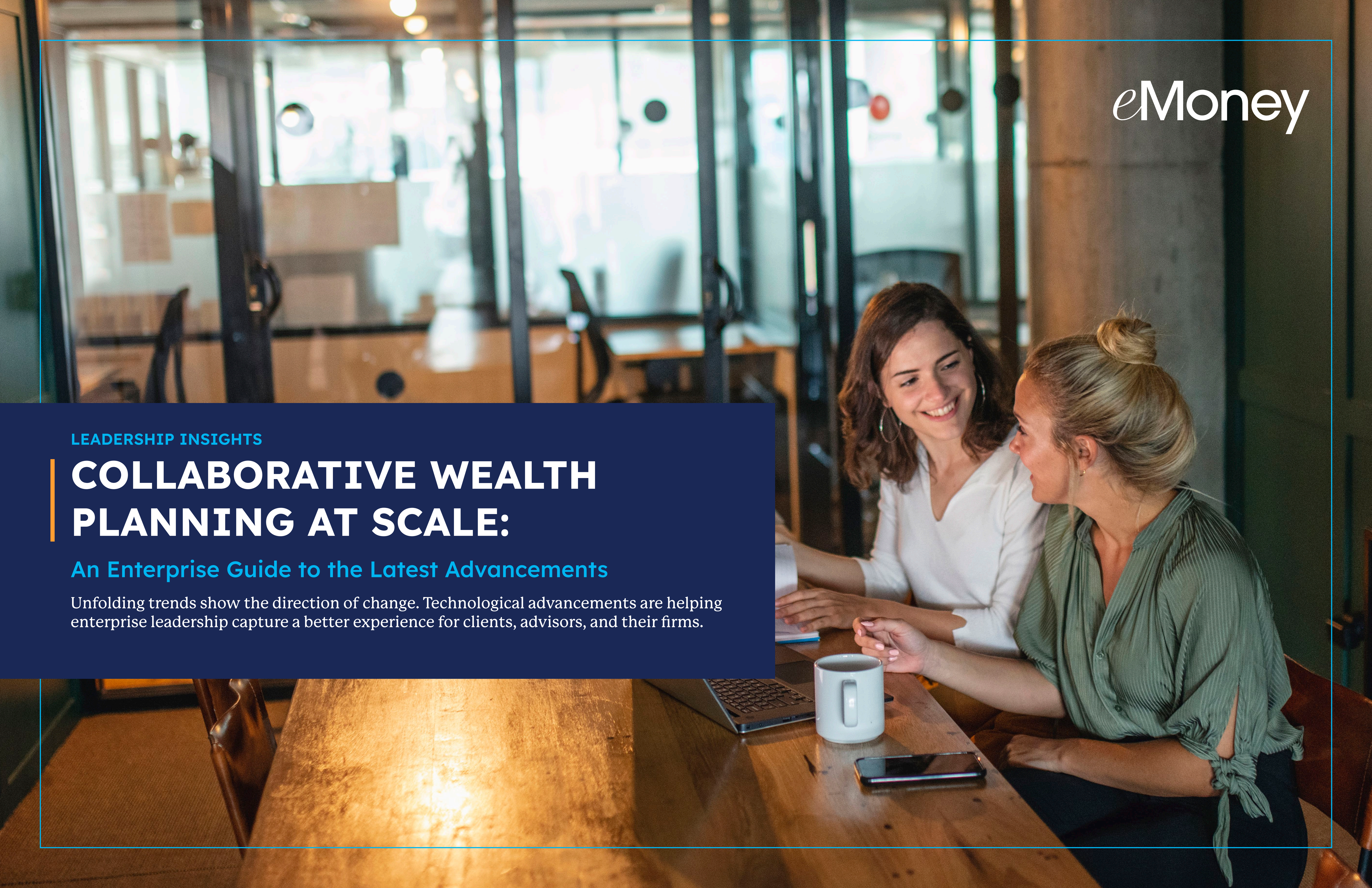

eMoney

LEADERSHIP INSIGHTS

COLLABORATIVE WEALTH PLANNING AT SCALE:

An Enterprise Guide to the Latest Advancements

Unfolding trends show the direction of change. Technological advancements are helping enterprise leadership capture a better experience for clients, advisors, and their firms.

