

# Information

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## Planner reforms spark tech gold rush

Ruth Liew

Financial planners are in a race against time to get the technology used in their business ready for anticipated changes from the government's Future of Financial Advice (FoFA) reforms, industry participants say.

Planners say the reforms will drive up the cost of providing advice, with many expecting to pass some of these cost pressures to investment platform and product providers, according to research by Investment Trends.

A big part of the push by planners for cost cuts will stem from platform providers' ability to make investment advice more streamlined and cost-efficient.

The platform sector, estimated to boast just under \$400 billion in investments at the end of June, is where many planners invest their clients' superannuation, retirement and investment funds.

"Half — 49 per cent — of planners intend to look for platform cost savings either through the use of lower-cost platforms, platforms that help reduce the cost of doing business, or both," said Recep Peker, senior analyst at Investment Trends.

At a broader level, planners are facing a rapidly burgeoning number of technology needs.

Some of the most commonly cited challenges pertained to integration of advice systems (57 per cent), merging data from different sources to produce statements of advice (49 per cent) and overseeing customer relationship management systems (39 per cent).

"I don't believe the industry has an ideal technology solution — there are still opportunities to provide a better platform," said WLM Financial Services planner Matthew Walker.

Maintaining a margin is increasingly difficult, and advisers are look-



Matthew Walker

ing for system data feeds from advice process, of the technology good data feeds proof or across improvement planning software. "The main software reasonable work systems, but no 'We're going cost-effective do with the inefficiency because the available," he said. Venn O'Neill of StrategyOne technology "he lives as much as

## Online parcel delivery trial

Paul Smith

Waiting all day at home for drivers to deliver your online purchases could soon be a thing of the past if Australia Post trials are successful.

Listed electronic fastenings designer and software developer TZ Limited has signed a deal with Australia Post to trial its "intelligent lockers" at centres in Sydney, Brisbane and Melbourne.

The trial is a potentially lucrative prospect for TZ as it taps into the burgeoning local online retail sector.

The company provides secure lockers at delivery centres, where couriers can drop off parcels rather than having to catch the recipient in person for a signature. When the parcel arrives in the locker customers get a text message with a pin code and are given 48 hours to collect their package.

In the trial, Australia Post will deploy 56 lockers at three delivery centres.

"Many of our customers are rarely at home during the day and find it hard to get to a post office during office hours. The parcel locker trials will enable them to access their parcels at a time convenient to them," Australia Post chief executive Ahmed Fahour said.



Photo: JIM RICE

ing upward users." Andrew Walsh, managing director of financial planning technology firm Iress, said one of the company's "most significant" upgrades during the last year was a complete redesign of the user interface for its planning software, Xplan. "It has been specifically designed around ease of use, ease of trading, flexibility," he said. The firm has also incorporated opt-in functionality into its client management systems to ensure advisers can interact with their clients and distribute opt-in information broadly and effectively. "It will alert advisers when opt-in renewals are due, making sure the client has opted in," Mr Walsh said.

### KEY POINTS

- Advisers are rushing to upgrade their technology to deal with anticipated FoFA reforms.
- Planners say the cost of providing financial advice will increase.
- Existing clients will not be affected.

But that's not stopping some industry players from upgrading their offerings now.

Independent platform provider netwealth recently launched its "next generation" online service to help advisers get FoFA-ready.

Upgrades include online corporate transactions, automatic sell-down profiles and the ability to update client and account details through the web.

The "opt in" requirements — under which advisers must provide clients with renewal notices every two years — are also in netwealth's sights.

"We're focusing on it and we've got a lot of technology solutions, but there's no benefit in changing technology ... until we know the requirements [of the legislation]," said Matt Heine, netwealth managing director.

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## Red Bull guns

David Ranli

Red Bull may be used to winning formula one races, but it's set to be out-classed by Virgin in its bid to sell mobile phones to young consumers, say telco experts.

The energy drink maker quietly launched a series of branded mobile phone plans and devices in August using Vodafone Hutchison's Australia network.

Red Bull Australia managing director Jason Sargent said the company has launched similar mobile offerings overseas and would judge its local success on customer numbers and drink sales.

"We've spent the last 12 months progressing plans to the point of launching in Australia," he said. "Our strategy is to offer consumer content that is unique to the brand of Red Bull."

"It's important for us as a beverage brand to have fans of Red Bull consuming our content and to bring them back to the drink product."

The company will use partnerships with Red Bull events like motorcross races to attract young mobile users. Mr Sargent said loyal customers could expect a range of benefits such as backstage access and the chance to meet celebrities.

But the drink maker's strategy has already been successfully used by its direct competitor in the youth mar-



The company will

ket, Virgin Mobile Optus's mobile phone. Virgin Mobile David Scribner long used its brand related events to from airlines to music and mobile phones.

"We really strive to be better in the youth space and a lot of rivals are going for it now," he said. "Making a choice about mobile carriers is a rite of passage when people are going to high school."

"So if you can get people on board there, it's an important time."

going," Mr Scribner said. "We launched a new campaign in July using Robin Da Hood ... and it's really resonated."

"We've been around for 10 years, we've got a good base and we have one of the lowest churn rates [the number of customers leaving] in the industry."

BrandMatters managing director

water-thin margins.

"If they're aiming to be more profitable than vertically integrated players like Telstra, then that's not going to happen," he said. "But they'll be looking at the total business [including drinks]."

"I'll bet that sales of Red Bull drinks will carry the day and that's the most likely business model."

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