 Report

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Technology adoption of AdviceTech in 2019 and beyond

The fourth Netwealth AdviceTech research report shines a spotlight on the technological future of the Australian advice industry and its fundamental role in customer experience.

Technology	Currently use (%)	Intend to use in next 24 months (%)	Potential adoption by 2022 (%)	Most used suppliers
Customer Relationship Management (CRM) System	88.8%	7.9%	96.7%	Xplan, Worksorted, AdviserLogic, Salesforce
Cloud-Hosted Email or Internal Communication Service	76.0%	8.6%	84.5%	Microsoft Office 365, Microsoft Teams, Skype
Investment Research Technology for Investment Selection	74.7%	10.9%	85.6%	Morningstar, Lonsec, Broker research
Cloud-Hosted Document/File Storage and Sharing Technology	74.3%	12.5%	86.8%	Dropbox, Xplan, Microsoft OneDrive
Website/Blog Management Tool	69.4%	Not asked	69.4%	Wordpress, Squarespace, Wix
Emails, Newsletters and Marketing Automation Technology	64.1%	23.7%	87.8%	Mailchimp, Xplan, MS Outlook
Commissions Management Software	60.5%	12.5%	73.0%	Commpay, Worksorted, Revex
Project, Activity and Task Management Tool	59.2%	23.4%	82.6%	Xplan, Microsoft Excel, Microsoft Outlook/Planner
Accounting Software	51.3%	5.3%	56.6%	Xero, MYOB, QuickBooks
Virtual Online Meeting Tool	45.7%	34.2%	79.9%	Zoom, Skype, GoToMeeting
Managed Accounts (SMA)	38.2%	13.8%	52.0%	Not asked
Client Presentation Software	36.5%	35.5%	72.0%	Microsoft Powerpoint, Canva, Prezi
Digital Dashboard/Reporting Tool	34.5%	46.4%	80.9%	CRM reporting tools, Super/Investment Platform reporting tools, PowerBI
Digital Signature Tool	32.2%	50.3%	82.5%	DocuSign, Adobe, MyProsperity, Netwealth Integrated eSignature
Cashflow, Budgeting and Account Aggregation Tool	31.3%	35.5%	66.8%	My Prosperity, Microsoft Excel/Google sheets, Moneysoft
SMSF Administration Software	30.3%	7.9%	38.2%	Class Super, BGL, SuperConcepts
Online Surveys, Reviews and Rating Tool	22.7%	44.4%	67.1%	Survey Monkey, Adviserratings.com.au, Google reviews
Fact Find and Risk Profiling Tool	22.4%	52.0%	74.4%	Xplan, Astute Wheel, Finametrica, MyProsperity
Client Portal Technology	22.0%	44.1%	66.1%	CRM/financial planning software, Super/Investment Platform
Scaled Advice Technology	20.1%	46.7%	66.8%	Xplan Prime, Midwinter AdviceOS, Astute Wheel
Social Media Management Tool	12.5%	34.5%	47.0%	Hootsuite, Buffer
Digital Workflow and Integration Tool	12.2%	38.2%	50.4%	Zapier, Xeppo, IFTT
Online Advertising	11.8%	20.1%	31.9%	Google paid search, Facebook paid advertising, Google display network

Source: Netwealth – AdviceTech 2020 Report

Project Goal

Client
Excellent Client Experience

Adviser
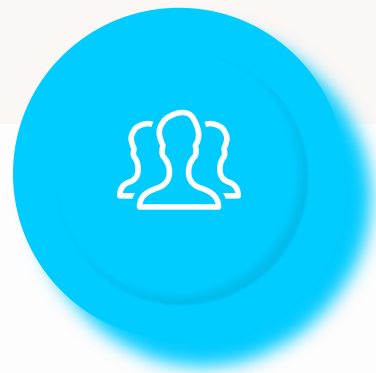Efficient Adviser Experience

Support Staff
Leading edge advice tools that reduce the cost to serve

Client

Adviser

Client & Adviser Roadmap

Improve Client Journey

- Help to educate them
- Help with engagement & communication
- Help to build trust
- Help save time
- Help make experience more enjoyable

Adviser Office Roadblocks

- Advice Generation SoA's
- Data gathering Fact finds
- Communication and email sends
- Research & Implementation
- Document Storage
- Workflow Management

Efficient Solution Required

- End-to-end processes more efficient
- Reduce Cost to Serve
- Speed up advice process and delays
- Reduce double handling and resource allocation

AOR ADVICE SOLUTIONS

Prioritisation Matrix Poster

Brought to you by: **netwealth**

Innovation focus

High
The AdviceTech significantly influences business effeciency, profit generation or the customer experience.