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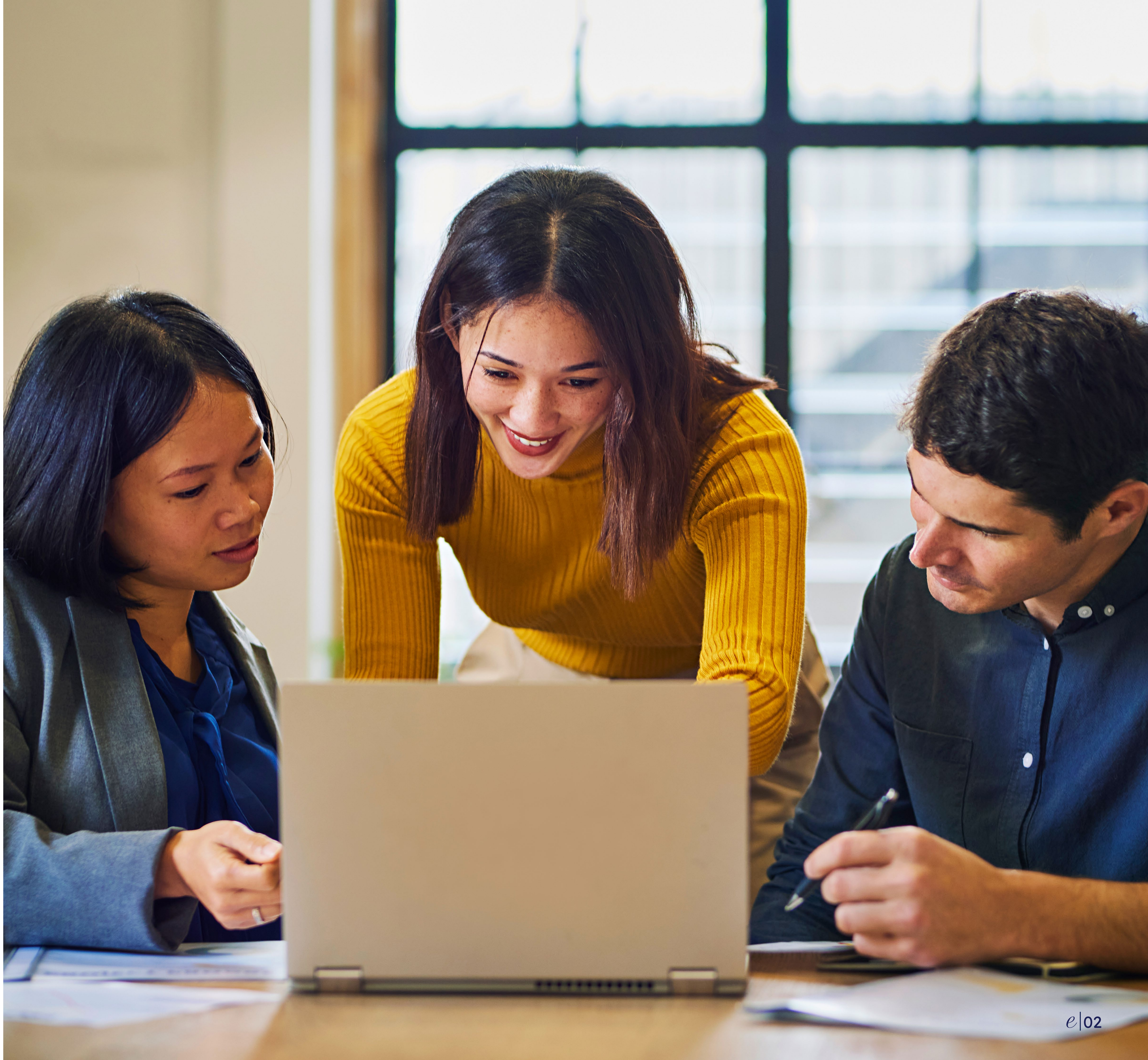
KEY TAKEAWAYS

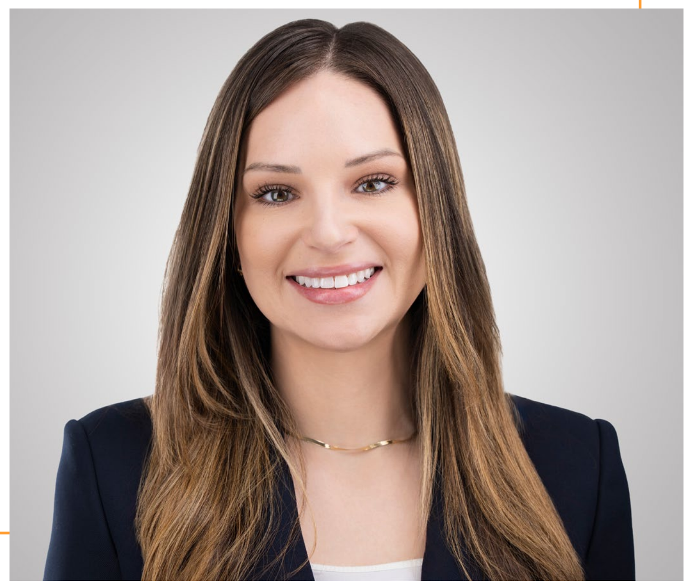
The wealth management industry is pivoting away from a sales-driven approach toward a culture of collaborative planning, prompted by evolving client needs and technological advancements.

As wealth management leaders look to scale collaborative planning efficiently and effectively, breakthrough technology solutions are rising to meet their needs.

When done right, an integrated platform provides a multiplier effect of self-sustaining momentum for the client, advisor, and firm.



AUTHORS



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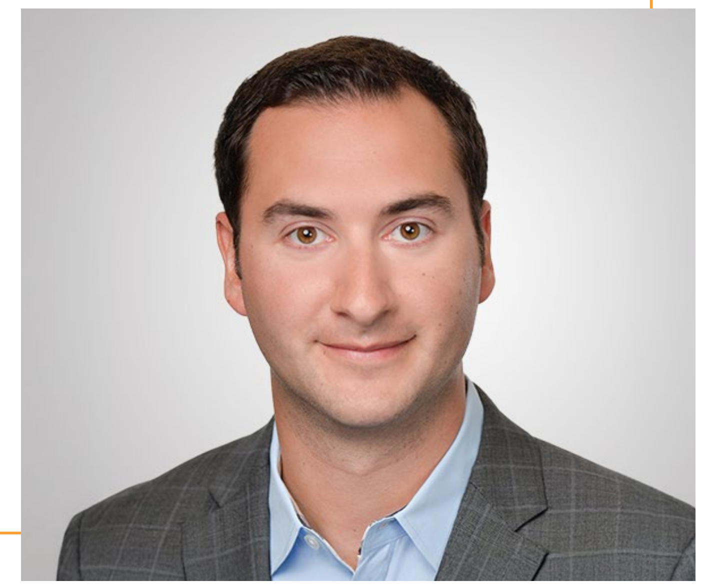
Manager of Financial Wellness at eMoney Advisor

