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July 2009

Gleanings . . .

By Chip Kispert,
Editor of The Beacon & Managing Director of Beacon Strategies, LLC



Writing this column is my most cherished monthly activity. It affords me the opportunity every thirty days to reflect on my actions, and to ponder the conversations that I have with many of you. Add in our monthly surveys, and trends appear out of the mist. My focus this month is integration. I do not know if I would call it a trend, but more of a movement. Broker-dealers have desired integration for a long time, yet their needs have never been fully fulfilled. Today, things have changed. Ironically, the vendors are the ones driving

integration. And that is great.

Today, the technology and process pieces of the broker-dealer marketplace are liquid. You might say, "I don't understand?" At broker-dealers today, all the pieces of the technology and process puzzle are not tied together. At 95% of all broker-dealers, human hands are in the mix, somewhere. And the area that causes the most pain usually is in the transition of data from the front office (reps) to the back office (home office).

Now I say liquid because there are silos where automation is present. An example may be account on boarding and compliance. Some of the solutions allow for the movement of meta-data, but most broker-dealers still mandate the paper move. What else is all that valuable data that you are capturing doing? Are you exporting it out to financial planning systems or performance engines? Most systems have common data demands. And today most broker-dealers live in the world of silos and managing their demands any way they can, even if it destroys productivity, rather than tying tools together to improve productivity, profitability, oversight and recruiting. That is what I mean by not being liquid.

The perfect world for a broker-dealer is to move meta-data, not paper. To move client data, transactional data, and cashing data in meta-data form is more cost effective and safer from an accountability and oversight perspective. Now, thankfully, over the last few years we have seen a movement toward this philosophy within the vendor community. Vendor firms have moved from a proprietary stance, to integration with a "best-of" stance. Leaders in the integration movement have been CRM firms like E*Assist (Salesforce.com), EZ Data and RedTail Technologies. Others that are active integrators include LaserAp, Quik!, Money Guide Pro, EMoney, Docupace and LaserFiche. And these firms are doing new work that is blurring the lines between front and back office. I would also add GenTech to this group as a middle office portal solution that integrates CRM, account opening, compliance, imaging, plus a communications platform. The beauty of the integration movement is the options that are delivered to those that strive for independence.

I would be remiss if I did not mention the work that clearing firms have done recently to building out their platforms. National Financial, with its integration of Thomson One has added wealth, wealth and client management capabilities to its Streetscape platform. Pershing's *NetX360* is incorporating "best of breed" integration with vendor partnerships. Additionally, they are releasing portfolio-reporting packages. So to those that see the benefit of the brokerage platform, integration is and will continue to bloom.

In our newsletter this month we are featuring CRM. We have articles from E*Assist, EZ Data and RedTail Technologies. We hope that you enjoy these pieces, and of course, if

you have any questions please do not hesitate to call.

Please call or email if you have any questions.

All the best,

Chip Kispert, *Editor*

[Link to The Leading Industry Strategy Group for Broker-Dealers](#)

Integration: A Key Component of a Broker/Dealer Business Model

Ted Tsung,
CEO E*Assist



The business of broker-dealers is changing. In their quest to succeed, broker/dealers must become nimble, flexible, and remain competitive. In response, leading broker-dealers have embraced Customer Relations Management (CRM) technology solutions, adopting the integration mantra, to allow their advisors with the capability to integrate 3rd party technology through a single portal.

Currently, broker-dealers face the challenge of offering to their reps a single software provider per software category. Although your advisors may have to sign-on just once to gain access to your software, they may not necessarily be able to communicate to other 3rd party applications. In addition, your current technology will, likely, not be capable of enabling your reps to effortlessly enter information into multiple applications and, more importantly, in real-time. Regrettably, these challenges create a series of consequences for the advisor, including lost productivity, increased inefficiencies and lost opportunity in servicing client relationships. When integration business processes are streamlined efficiently, advisors are able to communicate and access 3rd party software, seamlessly, through a single platform.

There are three key characteristics that broker/dealers should look for in a complete CRM solution. These are: intuitive user navigation, flexible customizable capabilities and cost effective for their advisors.

The goal and end result for CRM integration is clear and simple: Communication. Communication is key for advisors, and to better this goal an intelligent collaboration between technologies used by broker-dealers and their advisors must be attained. This will enable firms to streamline processes and work through a single interface-where updating one field within the CRM updates every other field throughout the 3rd party application in one sweeping, simultaneous motion.

With recent industry developments and the need for better consolidation amongst all business processes to generate increased profitability and lower costs, CRM technology has evolved from being an additional application to a business building solution.

E*Assist LLC, a New York based CRM solution for Broker Dealers and Independent Advisors, comes to mind as the industry standard CRM solution to allow firms to integrate 3rd party software. E*Assist's technology seamlessly integrates with those of leading custodians and clearing firms, along with data aggregation, portfolio accounting, and financial planning software via a single online CRM portal.

The firm was founded with the sole purpose on becoming the standard integrating solution that armed broker-dealers and their advisors with the technology to run a competitive business. E*Assist has achieved significant recognition and success due to its strategic partnership with Salesforce.com, a leading global CRM provider. E*Assist's CRM allows cost reduction, fast deployment, capacity on demand, and ease of maintenance for both E*Assist and the broker-dealers who adopt its technology. Currently, the majority of E*Assist's clients clear to Pershing and the platform has over \$4 billion in assets under integration.

Given the fact that Salesforce is an industry CRM leader covering over 1.2 million users worldwide and that E*Assist provides a compelling yet cost-effective solution- it does beg the question to broker-dealers out there; "Why haven't you integrated yet?"