VALUE TO THE BUSINESS

Priority 1
Impact is high and it can be done easily – focus on this immediately.

Priority 2
It might take time but the benefits are large. This is a strategic focus for the business.

Priority 3
You should probably do it, but don't prioritise it.

Priority 4
The benefits don't meet the effort required, so park this.

Low

Easy

EASE OF IMPLEMENTATION

Hard
Requires significant time, resources and/or investment to implement AdviceTech.

AOR ADVICE SOLUTIONS

Are IT projects / implementations time consuming and expensive?

- Costs
    - Up-front costs (e.g. config, conversion, training)
    - ongoing costs (licenses)
    - disruption to business

- Normal to go backwards before you go forwards, but what if you don't go forwards? Or that takes an extraordinary amount of time.
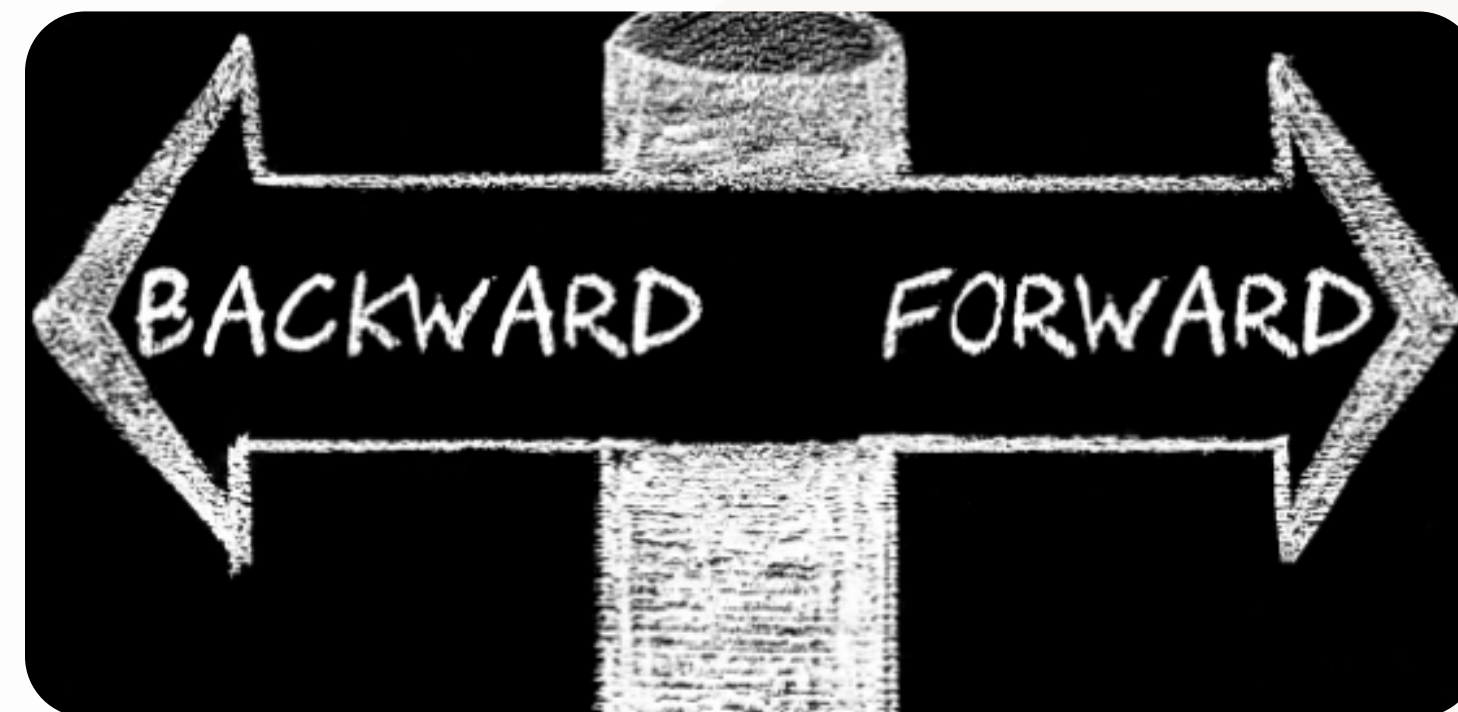
Leveraging expected value