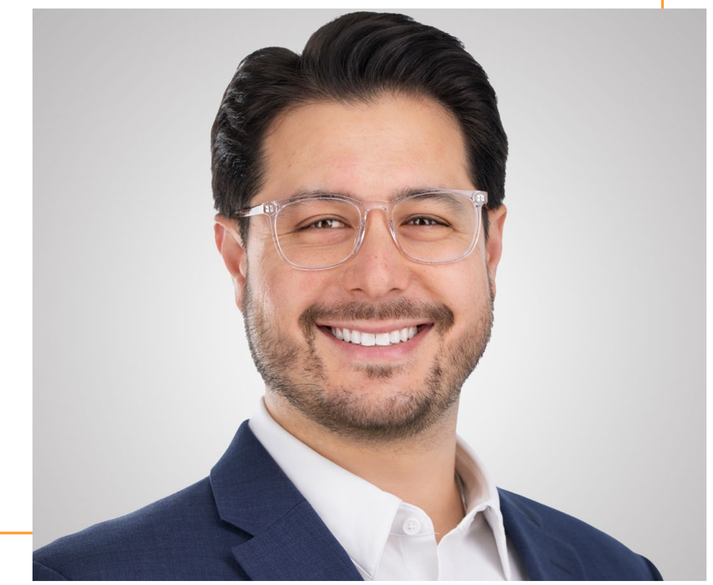
Dr. Emily Koochel, an experienced financial professional, academic, and researcher, leads eMoney Advisor's Financial Education and Wellness initiatives. Her PhD in Applied Family Science and Master's in Financial Planning provide a multidisciplinary lens to inform her work on understanding the effect of financial behaviors and financial decision making on personal and financial wellness. She contributes to peer-reviewed articles, co-authored the CFP Board's book, The Psychology of Financial Planning, and was awarded 2020 Outstanding Research Journal Article of the Year by the Association for Financial Counseling and Planning Education. She holds the Certified Financial Therapist – I designation and is an Accredited Financial Counselor and Behavioral Financial Advisor.



Chad Porche

Senior Vice President of Product at eMoney Advisor

Chad Porche is the Senior Vice President of Product Management & Design at eMoney Advisor. He joined eMoney in 2010 and leads the development of eMoney's award-winning advisor and client applications. With a background in product management and user experience design, Chad drives innovation across the company's holistic wealth planning platform. Under his leadership, eMoney has earned recognition for industry-leading solutions, intuitive functionality, and digital engagement. He holds a degree in Digital Media from Drexel University and is based in Philadelphia, PA with his wife and two daughters.



Connor Sung

Director of Financial Planning at eMoney Advisor

Connor helps clients build more successful practices and deepen client relationships. He leads an exceptional team of financial professionals who help clients transform their technology platform and financial planning processes to increase efficiency, drive growth, and create planning-led user experiences. He oversees eMoney's financial wellness strategy, as well as internal and external financial education programs, aimed at providing financial peace of mind for all. Joining eMoney in 2013, Connor has over 10 years of technology, practice management, and planning experience. He earned a Bachelor's degree from James Madison University, and earned his CFP® designation in 2016.

A focus on money management alone is no longer enough to provide long-term value to clients. As clients demand a more collaborative, personalized experience from their financial advisors, the wealth management industry must shift to meet their needs. By understanding the drivers of change, as well as the challenges many large enterprises face in maximizing the value of financial planning, firms can scale collaboration and prepare for long-term success.

