

PRACTICE MANAGEMENT & TECHNOLOGY



CLIENT RELATIONSHIP
MANAGEMENT SOFTWARE

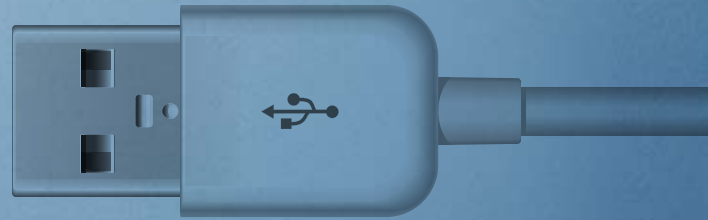
VIDEO MARKETING

SMART PHONE
APPLICATIONS

THE RIGHT
Tools

FOR THE JOB

WITH AN INCREASING NUMBER OF TECHNOLOGY
OPTIONS AVAILABLE EVERY DAY, THE CHALLENGE
FOR ADVISORS IS FINDING THE BEST FIT TO MEET
THE UNIQUE NEEDS OF THEIR PRACTICE.



THE RIGHT TOOLS

By STEPHEN CROWE

FOR THE JOB

IN TODAY'S LEANER BUSINESS ENVIRONMENT, making the most of technology dollars is crucial. Issues that advisors often grapple with include finding the right technology solutions for their budget, evaluating options from a seemingly endless menu of choices and getting buy-in from their staff and team members on new technology initiatives. Technology is evolving so rapidly that it can be a challenge for even the most tech-savvy advisors to keep up. Nonetheless, advisors are finding that investing in technology can produce significant dividends in terms of managing a more efficient—and more profitable—practice.

CRM—Easier Said Than Done

Client relationship management (CRM) software is one of the top business applications for advisors, second only to financial planning software, according to research by The Aite Group (*Efficiency in Wealth Management: Increasing Advisor Mobility*, January 2009). In its simplest format, CRM apps function as an electronic or paperless filing system, designed to help advisors manage client-related contact information, documents and tasks more efficiently. Depending on the type of software being used, a CRM system can also help advisors assign client service responsibilities to specific team members, prepare for client meetings, store voicemail, email and other messages and help advisors create checklists for tasks in progress.

“CRM is easy to say, but hard to do,” notes Dan Joss, a partner in Fox, Joss & Yankee who oversees the firm’s technology initiatives. “In addition to installing the system, you’ve got to train your partners and team members to use it consistently.” Joss adds that all of the advisors in his firm work collaboratively on client accounts, so it’s important for his team to have a centralized location to store and retrieve client information. The firm uses Junxure’s CRM software, which Joss finds intuitive and easy to use. While the application resides on the firm’s internal computer server, client information can still be accessed using mobile devices, such as laptops and cell phones. All of the partners in the firm currently use iPhones and can access client information from Junxure by phone when needed.

John Kailunas II, president of Regal Financial Group, notes that his firm has invested heavily in technology, especially in regard to CRM. With 110 advisors currently on staff, the firm maintains a formidable recruiting operation, staying in contact with thousands of advisors who have expressed an interest in learning more about their firm. They currently use Redtail’s web-based CRM tool for their advisor recruiting database.

On the client side, the firm is presently using ACT! but plans to eventually transition their client database to Redtail as well. “Whether we’re staying in touch with existing clients or advisors we’re trying to recruit, we use many different forms of contact, including phone, email and U.S. mail,” says Kailunas. “In addition to increased mobility,

Retail’s web-based CRM is helping us achieve more consistency among messages sent across all of our many types of communication.”

Getting Buy-In from Your Team

Mark LaSpisa, the managing advisor and president of Vermillion Financial Advisors, is currently heading up a search for a new CRM system for his firm. To get buy-in from his team on the new system, he’s including staff members who will actually be using the software on his search committee. “A common scenario with CRM or any technology purchases is that sometimes the president or a senior partner of a firm makes the decision to buy the software without consulting their staff,”

