



PORTFOLIO/METRIX
Investment Management **by Design**



Delivering Excellence:

How Thomond Asset Management evolved their financial advice business by adopting a Centralised Investment Proposition

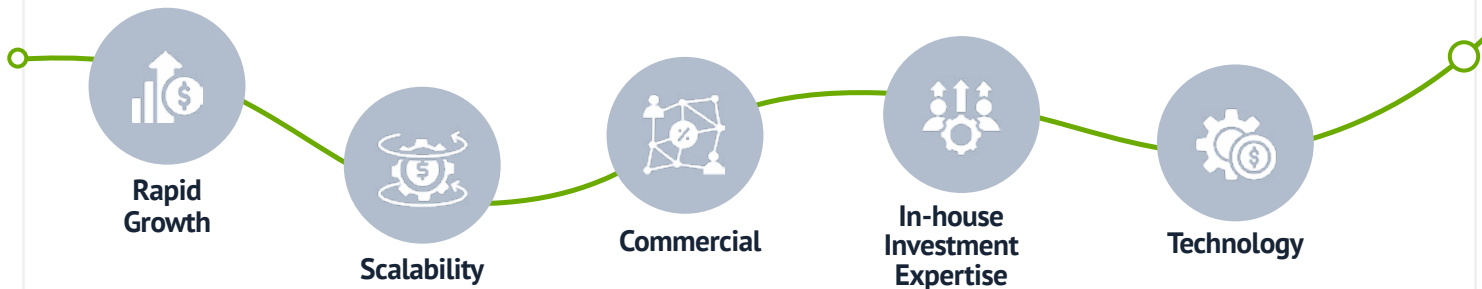


Thomond Asset Management was founded by Neal Kelly, Tom Fitzgerald, and David O'Neill with the aim of providing distinctively high-quality wealth management. The business was established when the world was experiencing an extraordinary period of turmoil in 2009. The team currently consists of 10 people and is headquartered in Limerick City but serves clients all over Ireland with a client base of approximately 1500 clients.



Business Challenges:

As the business developed and grew it became obvious that they were facing some significant challenges.



Over the first decade, the business grew rapidly. We became victims of our own success with many clients, most of whom were holding bespoke portfolios at various life companies. We had not given enough thought and consideration to the long-term effect of having so many clients, many of whom had quite individual requirements. This became too much of a risk to manage with the internal resources available. It was nearly impossible to manage the individual portfolio needs efficiently and effectively for all our clients. This ultimately led to a drop in our service offering and standards.

The investing landscape in Ireland had also moved on in that time. When we first set up the business there was a real lack of alternatives to the status quo of Life Companies. It also became quite apparent that the existing product providers had come to completely dictate the terms of our commercial activity by providing compelling commission incentives and constantly selling us their latest “product offerings”. All of which locked us, and the clients, into expensive and punitive contracts. This coupled with ever increasing administrative and compliance burdens weighing heavily on the firm, it had become obvious that change was needed.

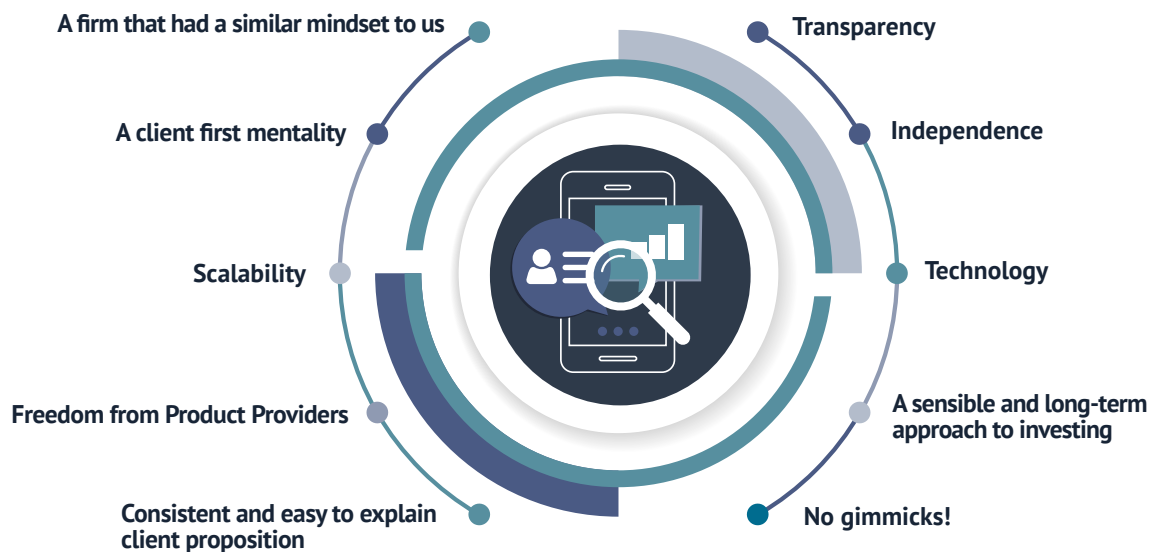
As a business we have always had a proactive mindset and would spend time each year thinking about the business strategically. At that time platforms, and Conexim, had become available, and we decided to explore what platforms could do for us.