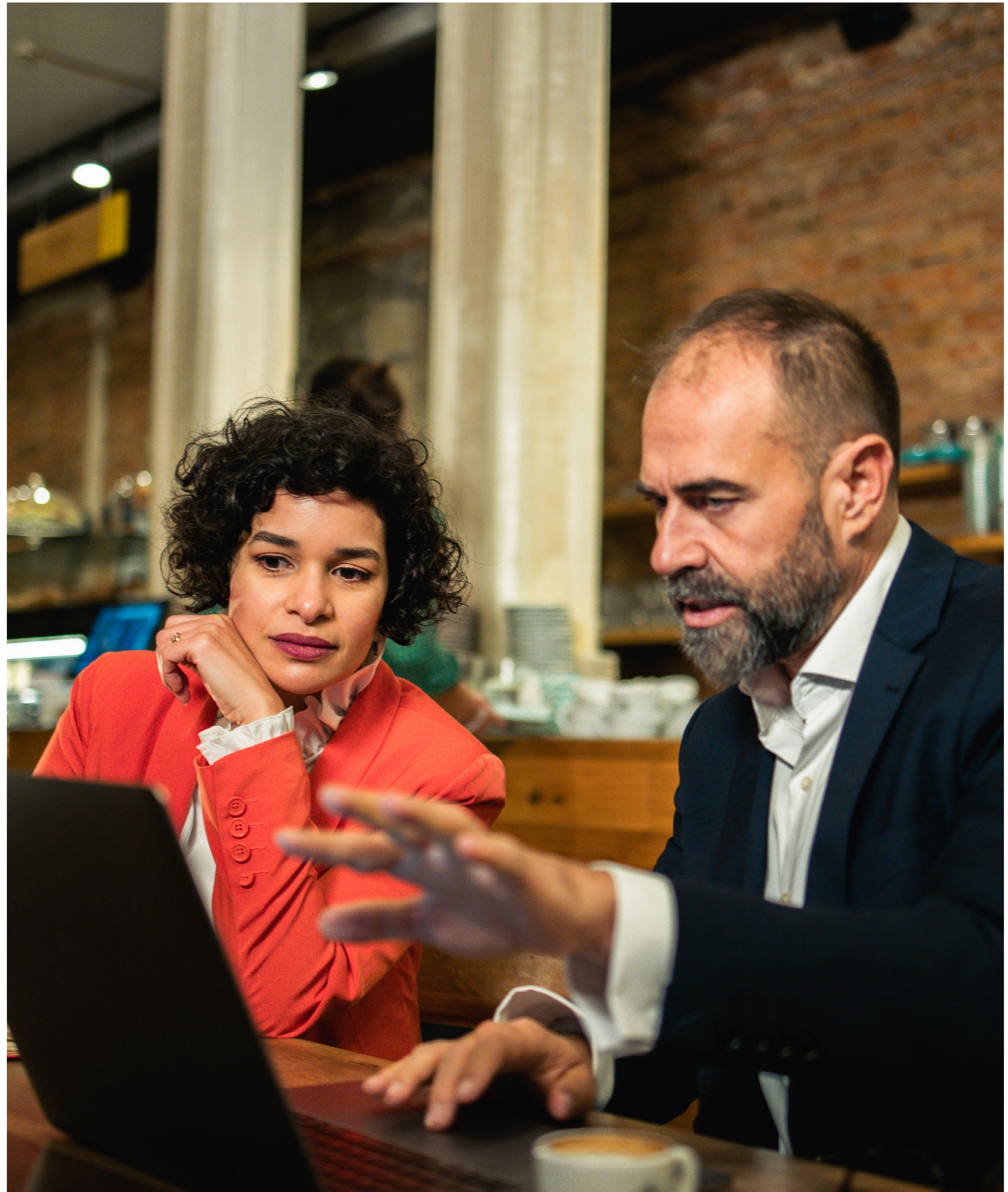
THE CASE FOR COLLABORATIVE PLANNING

Collaborative planning—defined as financial advisors and their clients working together on a financial planning task—is rapidly becoming an expectation from clients today. According to recent research, 78 percent of clients want to be actively involved in their financial planning process.[1]

As financial planning evolves into a partnership between advisor and client, firms must enable their advisors to connect with clients and work with them to build financial strategies that align with their goals and values. While implementing collaborative planning at scale may seem difficult, it will be a critical driver for any firm's future growth and success. The numbers bear this out[1]:

