

# Time to start preparations

Continuing his exclusive series for *Professional Adviser*, Mark Loosmore from technology consultancy AT8 Group analyses Training and Competence tools for advisers. In the past few weeks, Mark has selected a tool currently available to UK IFAs and assessed its strengths and weaknesses. Our aim is to help advisers compare and contrast solutions so they can identify the tools that may be most suitable for their businesses.



Over the past weeks we have reviewed a number of different systems aimed at helping organisations improve their training and competence practices.

Our initial expectation was that there would be a growing sense of panic in the industry, as the larger organisations realised the size of the task they faced to get their workforces up to the new competence threshold by 2012. We felt sure the systems we reviewed would be seen as a key part of many organisations' response to RDR requirement.

Our discussions uncovered an industry seemingly much more relaxed in their response and to be honest, this slightly disturbed

us. There are only currently 14,000 advisers who are qualified to diploma level (the equivalent of the QCA level 4 required by RDR) and if we assume the market still has 30,000 to 40,000 operating advisers, this leaves a big training and examination requirement.

Of course, the size of the task is much bigger than this, as it is not only the advisers that will undertake additional training but paraplanners and admin staff too.

Indeed, regardless of RDR, it is good business practice that such people should have a professional development programme to help them grow in their roles

and develop their career paths to serve the needs of the end customers.

## Time-consuming task

Getting this number of people trained and qualified is no small task. Level 4 alone is likely to require about 370 hours of training and of course pass-rates are not typically 100% first time (estimates of 40% to 60% pass rates are frequently quoted depending on the organisation and the exam involved). So for large organisations to manage the process of getting their teams up to the necessary standards and then onwardly develop them is a potentially massive job.

Now when I say people are not reacting with a sense of urgency, that is not true across the board. Most of the T&C vendors are reporting new clients signing up, led by the major institutions – especially the banks. Some of the Networks and Service Clubs are also beginning to respond as well. SimplyBiz for example, have launched their New Model Business Academy (NMBA) which is free to use at <http://www.nmba.info/index.cfm>.

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adviser/supervisor/administrator accesses 'testmeonline' via a tab within 360°. Data is automatically passed across to the adviser system to provide integrated management information and to drive elements of the advisers' POS or Back-office system.

As an example, a numerical value can be applied to a test score So that when the individual passes or fails the test this numerical value is passed into 360° and this can then be used to reset risk levels and drive the supervisory span of control.

## Vendors take note

On the back of the increasing activity, the vendors are investing heavily in developing their systems. We are pleased to see WorkSmart is re-architecting the solution. It is rebuilding its core web based system from the ground up and this will undoubtedly improve their user interface. This is a substantial investment that will address some of the issues we raised about WorkSmart in our previous article.

Redland have added to its breadth of product since we reviewed its system only last month, and it now has a monitoring forms generation capability live, with a new financial promotion management module and a recruitment module rolling out with a client in the near future.

Others like Wizard, are continuing to enhance their learning content to include additional assessments in areas such as GI and Mortgages.

## Third-party integration

Another area I am pleased to see in development, is the integration of training and competence solutions to third-party systems. I have repeatedly said how important integration is if T&C processes are to be seriously improved and it is great to see vendors beginning to deliver in this space.

Focus have now integrated their online testing solution, to their Adviser system 360°. The

Openwork has cleverly integrated its point of sale solution to its T&C solution from Redland. In this case it is a third party Point of Sale solution from Distribution Technology. In doing this integration, it is ensuring information from its POS system flows into its T&C system, such as its case-checking solution, and that the data from its training and testing solution is used to gate which products the advisers can sell via the POS system.

MS2M has also integrated its T&C solution to its own POS product, but importantly also integrate to several others including IntelliFlo, Swift, SAP, Sapiens and Oracle HR. The exchange of data between such systems gives huge process efficiencies.

## In summary

While we believe the momentum behind new T&C systems is not yet at the pace we would have originally expected, there are signs that things are beginning to move in the right direction. However, if I was in a medium to large organisation and I didn't already have a programme in place to address the training needs shortfall created by RDR, I would be very worried.

The danger is that as the T&C vendors get busier as the deadline approaches, distributors could find themselves with a mammoth task and at the end of a long queue for an automated solution.

