

The common sense approach



AT8 Group's Mark Loosmore continues his series of articles for *Professional Adviser* with a look at how the Sense Network uses IT to drive its business

Sense Network was established at the end of 2006, in response to what its founders felt was a clear need to provide service to the top end of the market. What motivated them was the underlying desire to drive higher professional standards and a move to new means of remuneration. Sense saw a fundamental need to work smarter, and in its compliance director, John Netting's words: "We saw that advisers stuck in pre-2000 sales processes and practices simply would not be competitive in the new world and we identified a clear need for a modern network utilising technology at its heart to drive efficiencies."

Sense had a big advantage over many existing networks in the market in that it had no legacy infrastructure that constrained its plans. Sense was also starting with a clean sheet in terms of expectations from its members, effectively giving them the freedom to take bold steps such as mandating certain technology solutions, although this was only done where the benefits were clear for all parties involved.

The two Cs

When compiling their IT infrastructure and services requirements, Sense decided to focus on getting the 'two Cs' right above all else – namely commission and compliance. If efficiencies could be driven through these two areas then the benefit to its members would be immense.

To achieve this, Sense has mandated the use of IntelliFlo's Intelligent Office (IO) by its members. IO use is mandated for the electronic factfind, the client management system, the commission functions and for document storage.

In addition, Sense is also discovering, as its members are preparing for RDR, that they are using the wider functionality of IO without mandating.

Over 90% of suitability letters are generated using the system for example, simply because – in Netting's words – "it is so easy to do so and it saves considerable time over the manual creation of suitability letters". Members also make extensive use of the electronic valuation capabilities to keep portfolio

Date	Amount	Provider	Legal Entity	Reconciled
28 Jul 2009	(£100.00)	Skandia	Organisation	<input checked="" type="checkbox"/>
06 May 2009	£2,500.00	Skandia	Organisation	<input checked="" type="checkbox"/>
20 Mar 2009	£1,000.00	Skandia	Organisation	<input checked="" type="checkbox"/>
14 Mar 2009	£400.00	Skandia	Organisation	<input checked="" type="checkbox"/>
14 May 2009	£300.00	Skandia	Organisation	<input checked="" type="checkbox"/>

KEY INSIGHTS:

- Technology at the heart of the Network
- Intelligent Office mandated by the Network for core functions
- Substantial efficiency savings in the areas of compliance and commissions

valuations up to date. In addition, but to a lesser extent, they use the client portal functions, which exposes some elements of IO to the end client, allowing them to view and update their factfinds and portfolios.

IO has been configured to the requirements of the Sense members, but this was not a major rewrite of system code and was delivered by changing the configuration settings of IO to meet the business needs of Sense. Netting likens this to sitting in a car and adjusting variables such as the seat position and wing mirrors to ensure the car was as comfortable to drive as possible.

Automating commission

The automation of the commission function has been very effective, with 90 to 95% of commission being reconciled automatically. As the same system is used by head office and the network members, the members can see their commission position straight away, which is broken down to adviser level.

The whole commissions' handling process is managed at Sense with minimal staff required. Importantly, the member firms no longer need

to spend huge amounts of time reconciling the commission or working out the splits between their advisers.

The fact that all the compliance documents, from factfind to suitability letters, are stored on IO has also driven big savings in the case-checking area. Here, Sense check cases based on a series of risk criteria flagged in a traffic light system (not part of IO). The case checking is outsourced to threesixty services, who have access to IO to check the cases.

It is worth pausing to consider this multiple access to the same data. For years, multi-party access to offline back-office and point of sale (POS) systems was hugely problematic. If a central database was held, synchronisation with the remote systems

information is held in one place means case reviews can be done more quickly, resulting in the advisers receiving early feedback and being able to identify and resolve issues more easily, so speeding up processing and completion. Previously, the process could be cumbersome and take a great deal of time, causing embarrassment and irritation to the advisers who may have to go back to the client several weeks after the initial application had been made.

Integration

IO is integrated to the Term quotation engine from Assureweb and this integration is seen as very slick and easy to use by the Sense advisers. Accordingly, Sense is looking forward to using more of the quotation

Members of Sense use a number of other technology products, including a variety of Financial Planning tools such as Truth and Dynamic Planner, along with research tools such as Defaqto and Synaptic. However, the choice of whether to use these tools and which ones to choose is left to the members, although Sense has negotiated good commercial terms with most of the key technology providers in this space.

Looking forward, Sense is also considering using TCF Centre from FinQS to manage the customer feedback process. TCF Centre automates the sending out of feedback forms (via paper or electronically) and collates the responses, which can build powerful management information about affectivity, competence and quality that can also be benchmarked against the industry norms. Sense is piloting TCF Centre over the coming months to test the commercial benefits and the process it supports.

It is clear that Sense has taken IT to the heart of their business. It has not adopted technology for technology sake, but it has a clear vision of investing to be an efficient network, which can deliver effective services and support in a cost-efficient manner for the benefit of its member firms.

In doing so, it has not shied away from hard decisions such as mandating key technology components and is now reaping the benefits of this bold approach.

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became a significant issue and often caused substantial cost.

Technology has moved on and synchronisation isn't now the issue it was. Indeed, more and more organisations are leveraging the benefits of web-based solutions that can be accessed from multiple sites, subject to the correct security procedures.

That all the relevant case

integrations from IntelliFlo and Assureweb as they develop.

Assureweb's full range of products is also accessible from Sense's extranet. Indeed, the Extranet is another key part of the network's infrastructure, providing network information and news as well as driving training and testing, and logging CPD activity.