CRM VENDOR RESOURCES

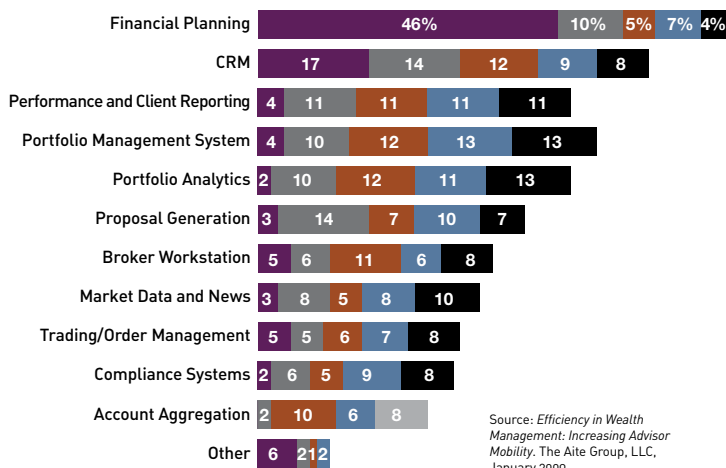
Act4Advisors (Allied Financial Software) software4advisors.com	800.831.7636
Advisors Assistant (Client Marketing Systems) climark.com	800.799.4267
AppCrown appcrown.com	888.989.8599
BigContacts bigcontacts.com	888.286.6578
Client Vision (Advice America) adviceamerica.com	510.824.3777
Galeforce galeforcesolutions.com	877.682.5855
Gorilla CRM (Bill Good Marketing) billgoodmarketing.com	800.678.1480
Junxure junxure.com	866.586.9873
Maximizer CRM maximizer.com	800.804.6299
Protracker Advantage protracker.com	603.926.8085
Redtail CRM redtailtechnology.com	800.206.5030
Salentica Advisor Desk salentica.com	212.672.1777 ext. 222
Salesforce CRM salesforce.com	800.667.6389
SmartOffice (Ebiz CRM) ez-data.com	800.777.9188
Solution 360° (IAS Software) iassoftware.com	800.821.7355
XLR8 (Moulten Strategic Partners) xlr8online.com	877.513.3862

Source: FPA-ActiFi Adviser Technology Reports: CRM Edition, 2010

TECHNOLOGY NEEDS

201 advisors ranked business applications in order of importance for their work.

RANK: 1 2 3 4 5



Source: *Efficiency in Wealth Management: Increasing Advisor Mobility*. The Aite Group, LLC, January 2009

says LaSpisa. “You can have all the technology you want but you need buy-in from your team to get it properly implemented.” LaSpisa notes that his firm started their due diligence process by talking with other advisors who are using some of the different software systems they are considering. “We actually go into their offices and see how they’re using them,” he says. “By including many of

full-time from home without interruption,” says Rothe. “I have access to everything at home just as if I was in the office.” To create a truly mobile office, Rothe is using Redtail’s web-based CRM system, as well as Packet8’s voice IP service. “If I get a voicemail and want to save it, I can link it up with a client file in Redtail,” says Rothe. “I can also easily make calls to clients from anywhere in the world and it looks like my calls are coming from my office,” he adds. “What’s more, if I’m waiting for a call from a specific client, I can have only calls from that client forwarded to my cell phone so I can answer the call right away.”

In terms of remote access, the line between web-based and internal-server-based CRM software packages is becoming somewhat blurred because CRM data for both types of systems is increasingly available on mobile devices. Even so, web-based applications may still offer some distinct advantages over those that require an internal server, notes Rothe. With a web-based application, for example, there are no software updates to be purchased or installed. There’s no need to sync multiple computers with a host computer and your data is always remotely accessible, even when the host computer at the office is turned off or the power in the building goes out. In addition, Rothe likes the fact that he can use a Mac at home and a PC at the office, moving seamlessly from one to the other using web-based applications.

PREPARING FOR A NEW FIDUCIARY STANDARD



Many industry watchers expect the regulatory environment for advisors to become more stringent, even if Congress doesn’t pass new laws governing fiduciary standards. “No matter what happens in Washington, I think that our existing regulatory bodies will be watching all advisory practices more closely in the future,”

says Bill Cramer, president of Envestnet. “It’s not enough to just manage portfolios well—you also need to document how you are making investment decisions and keeping portfolios aligned with an appropriate level of risk for each client.” In Cramer’s view, most advisors would prefer to spend

less time on compliance issues and more time working on the business they decided to go into. “I think that regulatory requirements for advisors are only going to get more complex and demanding over time,” he adds. “Technology is the way to scale, enable and keep track of all these requirements.”

our team members in the search process, we hope that our staff will truly embrace any new systems we purchase when it’s time to implement them.”

