iQuantifi: A Distinctive Robo-Planner to Help People Achieve Their Goals

Site:	www.iquantifi.com
Established:	2009
Clients	Banks, insurance companies, wealth-management firms, robo-advisors, etc.
Value proposition:	Provider of scalable, goal-based digital advice platform for financial institutions and their clients
The executive team:	Tom White, Founder and Chief Executive Officer Karen White, Co-Founder and Chief Product Officer Gary Bailey, Chief Technology Officer

iQuantifi is an easy-to-use app that automates the entire financial planning process. It has a single view for advisors and investors for simplicity and avoiding miscommunication, and a rather complex decision engine under the hood. The unique goal prioritization algorithm is their intellectual property technology solving the issue of prioritizing multiple goals. These and many other distinctive features were enough to draw my attention, so I decided to learn more about the company.

Recently, I visited iQuantifi's office to meet with Founder and CEO Tom White. He's a long-standing expert in wealth management—he managed money for 20 years, including the Dotcom and credit crisis of 2008 and 2009, and saw the full market cycles. Tom has established several companies in the field and is now fully focused on iQuantifi. In 2006, while running **CAP Partners,** a wealth management company, Tom came up with the idea of creating a digital financial planning software platform. Three years later, he decided to spin this startup off and transformed it into today's iQuantifi.

During our meeting, we discussed iQuantifi's product and team, their unique goal prioritization mechanism, and what people expect today from robo-planning platforms.


The concept

Nowadays, there is no shortage of financial planning tools that can help one save money for different purposes. However, when it comes to multiple goals, investors are left facing difficulties managing numerous tax policies and prioritizing savings. iQuantifi is designed to diminish the problems of investing for multiple goals competing for limited resources.

- The goal prioritization tool utilizes complex algorithms protected by intellectual property rights to set priorities in the most efficient way possible.

- The focus on partnering with institutions enables them to include such product groups as deposits, loans, insurance, and investments.

- The technology enables them to scale advice and go downstream to help customers pay their debts off and build up assets.

    "Our main philosophy is all about goals and financial planning. In my 20 years as a financial advisor, I learned that what really matters to people is whether they meet the goal or not—retire on the designated day, send their kids off to college, pay off their mortgage [...]. It's not about beating the market; it's about achieving the goals."

Another important part of their strategy, Tom says, is educating consumers. This includes showing people different financial products that will help them to achieve their goals.
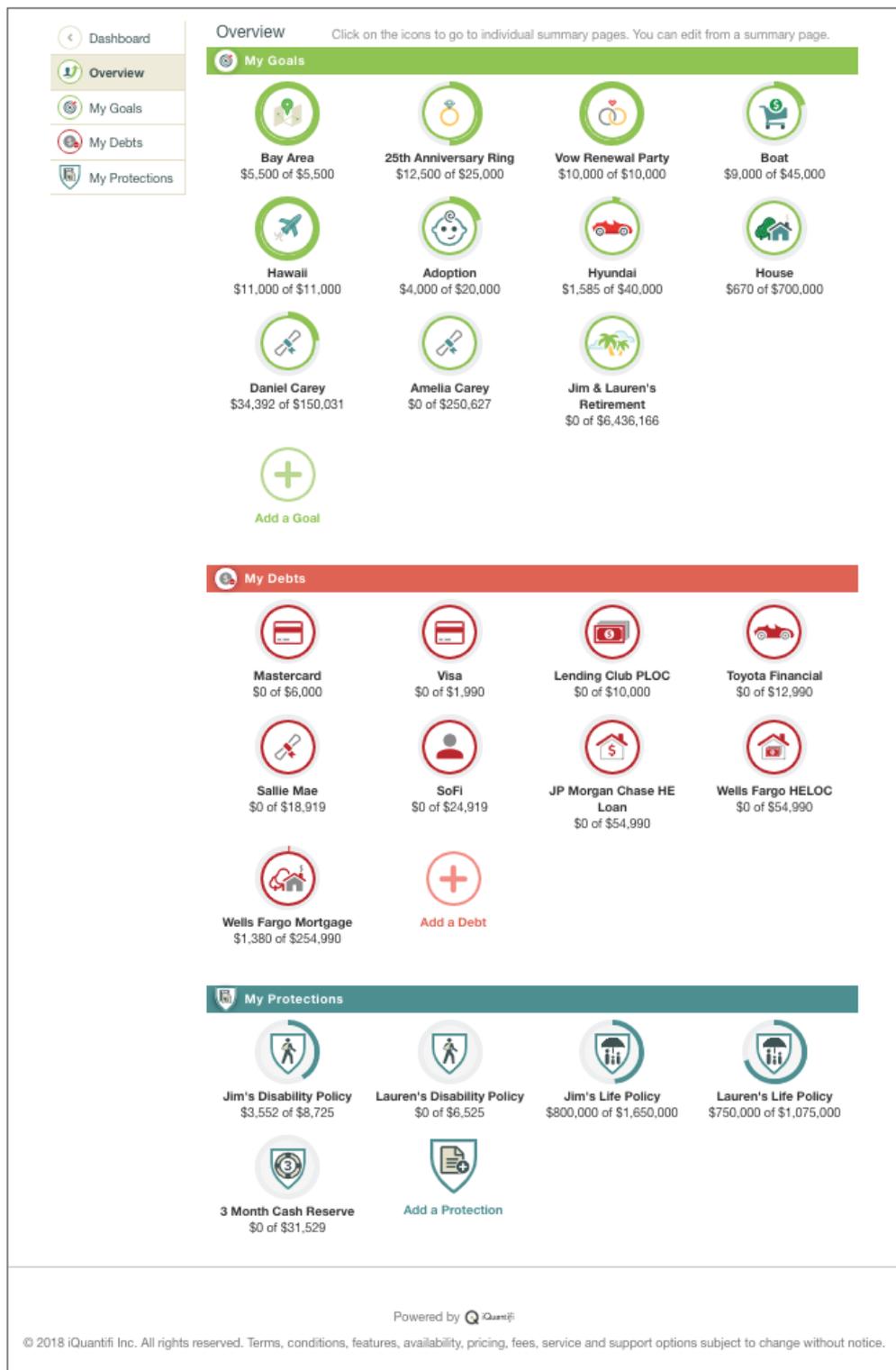
A closer look: Business model and features

