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Keeping clients front and center: Essential components of the integrated advisor desktop

WHITEPAPER

The wealth management industry in North America is undergoing a significant transformation. New options such as robo advisors, increasing investor scrutiny of fees, and changing compliance requirements are among the causes shaking up the landscape. Advisors and wealth management firms need to manage greater complexity in a faster-paced environment while containing operational costs. Change, however, can bring opportunities for firms with the right technology tools that help them adjust to new business realities. The firms that thrive will be those that deliver exceptional value to their existing clients and attract new business, while increasing operational efficiency.

Given its complex needs, the wealth management business requires a multi-dimensional solution. That's the thinking behind the Integrated Advisor Desktop concept, which is capturing a great deal of interest from advisors and wealth management firms alike. The Advisor Desktop is built on a robust CRM platform, combined with real-time custodian integration, tightly integrated portfolio reporting and ancillary systems to create a comprehensive solution. This equips advisors to deliver a higher level of service based on a holistic view of each client.

Ultimately, the value of the advisor's deeper client relationships will drive a higher market value of the firm.

A changing landscape: Performance versus service

During the market run-up of the 1990s, investors were happy to have positive, often above-average returns on their investments, and paid little attention to advisory fees. In a more volatile environment, however, advisors are challenged to deliver and demonstrate value to clients through means other than performance. Client service has become a more dominant decision factor in selecting an advisor, as investors recognize they must look beyond performance or portfolio strategies as the primary drivers. At the same time, investors are trying to understand the value they receive from their advisor compared to today's low cost, automated wealth management solutions.

What's more, the wealth management business has been caught in a revenue/cost squeeze. Revenue growth can no longer be assured by asset growth from performance alone. Operating costs have become a greater concern. With average returns lower and volatility higher, investors are scrutinizing management fees and the services they receive compared to low cost alternatives, since pricing now has a larger relative impact on net performance.

In addition to these revenue and operating cost pressures, growing regulatory requirements mean advisors may have less time for clients as they manage ever greater administrative burdens. Meanwhile, clients have access to more market and security information that is free or very low cost. Access to proprietary information through the advisor is no longer seen as a key differentiator by the investor.

For certain clients, however, personalized services such as financial planning, enhanced portfolio reporting and general responsiveness to client requests are viewed as a high value differentiator. Investors with more complex needs will migrate to advisors and firms that can provide the services and responsiveness they expect. In today's climate, more than ever, exceptional service helps build client loyalty, differentiates advisors and generates referrals.

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Capturing opportunity with new technology

The good news is that advisors still play a critical role in helping clients manage their wealth today and plan for wealth succession to the next generation.

Recent changes in the industry and in today's population present opportunities to those advisors and firms that make client service a top priority. That's why leading advisors are leveraging new technology solutions to deliver high value services to clients in a cost-efficient manner.

The Integrated Advisor Desktop concept is an example of such a solution. It satisfies key objectives of advisors and their firms:

Managing wealth transfer – More baby boomers retire every day. They are looking to maintain their wealth and plan for an orderly transfer of their wealth to their heirs. Many are concerned about their wealth transfer – according to a U.S. Trust study, 78% feel the next generation is not financially responsible to handle an inheritance. Advisors can play a valuable

role in planning generational transfer, as they have a holistic view of each client's wealth through their Integrated Advisor Desktop. Estimates project that over \$6 trillion in assets will be transferred in the next 30 years. Advisors can work with their clients and their heirs to provide a financial roadmap for wealth transfer that addresses all parties' concerns and wishes.

Prior to and during wealth transfer, the client and heirs need a trusted advisor with a complete view of the client's wealth. Studies find that 66% of advisors are fired by the children of the client during the wealth transfer, and up to 70% of women leave their advisor after becoming widowed. An advisor that can effectively deliver on the client's wishes and mitigate complexity for overwhelmed heirs can reduce the risk of becoming one of those statistics.

Greater operational efficiencies – Advisors can meet their regulatory requirements while having time to serve clients and pursue business development. The Integrated Advisor Desktop brings

together the information that advisors need for compliance from disparate applications and data sources into one information hub, thus increasing efficiency and saving time.

Greater client loyalty and referrals – Clients make a significant investment in their relationship with their advisor. The deeper the relationship and the more they rely on the service, the more difficult it is to switch. Understanding the total client relationship, including household members, centers of influence and holdings across the household, is key to building a deep, long-term relationship. And satisfied clients are still the industry's number-one source of new business referrals.

Building the integrated desktop

The integrated, client-centered approach starts with a robust CRM system as its hub, providing a single location from which advisors can manage their clients and develop their business. The system's core components should deliver efficiencies by eliminating redundant data entry and the need to access multiple disparate systems.

Choosing a purpose-built CRM solution that allows you to automate key wealth management processes – such as client onboarding, account opening/closing, client review and investment policy statement tracking – will make them more scalable and repeatable. The capacity to manage client activity at the household level and to see all centers of influence is key to building and keeping long-term relationships. This requires a built-in workflow engine that enables advisory firms to streamline the processes to increase productivity and efficiency.

