

Old Mutual buys 22seven

SASHA PLANTING

OLD Mutual has acquired the online personal financial management tool 22seven, just a year after it was launched.

Old Mutual brings gravitas and deep pockets to the feisty start-up which has worked hard to convince banks and consumers that sharing personal financial details online is as secure as they said it was. It also brings a large customer base.

In turn 22seven strengthens Old Mutual's attempt to build stronger relationships with its customers. Specifically it will enhance Mutual's efforts to develop an interactive digital experience.

"Our relationships with our customers are good at the face to face level," says Old Mutual group marketing director Carlton Hood. "But our website is a little flat. It simply presents product information."

22seven, on the other hand, is highly interactive. In fact, the more interactive the customer, the more value it delivers. The goal of 22seven is to help users to manage their money more effectively on a monthly basis. Once a user has linked their cheque, savings, credit card and retail store accounts to 22seven it aggregates all these financial transactions and presents them in one place.

Using graphical design rather than columns of numbers, the service shows you how much you earn and how much you spend. It also sorts and groups your transactions so you can see exactly how much you spend on what. If a user delves deeper, it will point out inconsistencies in spending and areas where possible savings can be found.

And this, says 22seven founder Christo Davel, is just 30% of what the service can potentially deliver. The

intention now is to extend the functionality so that instead of monthly finances, users are considering their annual financial position, or longer. "For instance it could help you calculate the impact on your finances if you paid your bond off faster."

Old Mutual is also fast tracking the launch of the service in other territories. "We are currently building a service for the UK, we never in our wildest dreams thought we could play in that space," says Davel.

The outright purchase of a start-up business is every entrepreneurs dream. In this case, says Davel, it happened sooner than expected. "We were looking for another round of funding and we approached Old Mutual because I have good relationships there." (Davel developed the precursor to Old Mutual Direct).

To his surprise Old Mutual did not want to come in alongside the other funders, but offered to buy these early investors out entirely. "This is a monster leg up," says Davel.

— sasha@moneyweb.co.za