Vendor and _Client_ start out with good intentions, but as time goes on, few clients are satisfied they are leveraging expected value

- _Vendor_ will argue they did their part and _Client_ didn't know what they wanted or kept changing their mind (scope creep), were not resourced adequately, assumed Vendor would do everything.

- _Client_ will argue Vendor does not understand their business, more interested in getting it done than a quality outcome, too caught up in their own product, didn't prepare them for how hard this would be etc.

- _Client_ will say there was no advice, and they don't know what they don't know. _Vendor_ will say client wouldn't listen when they tried to lead them.

Why does this happen and how can this be avoided?

Common reasons for a disconnect between Vendor and *Clients*:

- Not having an agreed **Project Plan** with clear and agreed goals and milestones, being up-front about timing, resources, cost.

- Being **realistic about time-frames**, sometimes vendors yielding to client pressure to get the business but knowing its not feasible.

- Management at client being under **excessive pressure from above**, **compromising on outcomes** (are exec bonuses at stake?).

- People (client) who make **software decisions on behalf of business may never use it** and are rarely not consultative with users about what they want/need.

Other Challenges

- ***Don't overthink the project*** trying to find faults in the software (don't let IT alone make the decisions)

- Internal Resources – ***day to day work*** who does that now?

- Project Manager ***knowledge of industry*** – no understanding of financial advice or software.

- ***Each IT Software Project is different*** – could be 3 months or 12 months plus or anywhere in between.

"Change management, Project management with clear and realistic goals & milestones, and aligning expectations are key to success"