[Link to E*Assist . . .](#)

CRM Perspectives: Finding the Right Fit for Your Business - and Your Reps

Ashish Kale,
Director,
Wealth
Management
Systems
Development
E-Z Data



To attract and retain top producers, you need to deliver greater value than your competition. For many Broker-Dealers and firms with multiple offices, one piece of that differentiated value lies in flexible, integrated CRM solutions that help your reps achieve their own business goals faster and easier than in the past.

From a pure functionality perspective, the basic needs of advisors remain constant. Ask any advisor and you'll hear the same demands:

- "I need a more holistic view of my clients - not just high level contact information."
- "I need a better way to track and manage investments and policies."
- "I need direct data downloads for investments, enforce policies, and pending cases."
- "I need a way to identify marketing, service, and sales opportunities that exist in my database."

And while all of these demands are reasonable (and even 'must-haves' for a growing practice), both the rep and the Broker-Dealer must deal with the ever-growing nightmare of compliance. This requires eliminating confidential data from all laptops, tracking and recording every client interaction, and addressing SEC data storage requirements, just to name what many perceive as the top three.

The key to success is finding the right web-based solution to fit your unique needs. Every Broker-Dealer is different. From sheer size, to the maturity of your business, to individual personality, no single solution fits every need. While it's clear that both you and your reps need more than simple contact management, to determine the right, industry-focused CRM solution for your business, you may want to ask yourself these questions:

- What are the top three CRM needs of our reps? What are they asking for the most?
- How can we leverage CRM to identify actionable items that drive growth?
- From which industry-focused tools would our reps derive the greatest marketing, sales, service, and compliance value?
- What integrations do our reps needs the most? Which tools do they already have in place?
- How much should our solution be required to support compliance? Which solutions can ease the burden of this task most effectively?
- What would make it easier for our reps to do business with us?

With these questions answered, you can deliver the right CRM 'hub' for your reps, delivering a plug-and-play environment that can drive rep retention by delivering the highest possible level of value through technology. You can take this value even farther by delivering content and communication to your reps directly through your CRM - including practice-specific dashboards, centralized marketing assistance, product recommendations, and dynamic reports. By helping everyone across your business understand how to maximize the benefits of deep CRM, you can achieve your business goals by addressing your reps most pressing challenges, managing compliance complexities, and attracting and retaining top producers to drive the future of your business.

Consider SmartOffice® when seeking out the 'right fit' for your firm. SmartOffice offers:

- Data Security: anywhere, anytime data access without the risk of a 'data footprint'
- Comprehensive View of Every Client: from contact and household information,

to current investments, policies, and other holdings

- Auditable Communication Trail: meets SEC 17-a3 and 17-a4 data storage requirements
- Flexible, Integrated Solution: Library of components to scale to any need, coupled with industry integrations and downloads, including data aggregation (Albridge, Investigo), forms (Laser App, Quik! Forms), financial planning (MoneyGuidePro, EISI Financial Profiles), and document imaging (Docupace, PaperClip)

[Link to EZ Data ...](#)

Systematizing Success

Brian
McLaughlin,
CEO RedTail
Technologies

Improving the quality and consistency of your client interactions is one of the more reliable methods of building client trust. Structuring your business activities as executable processes that you and those in your office can easily follow and track is a necessity if you want to insure that your client interactions achieve the quality and consistency for which you are striving.

A well-implemented CRM system can help you achieve business efficiencies and costs savings by helping you to:

- Make the best use of your time.
- Plan your free/busy periods in advance.
- Provide structure to how you work.
- Organize the activities of your staff and review what everyone in your office is doing each day.
- Reassign activities to the best resource within your organization.
- Use checklists and workflows to make your business process driven.

CRM is ultimately about not only acquiring and managing your clients and prospects - it's also about servicing them and, in turn, extracting value from the relationships. At the same time, it's about doing all of these things while simultaneously improving operational efficiency.

One of the main things you need to recognize early in the process of CRM selection is that your success with CRM will depend largely upon how well you have defined the processes that have contributed to your day-to-day operations. Contact management is at the heart of CRM, but to truly put your CRM to work within your firm you need to recreate automated procedures within your CRM that reflect your current successful processes. It's probably a good idea to begin mapping out these processes while you're shopping for a solution to your CRM needs - you can then recreate them in demo accounts (with those vendors that provide demos) to see how well a particular CRM will allow you to mirror your processes.

Mapping out your processes during the CRM search also allows you to see areas where your processes may not be defined clearly enough to achieve consistency as well as areas where your processes may need to be revamped. You should take the opportunity to critique your current issues with customer management and develop the processes that you believe will help you overcome them- when you do deploy your new CRM system you'll be armed with a set of processes that you can put into action quickly.

Whether it's sending out birthday cards, setting up client reviews or making updates to a client record after a marriage, divorce or death in the family, it's the little things that set you apart in a crowded field of financial advisors. Systemizing everything prevents the little things, the details, from slipping away from you. As you build trust with your clients through continued consistency, they will grow more comfortable with referring you to others. If you have your processes in place, your CRM system will allow you to easily incorporate new clients and to provide them with the level of service for which you are striving to build a reputation.

[Link to RedTail Technologies ...](#)

Editorial Calendar

Our monthly calendar and the subject matter we will cover in 2009:

- **February** - Forms Management & Account On-Boarding
- **March** - Imaging Systems
- **April** - Compliance
- **May** - Data Aggregation
- **June** - Marketing Tools
- **July** - Client Relationship Management
- **August** - Commission Processing
- **September** - Email Surveillance
- **October** - Financial Planning
- **November** - RIA Reporting
- **December** - Training
- **December II** - Best of . . .



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