



Knowledge based software

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## Friends First Invest | Pro™ Case Study

## Highlights

The key benefits generated by this project were:

- **The successful consolidation of multiple systems**
- **Automated bank reconciliations**
- **Automated corporate actions**
- **Reduction in operational risks and operational costs**

## Background

Friends First is one of Ireland's oldest and most established Life Assurance companies, meeting the financial needs of customers since 1834. They have over 275,000 customers and employ 300 people in Ireland. Friends First is fully owned by the Dutch Insurance Group, Achmea, one of Europe's leading insurance providers. Friends First Life Assurance Company manages total assets of €4.7bn and generated Total Premiums of €458m in 2014.

In 2012 Friends First implemented the Invest|Pro™ system to support all the investment functions of the company.

## The challenge

The priority for Friends First was to replace an existing legacy fund accounting and back office investment systems. The key aim was to improve staff and management efficiencies, reduce operational risk and improve the speed of back office processing. In addition, the new systems needed to support the latest EU regulatory reporting changes, namely Solvency II. Above all, they needed to reduce the costs of running and licensing multiple systems for the investment function.

The market for Friends First products had changed due to the financial crisis. Consumers had a reduced appetite for investment products due mainly to higher taxes and lower incomes. Changes to the taxation treatment of retirement funds and future uncertainty put pressure on the pensions market.

For this reason any project involving change in the company's systems needed to have a strong underlying economic argument.

Friends First's investment functions are complex and reflect the large range of investment products in the company's portfolio. Key to achieving efficiency and success was the ability to link directly to the markets and investment managers in order to transform policyholder transactions directly into trade notifications.

## The solution

In 2011, Friends First set out to select one core investment solution. The company created a comprehensive requirements matrix for each business area affected by the investment functions. Core functions underlying the requirements were:

- **Fund Valuations**
- **Fund Accounting**
- **Unit Accounting**
- **Asset Trading**
- **Investment Manager Links**
- **Bank Reconciliations**
- **Market Data Link**
- **Custodian Reconciliations**

After a thorough selection process, Friends First chose to work with FRS and the two companies began the task of analysing each of the investment business processes within the company to see how the Invest|Pro™ system, with its core functionality, could introduce better controls and reduce operational risk. This analysis was conducted by a partnership of senior teams from both FRS and Friends First. The result was a system framework to support the future business and a defined project plan for its implementation.

## Implementation

The project was governed by a steering committee of Friends First management and senior FRS executives. Day to day management of the project was carried out by an experienced project manager from Friends First. FRS provided a full time resource to the project during the duration of the implementation and test period.

The roll out was set at a single point in time rather than a phased approach. A controlled set of acceptance test mock go-lives were carried out in the period prior to launch and a defined test plan ensured all areas of the system were fully operational in advance. In September 2012, over a single weekend, all investment activity was converted on to the new Invest|Pro™ platform. The process started at close of business on Friday night. The conversion took a full history of the investment transactions of the company over the previous 20 years and recreated a full accounting ledger for that period. By Saturday afternoon, the business processes that were to take place on Monday morning were completed 36 hours ahead of schedule.

## The benefits

In partnership with FRS, Friends First have successfully deployed the Invest|Pro™ System, which has reduced costs and consolidated multiple systems into a single platform. Business processes are now faster, cost less and are carried out in a more controlled environment using proven modern technologies.



*"The installation of the Invest|Pro™ system has allowed the Investment function in Friends First provide a superior service to all business areas at a reduced systems cost."*

*"Specifically a 35% cost reduction from replacing two Investment systems with Invest|Pro™ and eliminating IT license costs from a legacy provider."*

**Oonagh Sower,  
Head of Group Finance,  
Friends First Group**

*"FRS is unique in that they are specialist providers of investment administration software to the life and pensions industry, so they truly understood what we required as a business. This was apparent in the successful implementation of the Invest|Pro™ software. And with more robust technology and fewer systems now required for our investment accounting function, we continue to achieve operational efficiencies as we move our business forward."*

**John Harris, Software  
Development Manager,  
Friends First Group**

## About Financial Risk Solutions (FRS)

Founded in 1999 by actuaries and IT specialists, Financial Risk Solutions Ltd (FRS) is a leading provider of unit pricing, investment administration, asset reporting and compliance oversight software specifically designed for the Life Assurance and Asset Management industries.

FRS offer a proven range of modular, intuitive technology solutions which allow customers to pro-actively monitor and administer investments as well as mitigate risk by continually monitoring breaches and exceptions to critical investment processes. These solutions include:

Invest|Pro™ securely automates multiple complex fund administration processes within a single application.

Invest|Pro™ unit-pricing and investment administration software is scalable, modular and flexible.

Invest|GRC™ empowers insurers and asset managers to meet Pillar III asset reporting standards in the Solvency II world via a single, analytics-driven database, combining data from internal and external sources.

Invest|OPS™ automates the validation of operational activity performed by outsourcing partners, enabling firms to supervise outsourced functions, data and to manage the associated risks.

For more information visit <http://www.frsLtd.com> or follow FRS on LinkedIn at [www.linkedin.com/company/frs-ltd](http://www.linkedin.com/company/frs-ltd)



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