

Management Information: Monitoring the advice given within your firm

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This factsheet is for you if:

- you are the proprietor of a firm that gives financial advice to retail customers; or
- you supervise others who give financial advice to retail customers

This factsheet is part of a toolkit you might want to refer to, to help you identify the type of management information you could collect and use within your firm.

It will:

- help you understand what is meant by the term 'management information' (MI)
- offer tips on how to produce MI that will benefit your firm;
- suggest practical ideas for collecting and using MI within your firm (including sole traders);
- give you a better understanding of what the FSA expects of you;
- help you identify what you need to do now; and
- provide you with direct links to other relevant information.

What is management information?

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Information or statistics which can be collected and used to measure performance and identify potential risks in given areas of your firm. Regardless of your firm's size, structure and business model, using good MI within your firm can help drive change for improvement, raise standards where needed, help you provide an even better service to your customers, and help you in the monitoring of the quality of advice you give to your customers. It can help make your firm more efficient and more profitable.

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- **Relevant:** Consider what information is relevant for your firm and who needs to see it.
- **Accurate:** To make the right decisions, you need the right information.
- **Timely:** Consider the impact on the information's effectiveness if it did not get to the right people at the right time.
- **Acted upon:** Identify the key triggers that need to be acted upon and what the remedial action should be. Be clear on who should do this and when.
- **Recorded:** Record what you do when you gather, analyse, circulate (if appropriate for your size of firm) and act on the information. Think about how you will prove your actions have been successful.

Did you know...?

All firms need to produce some form of MI to help manage their business, identify key risks, monitor the quality of advice given and ensure that Treating Customers Fairly (TCF) is evident throughout the whole customer experience – not individual elements of it.

This also applies to sole traders.

You should act appropriately on information gathered and analysed and ensure you can demonstrate the effectiveness of those actions.

For many firms, better use and analysis of existing data can yield significant benefits. Consider what information you have already and whether there are any simple changes you can make to get maximum benefit for your firm.

Practical ideas for collecting and using management information within your firm...

Gathering	Use data contained in new business register; independent file reviews; Key Performance Indicators (KPIs); Continuous Professional Development (CPD) and training logs; customer surveys; regular meetings (documented for content) with relevant individuals; reports from compliance consultants.
Analysing	Compile reports to collate all information in one location to give the full picture and highlight trends by using visual aids such as graphs/charts.
Circulating	Wall planners to identify who needs to see what data and when; hold regular meetings (documented for content) with compliance officers.
Acting	Hold regular one-to-one meetings with relevant staff; set key triggers for action; set clear objectives in regards to remedial action e.g. through increased training and/or increased supervision;
Measuring	Measure success visually through graphs/charts; use scorecard to measure effectiveness of action taken.

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- Think about the most effective way to address issues e.g. hold group training sessions (rather than individual ones); where appropriate consider using advisers who demonstrate good practices to deliver training to other relevant staff.
- Consider if and how you identify trends.
- Set clear action points to ensure the risks to your firm are dealt with. Deal with the higher risks first.
- Capture fairness as well as customer satisfaction.
- Think about who is gathering the information for you? If you are a sole trader, can you use an administrator to do this? But remember to ensure the person collecting the data is clear on the outcomes you are trying to achieve.
- Consider providing an informative session to ensure all staff are clear on the outcome your firm wants to achieve and how management information will be used to deliver those outcomes. You may wish to consider using this factsheet as a prompt for developing any material to be used.

Refer to other tools in the MI toolkit to find out more about the type of data you can gather and how it could benefit your firm and other practical tools including examples of good and poor practices identified.

What does the FSA expect from you?

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We expect you:

- can evidence that your firm regularly collates, analyses and uses management information to ensure its processes deliver fair outcome for its customers.
- demonstrate that the quality of advice you provide to your customers is adequately monitored to ensure its suitability.
- can demonstrate that your firm identifies issues in any given area that could impact on the quality of advice you give to your customers
- act upon findings appropriately and promptly ensuring remedial action is monitored; and
- continuously seek to assess and improve these processes and practices, reviewing these regularly or when there is a change in the firm's structure, business practices and/or strategy.

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- Consider whether your current systems and controls adequately enables you to identify issues that could impact on the quality of advice you give to your customers. You may wish to use the MI self-assessment tool we have developed for this.
- Where deficiencies have been identified in particular areas, consider how you can address this. Perhaps you could use our 'Guide to management information to monitor the quality of advice'? This offers suggestions on what information you can gather and highlights some of the benefits of doing so.
- If you already gather information, think about whether or not you actually do something with that information that benefits and helps to protect your business.

Where can you find other helpful tips on management information?

TCF case study: <http://www.fsa.gov.uk/pages/Doing/Regulated/tcf/case/mi.shtml>

TCF cluster reports: <http://www.fsa.gov.uk/pages/Doing/Regulated/tcf/cluster/management/index.shtml>