Advice Software Transition Project Cycle

PLAN · DESIGN · DEVELOP & UAT · DEPLOY · SUPPORT

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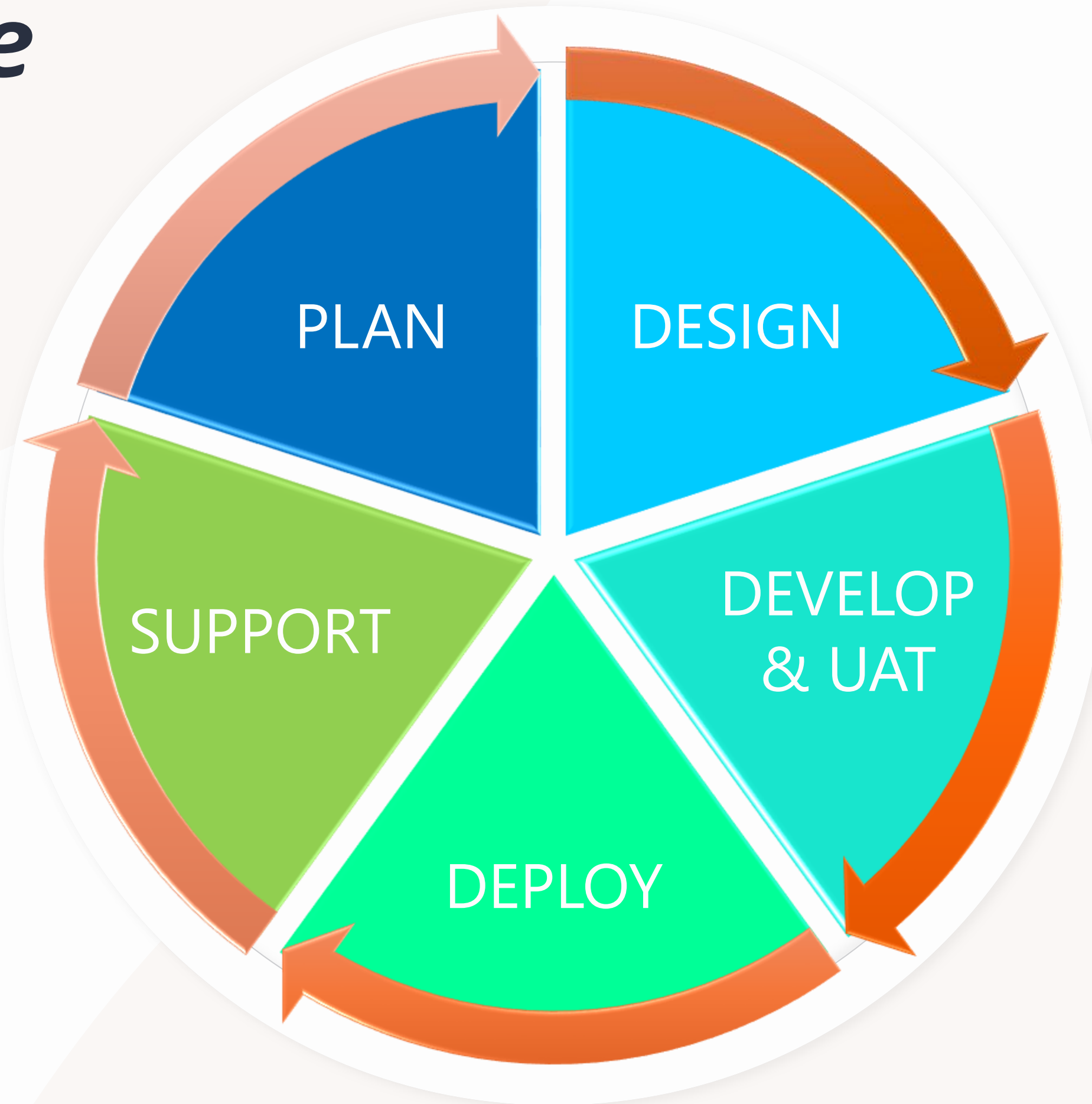
Advice Software
Project Plan – *Case Study*

PLAN

PLAN

PLAN

01

02

03

Project Management Framework

Business Need, Scope, Budget, Project Team (project manager), Governance Structure

Decide on 3rd Party Consultants

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Research Vendors

Choose Vendors to present their advice software offering

PM Methodology Agile vs Waterfall

Vendor Demo Presentation

Show case CRM functionality

04

**Short List Vendors
for RFP stage**

Decide which vendors to
proceed to RFP stage.

05

**Request for Proposal
Tender (RFP)**

Send RFP Tender to Vendor

06

**Vendor Technology
Responses**

Collate responses of overview of
offerings and costs

Financial Planning Software Provider Name:

Stream	Core Items	Broncos (Alfie Langer)	Cowboys (Jonathon Thurston)	Titans (Wally Lewis)	Sharks (Paul Gallen)	Eels (Peter Stirling)
No	New to Market how many clients?					
