

Australian Financial Services - North Sydney

Overview

■ **The Challenge**

Ensure compliance with new Financial Services Reform Act guidelines. Implement a solution that would support AFS-NS business growth. Deal with additional workload resulting from stronger focus on high value clients.

■ **The Solution**

In partnership with IBM Business Partner Task Exchange and using IBM Lotus® Domino® Collaboration Express software, AFS-NS developed and implemented a flexible solution featuring time-saving workflows, a secure extranet for access by local and overseas partners, and customer relationship management (CRM) tools.*

■ **The Benefits**

Full act compliance. Reduced administration through streamlined task processes with on-line workflows. High value clients managed more efficiently with integrated CRM tools. Secure Web-based collaboration with other AFS offices and international business partners. Development and implementation of the new system for the same cost as a single year's licensing of the previous off-the-shelf software.



About Australian Financial Services North Sydney

From its foundation in 1989, Australian Financial Services North Sydney (AFS-NS) has grown to become one of the top five per cent of its class for size and revenue. As part of a 55-office national dealer group, AFS-NS represents 1,500 clients and delivers a range of services which include: financial planning, investment management, self-managed superannuation funds, UK pensions, taxation planning and risk protection.

Challenge: Compliance, Growth and Collaboration

On 11 March, 2004, a two-year Financial Services Reform Act (FSRA) transition period came to a close for the Australian financial services industry. It brought with it a regulatory system under which providers of financial services are

now required to comply with a series of strict requirements, including comprehensive disclosure rules. For AFS-NS, just as for all other Australian financial advisories, FSRA compliance represents a substantial increase in administration.

Peter Conacher, AFS-NS Principal, stated: "While the FSRA should be lauded for raising industry standards, it has doubled the amount of administrative time taken to meet new requirements in the preparation of a financial plan. Our existing software – apart from being expensive to keep current – didn't have the flexibility we needed to help us deal effectively with the FSRA requirements. What we needed was a system that would reduce the amount of time financial advisers spend on administration while ensuring we remained fully compliant and support business growth."

To assist in growing the business, Conacher identified the need for the new system to provide financial planners with essential customer relationship management (CRM) tools. These would be of particular importance given the company's focus on "high value" clients who, while representing greater profit potential, also required an enormous amount of additional management.

Solution: IBM Lotus Domino Express

With IBM Lotus Notes® already in place for the company's e-mail, AFS-NS opted to partner with Task Exchange, an IBM Business Partner* and dedicated IBM Lotus Domino specialist in the small-to-medium business sector. Managing Director of Task Exchange, Rowan Mitchell, said: "The larger players in the financial services industry such as institutional fund managers and life companies have traditionally used IBM Lotus Notes and IBM Lotus Domino because they're products designed from the ground up to be an ideal environment for collaboration, workflow and document storage applications. We can now bring these business tools to the mid market".

The solution, designed by Task Exchange, used IBM Lotus Domino Collaboration Express software as a platform upon which to build applications specific to AFS-NS requirements and FSRA guidelines. Among those applications are: on-line task workflows, CRM tools and an extranet portal to support more streamlined collaboration with partners.

Increased Productivity Through Simplification

In easing the administrative burden placed on AFS-NS financial planners by meeting FSRA compliance and managing a greater number of high value clients, Task Exchange created a series of on-line workflows. Designed to streamline and simplify the various tasks undertaken regularly by the planners, the workflows ensure that every step required to meet compliance is completed correctly and in order.

"We're well on target to achieve an estimated cost saving of around 25 to 30 per cent through increased productivity and reductions in administrative costs," Conacher said.

"So what we have achieved is taking on the additional administration imposed on us by FSRA, yet do it in less time and at a lower cost than we were prior to the Act's introduction."

Supporting Growth and Focus

For the AFS-NS business model, the new IBM Lotus Notes/Domino-based solution has provided a flexible platform upon which the company is better able to concentrate on the complexities of managing the portfolios of high value clients – those which represent significant profit.

"Clients with large asset portfolios expect – quite rightly – exceptionally high levels of service from their financial planner," Conacher said. "From our perspective though, it can be a complex matter and keeping track of the portfolio, ensuring the client is notified of worthwhile investments and even ensuring they receive birthday cards and seminar invitations and keeping meaningful records of what we have done can be a nightmare."

With the new system's incorporation of CRM tools and features, AFS-NS financial planners can now gain immediate access to a complete view of a client's history and status. Everything from e-mails and electronically stored documents through to asset reports can be brought up on screen in a matter of seconds. Added to this is the ability to set condition flags that automatically trigger on-screen messages, ensuring the planner follows through with a specific task or is aware of a new investment's suitability for particular clients.

"These are essential tools in an environment where attention to detail is absolutely critical," Conacher said. "They're tools that ensure we can provide exceptional levels of customer support and service, which is precisely what our clients expect."

Seamless Collaboration

As part of a national network of practices and having associations with overseas financial services companies, AFS-NS places a high emphasis on the ability to collaborate beyond the confines of its own offices. Now, with a secure extranet on the IBM Lotus Domino platform, the company's Business Partners are able to access Web-based applications designed to enhance the flow of information and client referrals.

"If one of our Business Partners in the UK has a client who is moving to Australia, that partner can log on to the system and provide a referral along with a snapshot of the client's portfolio," Conacher explained. "An embedded workflow automatically sends that through to one of our people who can make a decision as to whether the referral should be accepted, declined or even referred on to someone else in the AFS network."

The IBM Express Licence Advantage

With its previous financial planning software, a major stumbling block was the ongoing costs of licences and upgrades. In most cases, the licence costs – which increased regularly – were based on a per user, per site, per year basis. Essentially, if AFS-NS wanted to keep its software up to date with the latest features and regulations the company was tied in to whatever the software vendor decided to charge.

A stark demonstration of the financial benefits afforded AFS-NS by the IBM Express Licensing is that the cost to implement the IBM Lotus Domino server software and have Task Exchange develop the initial CRM workflows cost the same as a single year's licensing of the previous system.

"At the smaller end of the market, with companies such as AFS-NS, it used to be a case of the price for IBM Lotus Domino simply not being

right," Mitchell said. "Now, with the IBM Express software licensing offerings, the licence costs are almost incidental, meaning smaller niche players can implement systems that give them the same benefits being gained by the larger companies.

Another very real advantage for AFS-NS is that it's a one-off cost for the software development. So rather than outlay money every year simply to maintain licences, the company can allocate that money to introduce new features to its IBM Notes/Domino environment that meet its needs and those of its clients."

"For the client, it's totally seamless, happens in minutes and provides them with the assurance they're dealing with a highly professional business."



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