A lot of people, Tom says, are talking about financial planning as the middle part of the wealth management process. The iQuantifi team feels that financial planning is very much the beginning, because one needs to know what one's goals are and in what timeframe, and then establish how to allocate assets.

The work with iQuantifi starts with deployment with an institution, usually a bank, which also serves as a fiduciary. They can deploy both directly to the customers and through the professionals of the institution. The software platform incorporates the institution's investment offerings and customizes the provided allocation based on the timeframe and investment experience. Then, their patent-pending algorithms suggest investors' goal

strategies based on what options the institution provides. Also, the system can explain why it makes a particular assumption if the user clicks on the "Explain" button, so the recommendations are transparent.

> "What we've developed is a very complex decision engine that takes a lot of factors into account. The goal prioritization has automated a step that typically the advisor does during case analysis, in terms of where the money is going to come from."
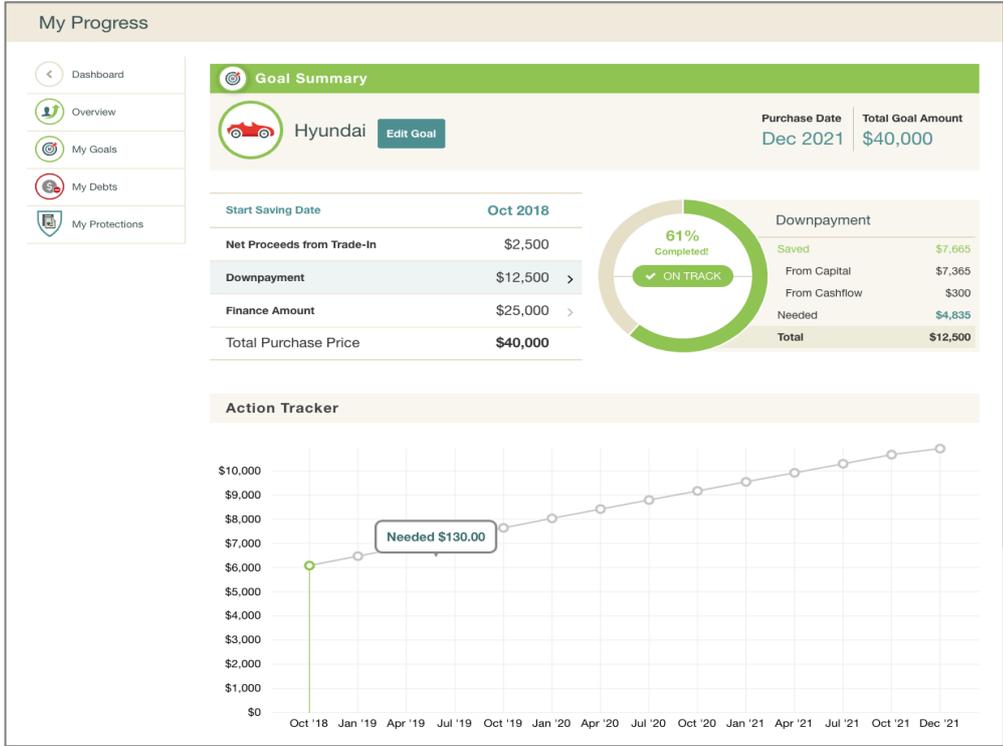