Integration with other systems	Solution: **All-in-one** OR **API**	Yes - many dealer groups API Open - no full solution use some Apps	16 Advisers using, 4 dealers in talks. CRM + API	Yes - many dealer groups CRM + API	20 dealer groups (100, 70) plus some IFAs CRM + API	20000 users. 700 practices CRM + API
	Integrate with **Office 365**	No - email client looking at PlugIns	Yes - but not used, unsure how it works	Yes - send / receive	Yes - send / receive	Yes - send / receive
	Integrate with **Revenue Software**	No - only limited	No - own revenue system built	Yes	Yes	No - manual file upload use ParraLogic
	Integrate with **Cashflow software**	No - in talks	Yes	No	No - in talks plus Yodlee, bankstatements	No
	Other Systems Integrate with:	Testing	Testing	Testing	Testing	Testing
Core Advice System Functionality	**Fact Find Module CRM**	Yes Limited - Dashboard, contacts, Fact Find, File notes. No Rev FF or area to see all client record	Yes - CRM Dynamics goals based, notes all sorted in Dynamics. Sharepoint used for filing.	Yes - dashboard, objectives, FF	Yes - dashboard, objectives, FF	Yes - dashboard, objectives, FF
	Risk Profiler Tool	Yes - can be customised using Highlighter	No - not yet	Yes	Yes	Yes
	Research Comparison Tools - Inv/Super/Pension / Insurance	Yes	No	Yes	Yes	Yes