Cross-system integration: The key to creating a comprehensive platform is a CRM system that integrates seamlessly with other systems the advisor uses every day. As a prime example, integration between the CRM and a firm's portfolio management system will provide accurate holdings and AUM information right inside the advisor's integrated desktop. It enables advisors to view holdings across their client base and at the household level. Analytics can identify portfolios outside of their target weightings. Advisors can also evaluate the impact that centers of influence have based on metrics such as AUM. CRM and portfolio integration enables advisors to focus on growing a successful and profitable business and delivering an exceptional experience to their clients.

Real-time integration to a firm's custodian within the CRM will enable advisors to respond to client queries with accurate information, without bouncing between systems. Advisors should be able to view alerts on an account and take action quickly within the CRM. The action taken can then be documented for compliance purposes.

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The image displays two side-by-side screenshots of the Microsoft Dynamics 365 interface. The left screenshot shows the 'iParties' screen, which lists various client entities under 'Clarke Family/Entity'. Entities include 'Clarke, Tim & Joanne' (Connections), 'CPA / (Client)' (Theresa Adams, CPA), 'Lawyer / (Client)' (Camara, Andrea), 'Referred Client to COI / (Client We Referred to COI)', and 'Trustee / (Client)'. Buttons for 'Add New' and 'Add Existing' are visible. The right screenshot shows the 'Contact Information' screen for 'Clarke, Tim'. It includes sections for 'Relationship Team', 'Investment Accounts', and 'Last Contacted'. The 'Relationship Team' table lists team members and their notification preferences. The 'Investment Accounts' table lists various accounts with their names, balances, and custodians. The 'Last Contacted' table shows the last contact details for the entity.

Your Client 360° and their Centers of Influence on Microsoft Dynamics 365

Mobility and unified communications:

The integrated solution should address the need to track multiple client communication channels, including voice, email, instant messaging and social networking. Ideally, it will give advisors “anytime, anywhere” access to client information through multiple devices, including tablets and smart phones.

Dashboards and content management:

Features that bring client information into sharp focus enable advisors to quickly spot trends and opportunities. The system should allow advisors to easily build personal, customized dashboards to include information that matters most to them.

Document management capabilities help streamline and safeguard the multiple types of content that an advisor has to manage, including client statements, agreements, investment policy statements and any other important documents that need to be stored and readily available for audit. Advisors should be able to easily classify, search, protect and easily recover vital client information.

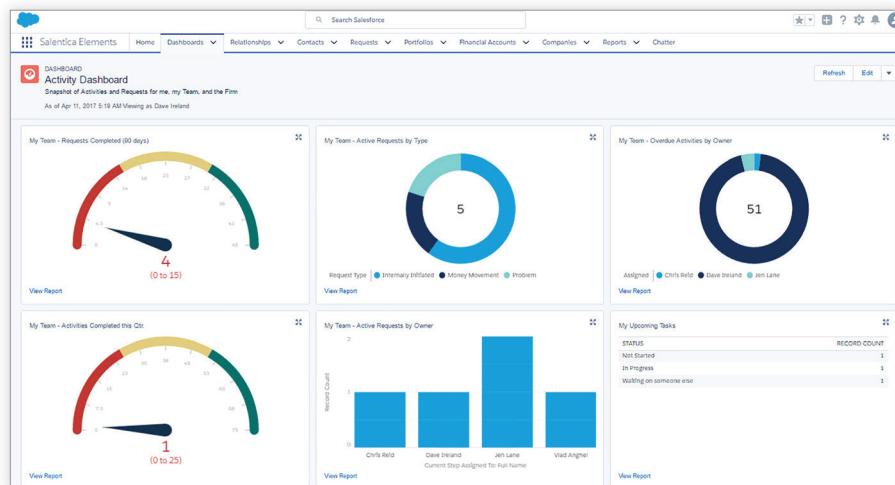
Form filling and e-signature:

Integration to a form filling application such as Laser App allows information to be updated directly from the CRM into industry-standard forms. Advisors and their teams should spend less time filling out forms while significantly reducing errors and processing delays through the elimination of manual entries and incomplete documentation. Leveraging E-Signature solutions, such as DocuSign®, will further speed agreement execution.

Reporting and business intelligence:

Client reporting is recognized as a key deliverable in an advisory relationship. Clients view comprehensive reporting tailored to their needs as a key differentiator and value-added service. However, clients want to see their reporting in a format and at a level of detail that meets their information needs. Advisors that can leverage more personalized reporting and deliver it through the channel of the client’s choosing will be able to tell their story more effectively and demonstrate value. Inclusion of held-away assets enables the advisor to show the client a complete wealth picture and achieve a “trusted advisor” status.

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Activity dashboard view on Force.com® by Salesforce

Through technological innovation, advisors and their firms can better manage the emerging challenges of today's market, improve operational efficiency and generate revenues.

Automated processes: Workflow automation has been one of the biggest advancements in CRM, resulting in significant time savings for advisors and their team. Repetitive and routine processes can be defined and executed by the comprehensive workflow engine. Advisors and their teams benefit from time savings, standard guided processes with automated follow-up on routine client service items, and easier compliance with firm policies and procedures.

These features of an Integrated Advisor Desktop promise to improve time efficiencies and "Not In Good Order" (NIGO) issues for wealth management firms, while enabling firms to build

business and client loyalty through the delivery of value-added service. Through technological innovation, advisors and their firms can better manage the emerging challenges of today's market, improve operational efficiency and generate revenues.

To learn more about how a CRM-powered integrated approach can support your practice, contact your SS&C or Salentica representative, or email

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