There are two types of goals in the platform: system-generated (e.g., retirement) and user-generated (e.g., house, car, travel, etc.) The progress toward goal accomplishment can be seen in a dashboard. Also, each goal and debt have a summary page, so that nothing is missed.
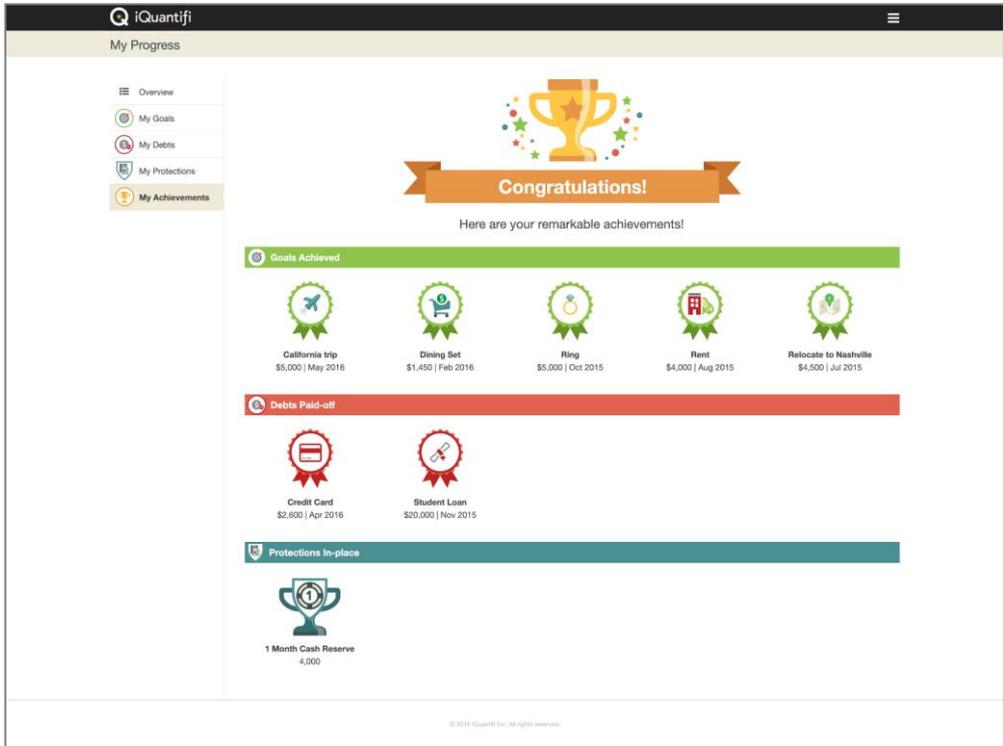
The platform has additional features, such as retirement income distribution, where the system will make recommendations on when to take a pension or when to take social security, taking tax efficiency into account.

> "We do retirement income distribution for investors from the standpoint of understanding that pension and social security are only promises of future payments."

iQuantifi works with the institution's compliance department for pre-approval of recommendations, making the process streamlined and consistent. One of the differentiators for the system is that the institution can select what assumptions are in the plan—risk tolerance, inflation rate, tax rate, mortality age, etc. All these factors can be customized to a particular institutional client.

iQuantifi inside out

The first version of the system was built on **Ruby on Rails** and hosted on **AWS**, Tom says. However, they wanted to scale it up to enterprise level and B2B2C, so in 2016 they transitioned to **.NET** shop and **Azure**. Their front-end is built on **HTML5** and **AngularJS**.