- **Advisors who actively plan with clients have nearly double the assets under management (AUM)**
- **Complex plans generate 21 percent more revenue than simple plans**
- **Those who prioritize collaboration see 33 percent more annual referrals than peers**

Collaborative planning can also streamline work efficiency for advisors and allow them to develop deeper relationships that can drive revenue through new business or by expanding the services offered to current clients.



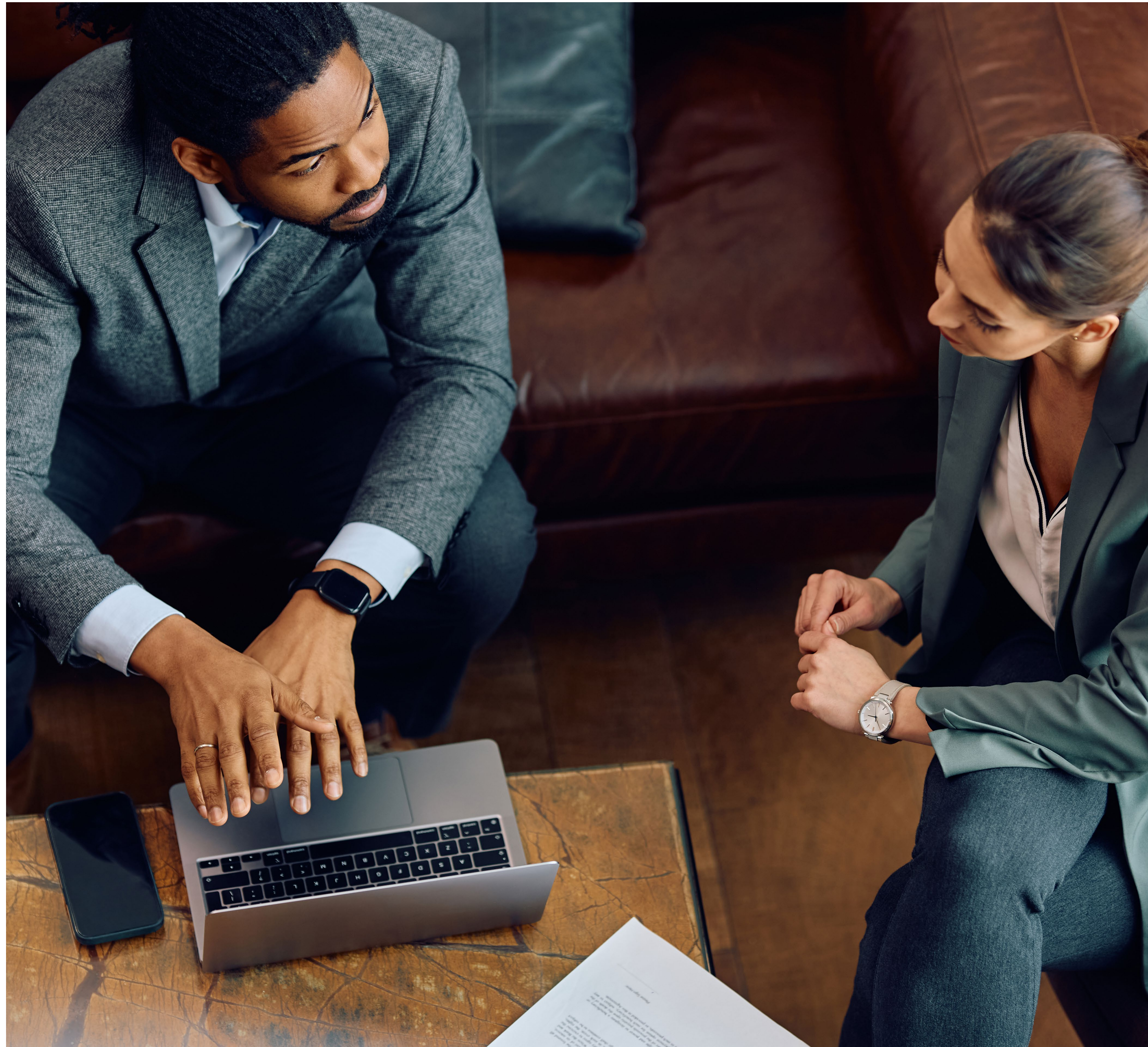
> "Home offices are striving to equip advisors with the right tech and data insights to expand planning relationships with new and existing clients in a scalable way. To do so, they'll need to build a tech stack that empowers advisors to engage clients, plan efficiently, and leverage the full power of the data available to them."

