

Home truths of re-platforming

RE-PLATFORMING IS A HUGE DIFFICULT TASK BUT AEGON SEEMS TO BE FINDING IT EASIER THAN MOST. **TOM ELLIS** SPOKE TO RAY TUBMAN, WHOSE FIRM IS INVOLVED IN AEGON'S COFUNDS RE-PLATFORMING PROJECT, TO FIND OUT WHY



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Aegon made one of the personal finance sector's biggest deals of 2016 when it paid Legal & General a whopping £140m for Cofunds, the UK's largest platform. A year or so on, just how smoothly is the insurance giant's project to combine Cofunds with its own Aegon Retirement Choices (ARC) proposition going?

Ray Tubman, whose firm FinoComp is deeply involved in this process, is the ideal person to ask. To understand the experience he has in this arena, you just have to glimpse Tubman's CV. He established his first wealth management technology business in the late 1980s. In 2007, this became GBST's wealth management arm and, eight years later, Tubman left to set up FinoComp.

Not only does Tubman have buckets of experience in the platform technology sector, he was also the principal architect of the very technology Aegon uses for its platform and what Cofunds - currently in the IFDS camp - will soon use too: GBST Composer.

In the Aegon/Cofunds re-platforming project,

Tubman and FinoComp are involved in managing the data that is sent to advisers and those who integrate with the platform, as well as the system that looks after the master source of asset data, the capital gains calculator and a handful of other technical components. "We are physically loading the data into the GBST Composer system," he explains. "So we are performing a suite of hygiene tests on the loaded data and then the test team ensures data consistency."

Although Tubman says his firm is playing its part in the fusion of the two platforms, he makes it clear FinoComp is just one of many cogs in Aegon's re-platforming machine - a reason he believes is contributing to the project's apparent success. "When re-platforming, companies can often use a single organisation to provide all the different components but Aegon has taken the decision to use 'best of breed' in the different areas," he says. "I really respect them for that."

Another reason for the current slick progress, he suggests, is that since its ARC platform already uses the future platform's GBST technology, Aegon is already familiar with the new system it is transferring around £100bn of client assets onto. This is in stark contrast to the other players in the market undergoing re-platforming operations - Alliance Trust Savings,

Ascentric, Aviva, FundsNetwork and Old Mutual Wealth - which are all moving to technologies that are far less familiar.

Aegon chief operating officer Richard Denning, who is seen as one of the safer and more competent pairs of hands in the platform sector, echoes Tubman, explaining the move to familiar technology is helping the firm in its long-term project.

"Rather than build from scratch, we have based the enhanced service on tried-and-tested Aegon platform technology," he says. "By combining the best of both the Aegon and the Cofunds platform propositions through a technology upgrade, we have been able to stick to an achievable and realistic timescale."

Target date

At present, Aegon expects Cofunds users will be moved to the new platform after the new tax year starts in April - a target that, if achieved, would have seen that part of the project completed in around 15 months. That, coincidentally,

is also the average amount of time all the existing re-platform projects (including Aegon/Cofunds) have overrun, according to research undertaken this summer by *Multi-Asset Review's* sister title *Professional Adviser*.

To illustrate one of the struggles re-platforming projects can encounter, Tubman draws an analogy between technology providers and estate agents. In order to seal the deal, he says, tech providers and estate agents will both focus on the best aspects of what they are selling while glossing over potential gremlins and sticking points.

"This can lead to platforms thinking re-platforming will be easier than it actually is," he explains. "When you move into that new house, however, and you're living there day-to-day, that is when you find out about the leaky taps and the squeaky gate. No system is perfect and, as much as the tech providers will help out and train platforms to use their systems, you do not necessarily know the good and the bad until you after move in."

This apparent papering over of cracks does not, of course, help businesses when they then have to shift the mountains of crucial data from their old platform onto new and unfamiliar territory.

"In many cases where there is a 'big bang' migration, businesses are dealing with the structural difficulties of moving data from the source [current platform] to the target [new platform]," says Tubman. "The problem is, they actually need to learn how to use the software in an operational sense as well."

Come next Spring, we will know if Aegon has been able to take sufficient advantage of its familiar surroundings to complete the mass-migration of Cofunds users to the new platform.

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