The team is very collaborative and strives to incorporate user feedback quickly and smoothly. They're Agile and have weekly meetings across different projects. Also, Tom says, they use some offshore development.

> "We do outsource some capabilities, whether it's testing or even some front-end implementation, as a way to very much keep our costs low. When it comes to our intellectual property, algorithms, [and] business rules, that's all in-house."

Also, the platform benefits greatly from partnerships with other FinTech companies, in terms of peer-to-peer lenders, as well as robo-advisors. They have partnered with IBM and Deloitte, which promote their software, and are looking at institutions outside the US. Currently, the company is in talks with many institutions around the world from Italy to Australia.
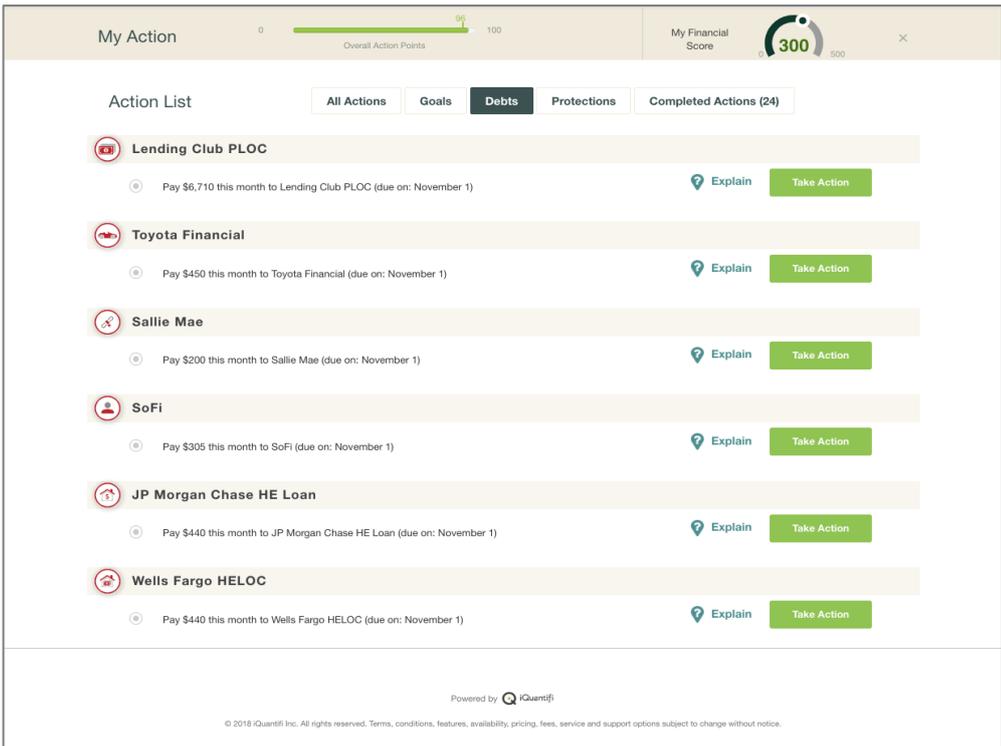
Roadmap and challenges

To implement new features and advances, iQuantifi uses both user feedback and their own ideas. According to Tom, they've recently implemented a financial score feature into the system. He believes this will make the product more identifiable and add value for their customers. Other enhancements that might appear in the iQuantifi product recommendation soon are property and casualty insurance.

Also, they're launching a direct consumer platform called **myroboplanner.com**, which is focused on giving Millennials full automation of the process. Overall, the company is really striving to start on the retail side.

> "iQuantifi has automated the product recommendation process so that advisors don't have to be salespeople. Let the software do that part. The advisors can then focus on their client relationships, which should be their main function."

The biggest challenge for iQuantifi, according to Tom, is that their technology is still early in terms of the market understanding the full value proposition. Also, the long sales cycle is a bit of a problem, but this is not unique to iQuantifi and concerns everyone dealing with institutions.

Takeaways

Despite being focused on institutions, iQuantifi is designed for those who don't have access to professional advice, for the mass market, while the technology enables scaling. I think it's great. Such an approach is remarkable. Thank you, Tom, for your product and your time, and for sharing valuable insights about iQuantifi!

Written by Vasyl Soloshchuk, CEO and co-owner at INSART, FinTech & Java engineering company. Vasyl is also the author of WealthTech Club, which conducts research into Fortune and Startup Robo-advisor and Wealth Management companies in terms of the technology ecosystem.