Connor Sung,
CFP, Director of Financial Planning
at eMoney Advisor.

OVERCOMING CHALLENGES TO SCALING COLLABORATIVE PLANNING

Choosing the technology that facilitates and scales collaborative planning is a top concern among wealth management leaders. At large enterprise firms, leadership teams are looking for solutions to help drive this change without sacrificing operational efficiency. To successfully implement a fully integrated tech stack that empowers advisors to scale while providing customized client experiences, understanding the key challenges that firms face—and how breakthrough technology can help—is key.

> “Without the right technology, the traditional model of one-to-one advisor-client relationships cannot scale when you add in advice—and guidance-driven discussions and personalization.”
>
> Chad Porche, Senior Vice President of Product at eMoney Advisor.

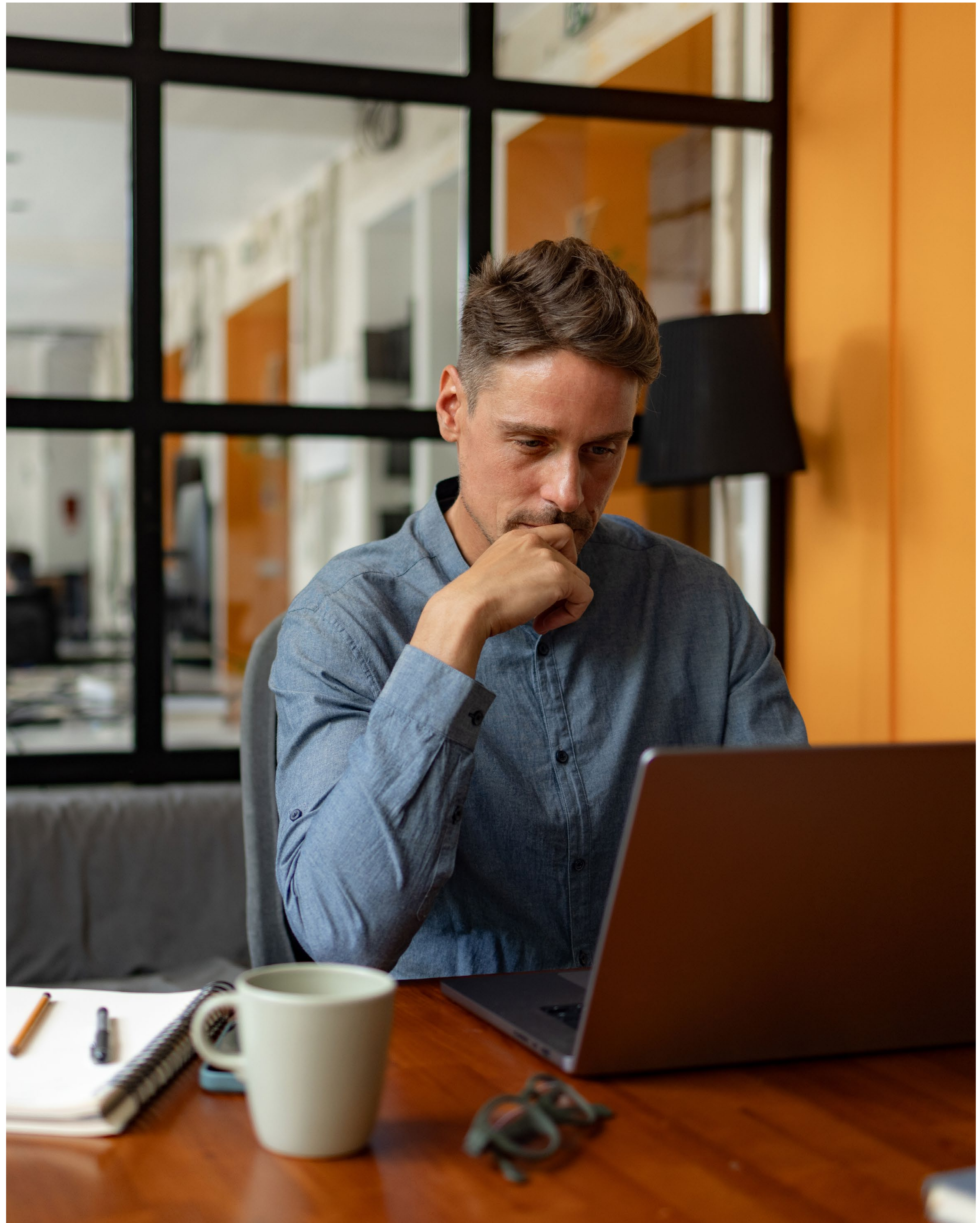


CHALLENGE 1:

Collecting Client Data and Building a Holistic Financial Picture

The successful gathering of all the necessary financial data and information when onboarding a new client remains a significant pain point for many financial advisors. Over the years, clients have likely diversified their financial portfolios, and when attempting to pull all the data into one platform, critical information can be forgotten or missed.

At the same time, the manual process of gathering financial information and data can also lead to missed opportunities for financial advisors to solidify new relationships. Clients want and need a holistic view of their finances, which enables advisors to offer the type of personalized experience clients have come to expect as part of the planning process. Without complete data, advisors do not have the ability to engage in deeper discussions with clients about their finances—resulting in lost revenue opportunities and potential sales of other services.



SOLUTION:

Accurate, Reliable, Planning-focused Account Aggregation

Account aggregation allows for a comprehensive view of an individual's financial picture, which is table stakes in enterprise firms' pursuit of personalized planning. This is not only an enormous benefit for the advisor, but for the clients themselves. The ability to view a full picture of their finances is something they have likely never had before.

Having a holistic view of a client's finances gives financial professionals the ability to identify and capitalize on held-away assets to grow assets under management (AUM). Additionally, if the aggregator is regularly updating financial data, not only is the leg work of onboarding greatly reduced, the work of continuously updating a client's financial info is also lessened and the planner can make more accurate, personalized recommendations as clients' lives evolve.

There are multiple ways in which accounts can be aggregated, but connections built via application programming interfaces (APIs) are the safest and most secure forms of account aggregation. Firms will want to assess an aggregation providers percentage of accounts that are aggregated via API versus less predictable methods such as screen scraping. In addition to being the most secure, they provide stable and reliable connections that ensure accessibility for the advisor and make the process as streamlined as possible for the client.

Additional Reading:
Account Aggregation: A Complete Guide for Financial Advisors

Using Account Aggregation to Grow Your Business

CHALLENGE 2:

Planning Efficiently, Consistently, and Holistically

Clients are increasingly seeking comprehensive, tailored guidance that addresses every aspect of their financial landscape. However, delivering this level of personalized service can be time-consuming for advisors, impacting their ability to efficiently handle a growing client base. Firms also want to consistently provide a high-quality experience to their clients, but achieving this level of consistency across their advisor base presents its own set of hurdles.

SOLUTION:

Intelligent Planning Software

While artificial intelligence (AI) holds great potential for making planning more efficient, it can also pose problems for compliance and the consistency of the advice provided. To address those shortcomings, some planning platforms are adding rules-based, algorithmic autonomous planning capabilities. These capabilities are more reliable because they have been developed by Certified Financial Planners and because they require a small degree of interaction with the advisor, ensuring that there is human oversight in the process.

This intelligent planning software offers a number of benefits, particularly for large firms seeking to enhance their planning efficiency and consistency. It can:

1. Empower younger and less experienced planners to deliver high-quality advice by leveraging the expertise embedded within the software to enhance their capabilities.
2. Ensure consistency across all users with a rules-based system, promoting a cohesive and standardized approach to financial planning within the firm.
3. Significantly reduce the time and effort traditionally spent exploring various scenarios and formulating recommendations. In some cases, it could take an advisor up to an hour to build multiple scenarios manually. Automatically generated scenarios are built in seconds, freeing advisors to focus on more complex aspects of their role.
4. Enhance the advisor's proficiency across all planning topics, bridging potential knowledge gaps and ensuring expert recommendations are readily available even in areas that an advisor isn't as experienced in.

These technologies aren't automatically doing the work of planning but are surfacing high-quality insights for the advisor at exactly the right moment in the planning process. By integrating them into their practices, firms can leverage the collective expertise embedded within the software to optimize their planning processes and elevate the quality of service they provide.