PLAN   PLAN   PLAN

07

Feature & Costing Score Matrix

Comparison like for like decide on Short List

08

Short List – Advice Case Study Demo2 & Roadmap

Short List to present a pre-prepared case study (Minimum Viable Product)

Vendor Demo incl Tech Roadmap

09

Software Case Study Feedback

Collate feedback (Office 365 Forms) from a range of stake holders on the advice process and offering

Requirement Traceability Matrix

Test Case ID →	TC_1	TC_2	TC_3	TC_4	TC_5	TC_6	TC_7	TC_8	TC_9	TC_10	# Test Cases for respec Requirement
Req_1	✖		✖			✖					3
Req_2		✖			✖						2
Req_3			✖								1
Req_4				✖		✖					2
Req_5					✖		✖				2
Req_6						✖					1
Req_7					✖		✖				2
Req_8								✖			1
Req_9									✖		1
Req_10										✖	1

PLAN

10

IT Technical Requirement Vendor Comparison

Does the vendor meet your IT Stack requirements

Vendor Due Diligence

PLAN

11

Pricing Comparison & Contract Negotiations | Technical Cost Analysis

Further cull of Short list, negotiate pricing with vendor based on approx. licenses used and cost analysis comparison

DESIGN

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Trial Logon –> Requirements Traceability Matrix testing

Own testing on end to end advice process

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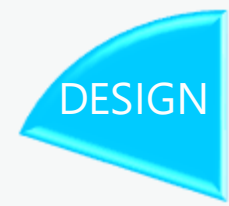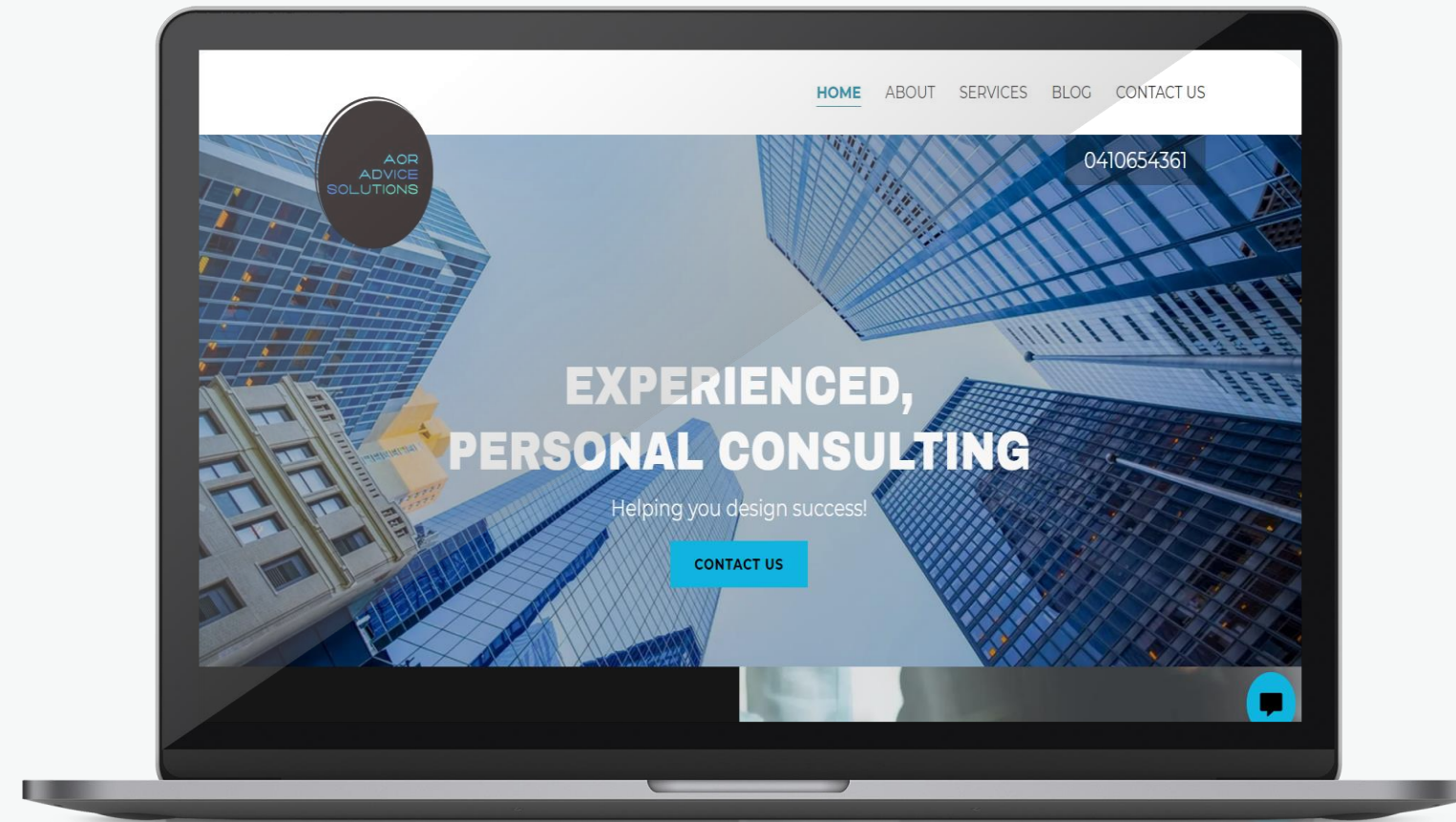
Recommendation to Committee/Board