The Mobile Office

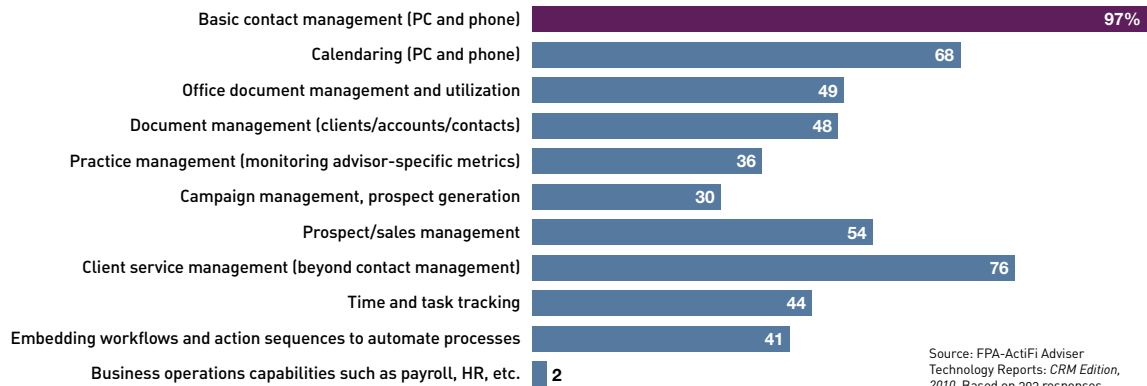
During one of the colossal snowstorms that hit the East Coast over the winter, John Rothe, president of the Rothe Financial Group, was literally trapped in his house for three days. “Our neighborhood was completely plowed in, but I had no problem working

Video Marketing

In addition to looking for ways to better serve existing clients, some advisors are incorporating technology into their strategies for attracting new clients. Bruce Raabe, president of Collins & Company, notes that his firm has recently added a library of videos featuring the firm’s principals and staff members to their website. “We’ve learned over the years that we’re quite successful at converting prospects to clients if we can get a face-to-face meeting,” says

USING CRM TOOLS

Advisors are using CRM software in a number of ways, including:



Raabe. “Having short videos of our team members discussing our process and approach to client service helps communicate our personality to prospective clients in a more personal way than a letter or brochure ever could.”

Raabe notes that a video can also function as a modern-day business card, one that can be easily passed around via email, DVD or a memory stick with the firm’s logo on it. “CPAs, estate planners or attorneys can forward our videos to their clients with ease,” says Raabe. “What’s more, the messages we want to communicate in the video can’t be distorted in transition. Prospects can hear from us directly, in our own words.”

Smart Phone Apps

While many smart phone apps are designed more for pleasure than business, the smart phone is becoming an increasingly versatile business tool. Gary Gordon, president of Park Pacific Financial, enjoys using the Bloomberg and CNBC Real-Time apps on his iPhone. “CNBC’s Real-Time app is pretty impressive,” says Gordon. “You know what’s happening immediately and you don’t have to wait 20 minutes,” he adds. “I also like the Bloomberg app because everything that’s anything is going

to be on Bloomberg news—I believe it’s the best news on financial markets,” he concludes. While Gordon uses the iPhone, most of his colleagues use a BlackBerry. Both the Bloomberg and CNBC Real-Time mobiles apps are available for iPhone and BlackBerry, reflecting the popularity of each smart phone.

Making the Most of Your Tech Dollars

For solo practitioners to the largest advisory firms, technology plays a key role in improving practice management. The difficulty, of course, for many advisors is the constant struggle of how to allocate enough time, energy and resources to review and upgrade technology when needed. While no one approach will fit every firm, common sense often prevails. Many advisors start their technology searches by asking other advisors with similar practices what they are using. Some assign a senior partner or staff member from their team to be a primary coordinator for technology decisions. Many involve key team players in any major new technology initiatives. And some advisors suggest hiring a technology consultant if you lack the time, knowledge, interest or human resources for conducting your own search of new technology solutions. ■

