

In the past few months we have reviewed Platforms with the backing of powerful parents, such as Product Providers and Fund Managers, and we have looked at Platforms closely aligned to the IFA market, most notably Nucleus with its IFA shareholding. This week we were pleased to have a chance to view a demonstration and talk to the management of Novia, a company that makes much of being independent of both Provider and Adviser ownership.

Novia is a relatively new Platform, launched early in 2009 after a development that started in 2008. It is funded through Private Equity and individual investors. Its origins come from the team that set up Selestia which was then merged with Skandia following Old Mutual's purchase of Skandia. While at Selestia the team always had the vision to move Selestia to a full Wrap service but the sale to Skandia caused a divergence from this vision and the team moved on to set up Novia in order to complete the vision.

Although young, Novia has received several accolades in the market including winning Best New Platform in 2009 at the UK Platform Awards and Best Medium Platform in the CoreData Research study of August 2010. Its assets under administration are still relatively small at over £600 million but it now has 450 firms signed up and hopes to add another £650 to £750 million to its Assets Under Administration (AUA) this year.

The team at Novia position their proposition as being a combination of the highest service levels (akin to that of the other smaller Platforms) with leading edge technology (rivalling the larger Platforms). We are told that Novia has consistently been at the top (one quarter it was second from top) of the Platform service ratings which would back up the service claims and from the demonstration we saw the software itself appears impressive.

Its Platform is built on the GBST technology (previously known as InfoComp) which is one of the largest Platform technology suppliers, bringing its services up to the northern hemisphere from Australia, where Wraps are a well-established and mature part of the advisory support process. Indeed GBST powers many of the leading Platforms in Australia. In choosing to use a mainstream technology supplier at the heart of its solution, Novia has signalled it is in the Platform race for the long term; building a scalable, performant solution. Indeed, while the solution isn't the most functional we have seen it was one of the fastest, smoothest and well-structured Platforms we have reviewed so far

The data collection throughout the Platform is intelligent and dynamically adjusts – validating the data at point of field entry and hiding unnecessary questions. The solution, being from an enterprise background, also has true straight through processing (STP) at its heart. There are no manual work arounds, requiring re-keying of data into other systems behind the scenes, which ensures accuracy of data from point of collection to submission for execution.

The usability of the solution looks good. A clear navigation structure exists with a core menu of modules in a navigation bar at the top of the screen and a dynamic navigation bar at the side of the screen that alters according to the Wrap, process or client that the user is working on. When the user drops into a process such as a new business case, a bread crumb trail is used to keep the user informed as to where in the process they are and how much further they have to go.

The home page is structured as a dashboard of key information with the ability to drill down to the detailed information to support each item of management information displayed. The dashboard includes information on commission earned, total investments across all clients, the amount invested this month and the top five accounts. There is also a status (tracking) update table on the dashboard to provide the user with the current stage of key processes such as re-registration or purchase of assets.

There are a number of tools available to the user, including what is called the Model Portfolio Evaluator. The Evaluator takes the client portfolio, scans it against data using Financial Express and maps it on to a chart that measures risk against return. The user can then add one or several model portfolios to make a direct comparison, the aim being to illustrate a number of portfolios that may be available to the customer that can provide a better return for the same risk or a similar return for less risk.

Another tool available, this time at additional cost, is Sammedia's TCF Centre which we have reviewed several times and believe is a useful tool to help IFAs manage the customer feedback and survey process that also allows benchmarks of customer satisfaction against others in the market. We were encouraged to see a Platform promoting this although the contract for TCF centre will still exist directly with Sammedia. Around 10% of users have taken up the TCF Centre facility. Similarly, Novia has an arrangement with Voyant, one of the leading Cashflow planning tools

The Management Information generated from the Platform is impressive. Any data entered or actions performed can be reported upon. The presentation of the data is excellent with an interactive, drill down capability allowing reporting to start at a high level but giving the user the ability to click through to more granular levels of data as needed.

There is a range of functions on the Platform and although not exhaustive these include trading capability, risk questionnaires, portfolio scanning capability, report generation, document storage and client access and much more. There does appear a few functional areas that Novia has avoided, leaving these to be sourced from other systems including any stochastic capability to drive asset allocation, calculators to identify capacity for loss and a comprehensive Funds Research capability.

A strong proposition is not just about the technology but also the range of assets and wrappers available. Novia markets its Platform as having one of the widest asset and fund ranges available, including cash, stocks and shares, structured products, hedge funds, group SIPPS ETFs Discretionary Fund Management (DFM) and direct share dealing. A broad and varied array of passive investments is also available via the Novia Platform including tracker funds managed by a number of large and well known investment houses as well as smaller boutiques. Many other Platforms don't support passive investments –especially the Fund Supermarkets that are unable to secure rebate income in return for 'shelf space' but they clearly have a role to play in an investment strategy for certain client segments – especially important to those IFAs that are looking for a 'whole of market' perspective.

## NOVIA



The proposition also includes a strong and somewhat differentiated Discretionary Management capability. IFAs can work with DFMs but the assets still reside on the Platform rather than being under the 'Custody' of the DFM. The capability gives the IFA the independence to move from one DFM to another with relative ease and under the control of the Platform - a feature that is proving popular with IFA clients.

Novia was a pleasant surprise. Despite its pedigree, we have taken little notice of Novia in the past as it is still one of the smaller Platforms on the market, yet it appears to be well structured for growth. It combines high levels of service with a strong technology Platform and wide fund and wrapper selection combined to create a strong market offering.

### Key Insights:

- Beware preconceptions (a lesson for us)
- Look to deliver what makes an adviser's life easier
- Keep it simple but also aim to be comprehensive
- Small doesn't have to be a constraint
- Innovate to differentiate
- Do what you need to do – really well