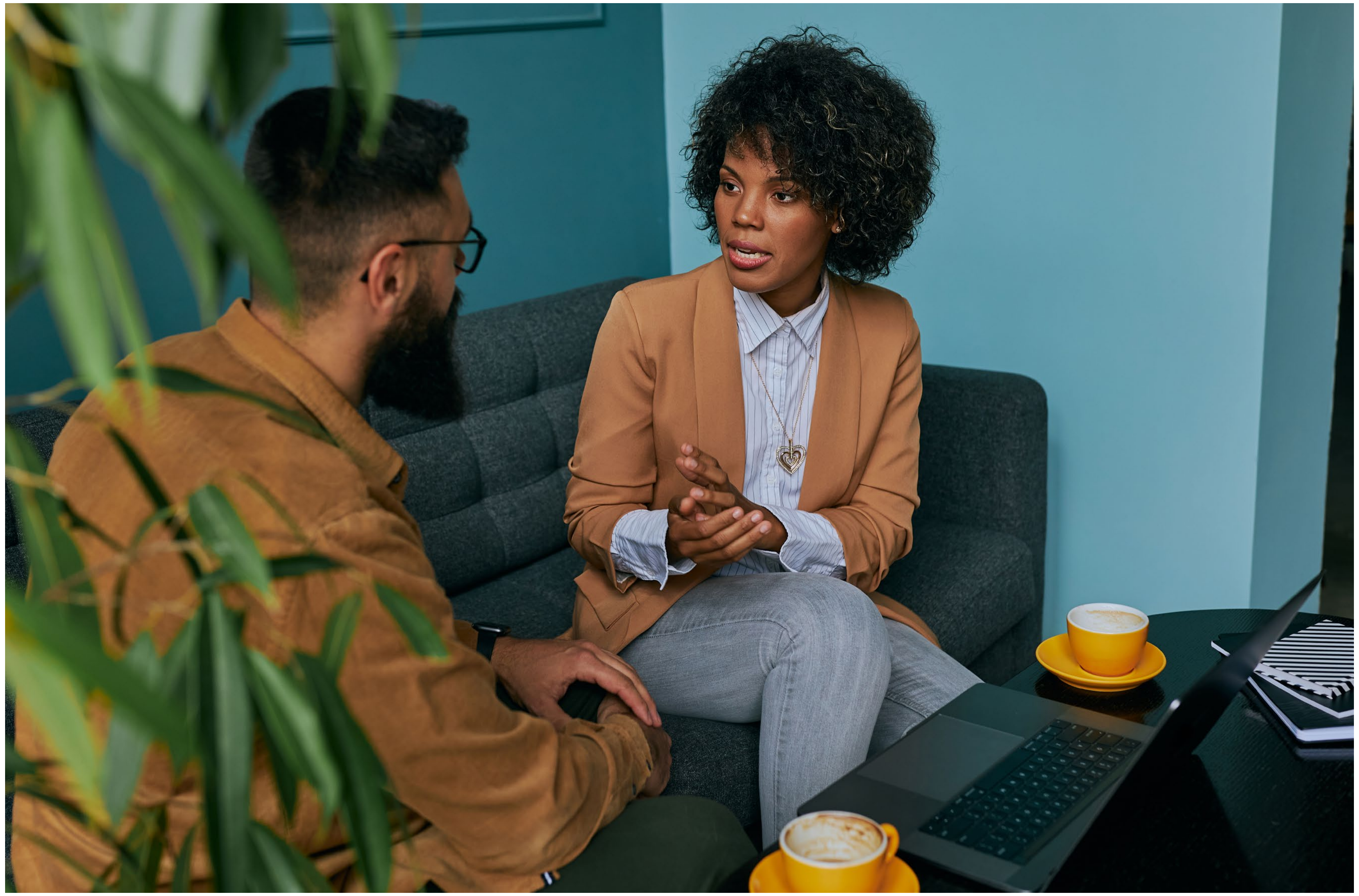
CHALLENGE 3:

Effectively Driving Client Engagement

Without active client engagement, a collaborative approach to planning is nearly impossible. Luckily, with nearly eight in 10 clients expressing a desire to be involved in their finances[1], the want is clear for firms. However, this desire has not translated into a clear-cut solution for empowering clients to engage with their finances. Expecting advisors to actively engage clients directly is simply not scalable or efficient, so tech-forward firms are looking for solutions to help simplify and invite engagement.

SOLUTION:

A Client Portal That Offers the Digital Experience Clients Expect



"From the psychology side of things, we see less anxiety when the client portal is used because clients are engaged in their plans. They're seeing it come to life and feel like they are part of that process."

Emily Koochel,
Manager of Financial Wellness at eMoney Advisor

Consumers have become accustomed to checking on things like texts and email in quick bursts while they're in line at the grocery store or waiting to pick up their kids from school. The client portal fills a similar role, allowing the client to check on their financial progress or message their advisor with a few clicks at any time. In this way, portals extend the advisor's ability to connect with clients beyond the annual meeting with little added effort on their part. This is an essential way advisors can scale collaborative activities in the planning process. They can rely on their client portal to provide a consistently great experience that's accessible at any time across their entire client base.

Client engagement can significantly increase with client portal usage. The more a client uses their portal, the greater their satisfaction with their advisor and the more motivated they become to participate in and follow through on their financial plan. Greater participation increases trust, making the client more likely to refer and less likely to leave. Studies back up the correlation between the client portal and satisfaction with 85 percent of clients who frequently use their client portal agreeing with the statement, "I trust my financial advisor," compared with only 50 percent of clients who used the portal infrequently.[1]

Additional Reading:
Elevate Your Practice: The Power of Client Portals in Financial Planning