Select Vendor & Sign Contracts

Implementation Phase

Final Recommendation for approval & select vendor

Project Governance

Decide on 3rd Party Consultants for Implementation

Legal Sign Contract - SOW

Budgets / Order Schedule Licenses

Admin / Hierarchy Setup

Adviser Cost Personas

Project Status Report

Project Stream Terms of Reference

Implementation Plan incl timeframes for rollout

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Product Implementation Site Config & Coding

AdminSite / Workflows / FF / Advice Documents / Client Portal / Templates / Research / APL / Compliance Checklists / Revenue / Reporting
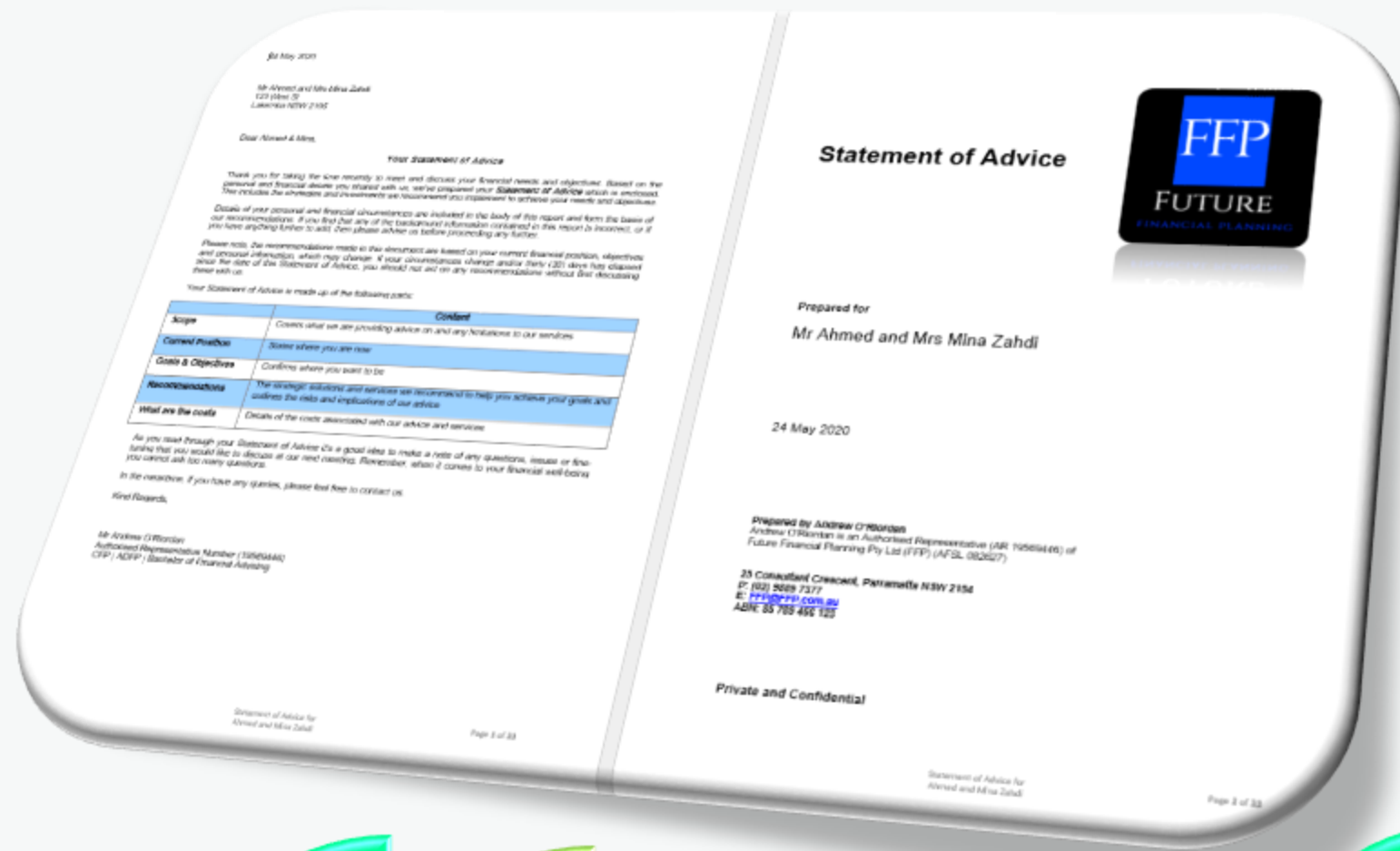
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Data Migration Testing

Data Subset Testing into UAT site
Data Mapping Guide / Conversion Schedule
Data Mapping CUSTOM FIELDS

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Integration / UAT Testing

Integration other systems

User Acceptance Testing
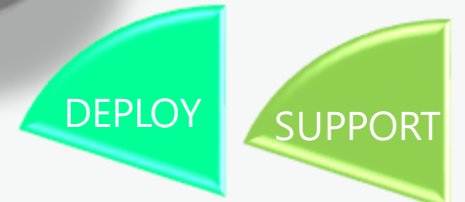
Business Acceptance Testing

Access Levels - Logons

Project Implemented

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Pilot | Final Data Migration | Training

Pilot Program

Final Data Migration

Training

20

Go Live

Cross Over old system vs new (1-3 months)

Training, Training, Training

Post cut over Testing

Ongoing Support

The value of Third-Party Consultants

- If clients and vendors don't speak the same language, why not bring in an interpreter. A specialist who can bridge the expectation gap.

- In my experience clients are more inclined to listen to a specialist 3rd party.

- Takes the emotive aspects of it, enables more rational engagement,

- While this may add short-term cost, it may actually save cost in the long-term and result in better outcomes for all, particularly with respect to client and user satisfaction.

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Keys to Success

Be realistic about time frames

Be realistic about time frames, listen to the experts (vendor or 3rd party).

Consultative approach
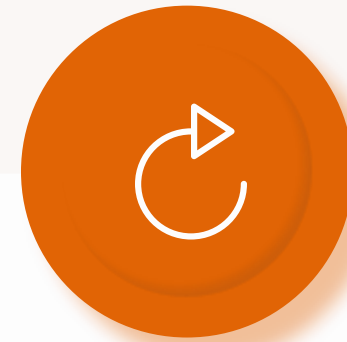
Consultative approach – buy in from users not just decision makers.

