

Midwinter taking advisers back to basics

By Sara Rich

BOUTIQUE financial advice software provider Midwinter Financial Services has created a new paraplanning division to deliver compliant Statements of Advice (SOA) to advisers on the same day a request is made.

The process is facilitated through a new form of online financial advice technology that only requires an adviser to key in basic client information obtained during their initial fact-find and needs analysis.

By relying on an extensive database of superannuation, investment and

pension fund information, the software automatically determines the optimal strategy for achieving what the adviser has set out to accomplish for their clients.

A paraplanner then takes this information and produces a streamlined SOA, which can be based on an adviser's own dealer group template or, for example, the Financial Planning Association's short-form SOA.

According to Midwinter general manager of strategy and technical services Matthew Esler, advisers will no longer need to put large amounts of time and resources into producing advice.

"It's streamlining advice so the adviser is not wasting time getting fee and feature information from fund managers and platforms and [meeting] other requirements under Financial Services Reform conduct and disclosure obligations, or trying to model the best technical strategy for particular clients," he explained.

"All they are doing is getting the basic information from the client and keying it in, the software is automatically going to determine whether the product advice is appropriate based on the fee and feature information of the different funds, or

whether a certain strategy should be implemented.

"So it is really freeing up the adviser's time to spend as much time as they can understanding the client and really satisfying their objectives, while adhering to the three elements of the suitability rule, which are know the client, explore available options and then provide advice that is appropriate."

Labelled Back to Basis, the new online software also provides the option to utilise a practice's own

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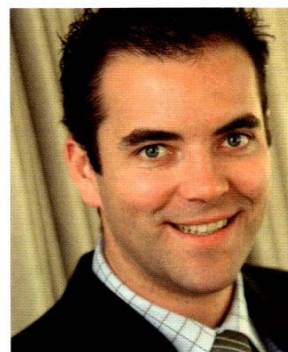
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paraplanning unit, instead of Midwinter's paraplanners.

Therefore, Esler predicts advisers will eventually rely less on paraplanners not using the tool to make their processes more efficient.

"I certainly think that outsourced paraplanning will become less important because advisers will be able to run complex product and strategy advice through their in-house paraplanning unit," he said.

A number of dealer groups have already begun using Back to Basis, which is run in conjunction with Midwinter's flagship product



Matthew Esler

Reasonable Basis, a tool that aims to satisfy an adviser's disclosure obligations by guiding them in justifying their product and strategic recommendations.