



eMoney Opens New Markets for Fast Growing Advisor

A CASE STUDY BY

eMoney
Advisor



INTRODUCTION

For 15 years, Heron Wealth operated as an individual “lifestyle” practice, allowing its owner, David Edwards, to pursue a comfortable family life in New York City. In 2011 however, David’s children left for university and he found himself reconsidering the direction of his business.

As he noted at the time, “The period of ‘trial and error’ is over. I need to rebuild this firm from the ground up using 100% ‘best practices’ in everything we do.” So David set his sights on growing his firm dramatically, with a goal of going from \$65 million AUM to a lofty \$1 billion.

The following case study reveals how a one-man shop growing assets at a 5% annual rate transformed into a hyper-productive team growing AUM 30-40% annually.



BUSINESS PROFILE

- Advisory Model
SEC RIA
- Executive Leadership
David Edwards, Founder & President
- Headquarters
**205 East 42nd Street
20th Floor
New York, NY 10017**
- Years in Business
**15 years as solo
5 years as team**
- Number of Advisors
4
- Assets Under Management
\$300 million



BUILDING THE BIONIC ADVISOR

In late 2011, David came to the conclusion that in order to reach a target growth rate of 50%, a lot would need to change.

The first step in that change began with the firm's functional architecture. As he saw it, a well-run RIA was built like a pyramid; approaching each aspect of that pyramid was the key to success.

Technology, cybersecurity, operations and compliance were the foundation of the firm. Without a solid base, the rest of the structure was unsound.

Financial planning, investment management (trading, portfolio rebalancing, research), and estate planning were the core client offerings – those services had to be robust.

He then defined an ideal client profile and restructured the firm's marketing and business development processes to focus solely on identifying and onboarding those ideal clients.

Next, he hired team members to fulfill specific functions within the pyramid and outsourced other functions to strategic partners.

David also systematically replaced all legacy client-facing and firm-facing systems. At the heart of that change was eMoney, which was tightly integrated with the firm's CRM, custodial platform, and client reporting. This technology package was the breakthrough in building the Bionic Advisor.

With the other functional areas rock solid, David no longer spent a significant amount of time on management, going from 80% of his work week spent running the firm to 80% talking to clients and prospects.

In 2013, the first year after the strategic transformation, assets grew 67%. Within four years, the team grew from one to six people and assets more than quadrupled.





THE CLIENT ACQUISITION PIPELINE

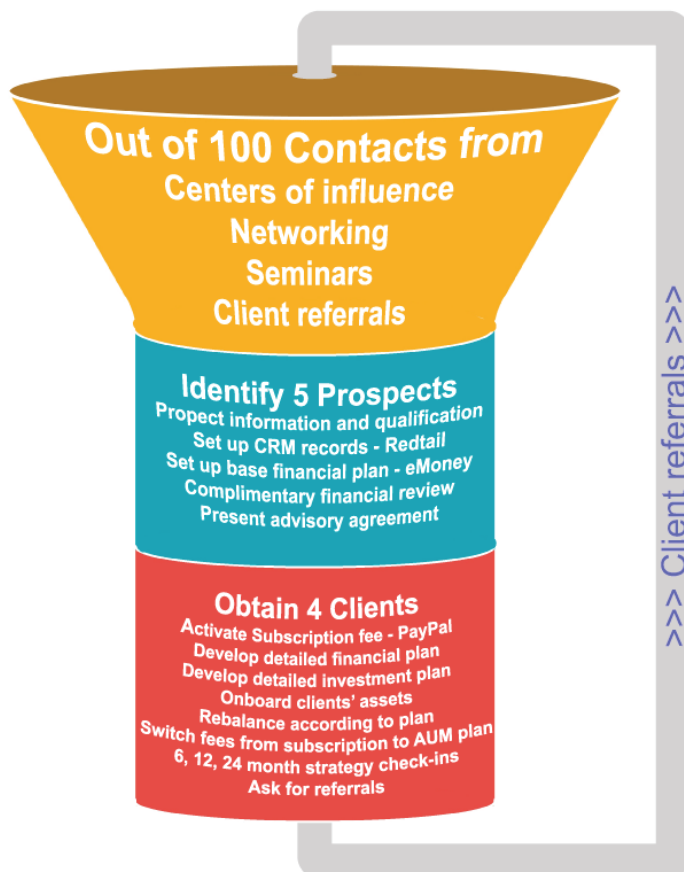
Prior to 2012, Heron Wealth's client discovery process had no clearly defined ideal client. As a consequence, David spent an inordinate amount of time pitching unqualified prospects.

The sales cycle averaged six months, but lasted years in some cases. And overall, Heron Wealth suffered from a low growth rate in assets; and its owner, David, suffered from low professional satisfaction.

The first step in streamlining the acquisition of clients began with an inventory of the firm's ideal client. They had found that this client tended to be a business executive between 40-60 years old with \$1-10 million in investable assets, and who had recently undergone a transitional life event (i.e. new job, receipt of stock or stock options, inheritance, marriage, divorce, birth of a child or grandchild). In short, these prospects were thinking about their money as a whole and looking to make changes.

With an ideal client persona in place, Heron Wealth then set about systemizing the client acquisition process.

On average, Heron meets 100 contacts each month through networking, client referrals, centers of influence and seminars. Any of these 100 contacts could be clients, but only five meet the firm's criteria AND have a pressing need for financial advice. David and his team lead these five prospects through a systematic discovery and onboarding process, which converts five prospects to four clients – an 80% win rate!