Change Management

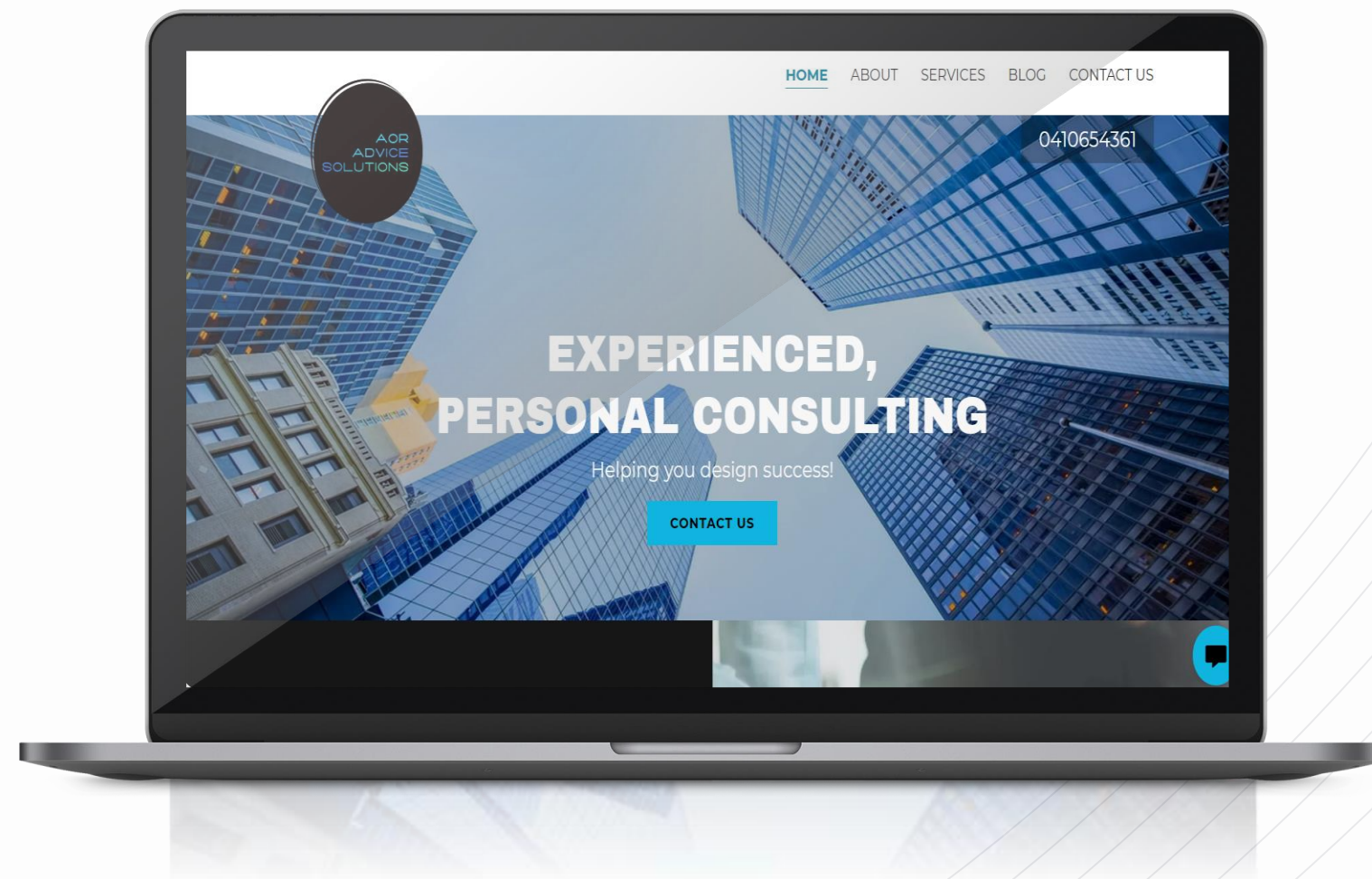Importance of change management - the people side of the project, particularly users.

Cost Vs Value

Don't look at just Cost it's the Value add of the Project

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Thanks! **Any questions?**

You can find me at:

www.aoras.com.au   **andrew@aoras.com.au**   **0410 654 361**

THANK YOU

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