

Case Study:

Liberty Group: Meeting the challenge of South Africa's RDR

KEY METRICS

- 170k customers
- R 130bn AuA (~£7.5bn)

Altus have been brilliant... They have made my life so much easier and allowed us to stick to an aggressive timescale. The insight, governance, structure and documentation they provided made it a very simple but robust process. I could not have made the decision without their support.

Caroline Naylor-Renn, Chief Operating Officer

BACKGROUND

With South Africa's Retail Distribution Review (RDR) taking effect in 2017, LISPs (Linked Investment Service Providers; platforms to the rest of the world) in South Africa are facing a shake-up. Combined with other legislative changes on the horizon in South Africa, including the delayed changes to the rules for pension and provident funds, platforms face a period of significant change.

Liberty Group recognised early on that the impending changes will make the platform market more competitive, requiring operators to drive down costs and improve operational efficiency. Platforms will also need more flexibility to provide customers with a full suite of investment vehicles to meet growing investment and retirement savings needs.

Recognising that their existing LISP administration solution was unlikely to provide them with a competitive edge going forward, Liberty made a strategic decision to investigate potential replacements. Aware of the experience that Altus had working with a wide range of platforms and technology suppliers in the UK and helping several of them respond to the UK RDR, Liberty Group engaged Altus Consulting to help them select the most suitable platform administration solution.

Find out more

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ALTUS ENGAGEMENT

Due to Liberty’s tight timescales, Altus kicked off two parallel strands of work. The first was to provide Liberty Group with an understanding of the different ways of building or procuring platform operation software, and the strengths and weaknesses of each; including a long-list of potential suppliers from both inside and outside South Africa. Once the long-list was agreed, Altus worked with Liberty to determine the key criteria on which to qualify vendors who should be invited to respond to a Request for Proposal (RFP).

The second strand involved working with Liberty to produce a comprehensive model for a South African platform. Based on Altus’s existing reference model for a UK platform we made rapid progress. Within four weeks we had worked with ~20 subject matter experts from around Liberty Group to adapt the model to the South African market, in the process providing them with valuable insights into the possible impacts of the fast-approaching RDR.



Using the completed model as a basis, Altus started work on production of the functional questions for an RFP. Using the knowledge gained of the differences between our UK model and the South African model prepared for Liberty, allowed appropriate questions to be crafted quickly, focussing on key areas of concern and differentiation. Altus’s structured methodology for RFP production meant the final RFP was ready for issue within three weeks of work starting.

Altus organised demonstration and Q&A sessions for each of the vendors prior to responses being submitted. Scoring of the responses by the relevant SMEs was co-ordinated by Altus, helping to meet tight timescales. Using Altus technology, the scores were quickly collated and differences in opinion reviewed. This allowed the two highest-scoring vendors to be taken through to an “early discovery” phase where they were required to run a series of scenarios demonstrating how their software could support Liberty’s planned response to the South African RDR.

Thanks to Altus, Liberty was able to make the final selection of a vendor within the agreed timescale.

READY TO BUILD FOR THE RDR

With a vendor now selected Liberty Group are starting on the detailed discovery and design phase, with Altus providing further support to help them as their team grows. The comprehensive model, developed at the start of the process, means Liberty stand in a strong position as they respond to the complex legislative changes occurring in the South African market.