CHECKLIST & AUTOMATION CREATE EFFICIENCIES

To understand how Heron Wealth created efficiencies within the business, it helps to look at the practices of their owner and chief advisor, David Edwards. During an initial 45-minute prospect conversation, David makes notes on a “Prospect Information and Qualification” document. By the end of the first meeting, he knows if he wants to proceed with that particular client and has captured all the client’s base facts.

David then hands off the information sheet to a client specialist. Within 30 minutes, the specialist creates family records within the firm’s CRM, which immediately triggers the creation of a client portal on eMoney.

The client receives an emailed link to complete the eMoney onboarding process, answer questions, connect accounts and upload documents.

Alternatively, the client may elect to fill out an 8-page PDF questionnaire, which can be uploaded to the client vault or returned by mail. Within 24 hours of the client answering basic questions, David is ready with the client’s “base case” financial plan.

The second meeting with the client is an opportunity to double check the information provided, learn more about the client’s “hot topics,” and show off the firm’s capabilities. These meetings generally last two hours, of which the last 15 minutes are spent discussing Heron Wealth’s advisory agreement with the client.

David explains that they can only proceed after both parties understand the rights and obligations created by offering financial advice. Heron Wealth is happy to provide further advice, but the client must first read, understand, sign, and return the advisory agreement.

The advisory agreement requires that the client subscribes to monthly financial planning through Heron Wealth’s PayPal page. The agreement also includes an automatic transition to an AUM-based fee once the client transfers in assets.

Prospects looking for free advice generally exit the process at this point rather than pay the subscription fee, saving valuable firm resources for more qualified prospects.

David then develops the client’s detailed financial plan (with alternatives) and prepares the investment plan. When the client agrees to the overall strategy, he presents the account applications and transfer documents. And since the client has already signed the advisory agreement, turn around on the account applications is brisk.

At present, the sales cycle averages three months, with a firm goal of reducing that to six weeks.



FOCUS ON THE NEXT GENERATION OF CLIENTS

Prior to using eMoney, Heron Wealth used a paper-based financial planning tool. With that tool, whenever a client's assumptions changed, they had to generate a new set of PDF reports that would then be sent to the client.

Using this system, they spent six to ten hours just preparing a client's base financial plan. Such work was cost-effective only for clients with at least \$1 million in investable assets, which led the firm to ask, "What could they possibly do for the 25-year-old sons and daughters of current clients?"

As it stood, the best they could offer such clients would be to say, "Hey X, I would love to work with you. Could you circle back to me when you have a million dollars?"

But as David noted at the time, there was a rapidly growing market of HENRY clients (High Earning, Not Rich Yet). These prospects might earn a six figure salary engineering phone apps, but struggle to pay off college loans. How could Heron Wealth serve these clients who had no significant assets?

The answer was using eMoney. eMoney's financial planning software it allowed the firm to create a base plan for younger clients in as little as 30 minutes, making the process cost-effective.

They also realized that younger clients had different expectations about how to work with an advisor. Forget annual strategy meetings, these clients expected advice 24/7, delivered via text.

These differences translated into a lower cost of service for younger clients, so Heron established aged-based minimums to compensate for the different service models:

- 50 and up - \$1 million
- 45-49 - \$500K
- 36-44 - \$250K
- 35 and younger – no minimum

Younger clients receive services based on Heron's subscription model and transition to the AUM fee once assets exceed \$150K for an individual or \$300K for a family.



Pictured above: David and Shelley Fischer, director of financial planning, continue to work with Heron's boomer age clients, but younger advisors Samantha Gorelick and Elizabeth Caputo work with Heron's gen-X and millennial clients. And as Heron continues to add more advisors, the focus of growth will be on clients 50 and younger.



“INFORMATION IS UNIVERSAL, BUT TIME IS LIMITED”

“Information is universal, but time is limited. Working professionals need wealth guidance that fits into their lives; Heron works to ensure that the experience of financial management is direct, not time-consuming or complicated.”

– David Edwards, President

ABOUT HERON WEALTH

Heron Financial Group is a Registered Investment Advisor firm serving individuals and families across the United States, Europe, Asia and Latin America.

Clients are owners of businesses, corporate executives, managing partners of law firms, financial institutions and consultancies, and rising professionals.

Heron’s purpose is to clarify and simplify the means by which clients achieve their financial goals.

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FEATURES & BENEFITS OF HERON SERVICES:

- Financial planning, investment advice, and estate planning from experts
- Saving, budgeting and planning for life transitions such as the birth of a child, a career change or an inheritance
- Ongoing education and guidance from the advisor team at Heron
- Personal financial plan accessible 24/7 on PC, tablet and Smartphone
- Real-time account balances, spending and budget information
- Clear projections and alternative scenarios
- Purpose-based asset allocation
- Portfolios specifically designed for a client’s goals and risk profile
- Systematic rebalancing to control risk while minimizing taxes

eMoney Advisor

eMoney Advisor, LLC (“eMoney”), based in Radnor, Pennsylvania, is the only wealth-planning system for financial advisors and firms that offers superior transparency, accessibility, security, and organization for everything that affects their clients’ financial lives. A technology envisioned and created by advisors for advisors, eMoney’s award-winning software and resources are tailored to transform the advisor’s ability to implement comprehensive financial plans and prepare their clients for a secure financial future.

Through their emX Product Suite, their technology delivers a seamless digital wealth management experience to help advisors and firms differentiate their offering and strengthen their client relationships as the industry landscape shifts, client expectations increase, and competition grows. For more information, please visit www.emoneyadvisor.com.