Our research had made it clear that embracing a platform-based way of operating would bring us closer to global best practice in comparable jurisdictions such as the UK, Australia and the US. It opened the potential for our clients to access the world’s biggest and best asset managers, put their portfolios on a more solid footing, and build a more robust business around a recurring income model with complete transparency around costs for our clients.

With so many investment options available through the Conexim platform the challenge for us was to take our learnings from our business journey so far and utilize Conexim in a sensible and scalable way. In essence, although we did not appreciate the phrase at the time, what we needed was a ‘Centralised Investment Proposition’ (CIP).

The Search

We wanted a solution that addressed several issues for both us and our clients. Perhaps our requirements were ambitious but to our great disappointment, there were very few solutions available to firms like Thomond Asset Management. To be frank, there were very few companies we felt comfortable sharing our client information with. So, what were our requirements:



The Solution

We looked at and considered a number of solutions but the challenge of finding a suitable alternative to the existing model would prove to be more significant than we had originally expected.

A whitepaper on Centralised Investment Propositions published by PortfolioMetrix ([download here](#)) resonated with us, so we met with the PortfolioMetrix team, and their proposition appeared to meet many of the criteria we had established.

PortfolioMetrix Provides:

- A Centralised Investment Proposition [CIP] aligned with Global Best Practice.
- Scalability of our investment advice.
- De-risking of our business by handling the portfolio construction and management process.
- A “safe pair of hands” – sensible and robust portfolios.
- Time savings and efficiency.
- The ability to plan around CGT and attract clients with significant investment assets.
- Has allowed us to attract bigger ticket clients and manage a greater share of wallet of existing clients.
- Provided us with a differentiator when competing with other adviser firms who are all offering the same old thing from the same old local names.
- Direct access to the investment team.
- Fantastic support with “boots on the ground” in Ireland.
- A tight integration with Conexim.



The Outcome

Since adopting this model and way of advising clients we have not looked back. It was the best decision we could have made. **“We have moved 60% of our AUM to this model. It has increased our recurring income from 20% of our turnover beforehand to 50% now and is still growing.”** We carried out this process in a structured way, approaching clients as part of their annual review and when the client’s circumstances made sense, we would recommend moving them across from the old structure to our new, fit for purpose CIP.

“It was the best decision we could have made.”

For the remainder of our business, the clients not suitable for platform have been consolidated on to a more straightforward and easier to manage approach at the life companies.

It has enhanced the value of our business and it has future proofed our client proposition, we could easily handle a “UK RDR” type moment if it happened in the morning in Ireland, not many businesses in Ireland could say the same.

We have also met several like-minded adviser firms and are able to benefit from sharing knowledge and working together in a collaborative way as our view of the world as well as processes are quite similar.



The Future for Thomond Asset Management

It has set us up to tackle the future trends coming to the advice industry in Ireland including things like changing pension legislation, an evolving regulatory framework, for example the EUs Retail Investment Strategy, as well as consolidation amongst advice firms.

“Our advice to everyone we have spoken to is to “make the decision to change and start”.

Our advice to any firm considering evolving their business is to give serious consideration to PortfolioMetrix. And once you make your decision around your CIP, get organised and jump in. You just must start. There will probably never be a perfect time to start a project like this. We feel that procrastinating about the need for change will not lead to a successful outcome. Our advice to everyone we have spoken to is to

“make the decision to change and start.”

Adviser Firm Quotes



“Every time an existing client is moved on to a discretionary mandate, I feel a weight lifting off my shoulders” - Neal Kelly

“It has set us up to tackle the future trends coming to the advice industry in Ireland”



*Discover more.
Get in touch with us to explore further how
PortfolioMetrix can work with your advice business.*

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Many thanks to Neal Kelly and the rest of the Thomond Asset Management team for sharing their experiences. If you would like to discuss this further with Neal he is happy to chat. Just drop him a line at neal@thomondam.com.

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