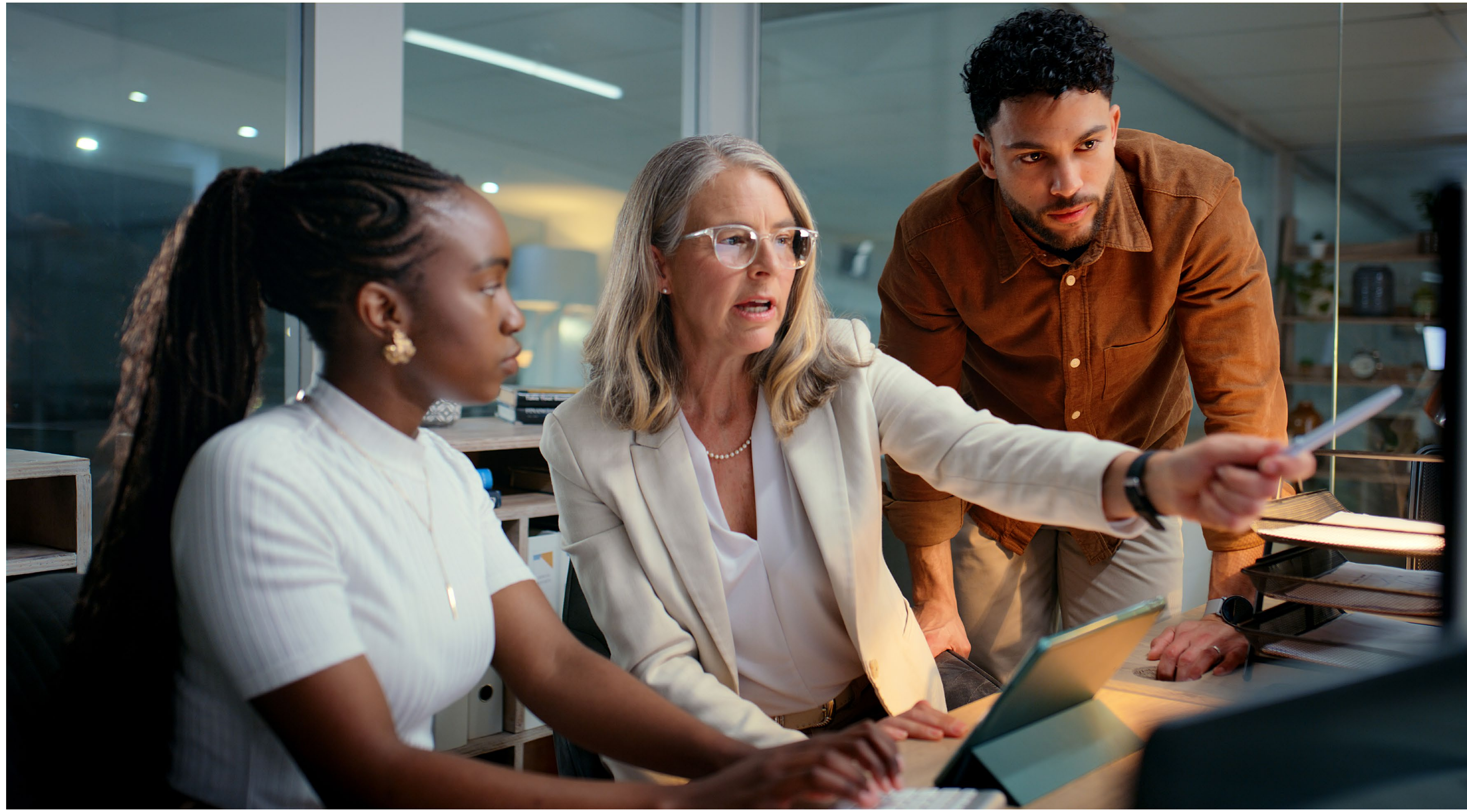
Top 4 Client Activities on Client Portals[3]

1. Viewing their financial accounts
2. Updating their personal and financial profiles
3. Communicating with their advisor
4. Scheduling meetings

CHALLENGE 4:

Overcoming the Inertia of Legacy Platforms

It can be extremely costly for companies to sustain their own financial planning technology due to the burden of the ongoing maintenance needed to keep the systems functioning and up to date. When a wealth management firm's tech projects compete against revenue-generating activities, the tech projects may get sidelined. Some enterprises may benefit from a blend of proprietary technology and the capabilities of a leading planning platform. Other enterprises may be relying entirely on outdated legacy platforms and need an entirely new solution.



SOLUTION:

Consumable and Composable Technology Built on a Modern Platform

Many firms need to have a candid internal discussion about the state of their tech stack and what needs to be done to maintain growth and improve operational efficiency. In many cases, the answer is leveraging a third-party provider's technology to deliver modernized, customized advisor and client experiences.

Every firm has unique needs, so firm leaders should look for third-party providers that offer them the flexibility to leverage the technology their way. This could be via purchasing a complete financial planning platform out of the box, or by using APIs and components to enhance their existing system.

APIs and components are flexible ways to build a best-in-class digital experience for clients, tailored to the firm's exact needs. These tools allow firms to tap into the planning capabilities of a third-party provider and serve it within their own proprietary digital experience. Depending on the firm's needs, that could include back-end planning functionalities and/or front-end visualizations and navigations, to whatever degree they require.

Whether they build with APIs and components or purchase an out-of-the-box solution, firms can create the exact experience that will best serve their clients and prospective clients, effectively differentiating their services from competing wealth management offerings.

Additional Reading:
Data Lakes, Integrations, and APIs in Financial Services: 3 Ways Firms Can Innovate

From Prospect to Plan: The Role of APIs in Expanding Financial Planning

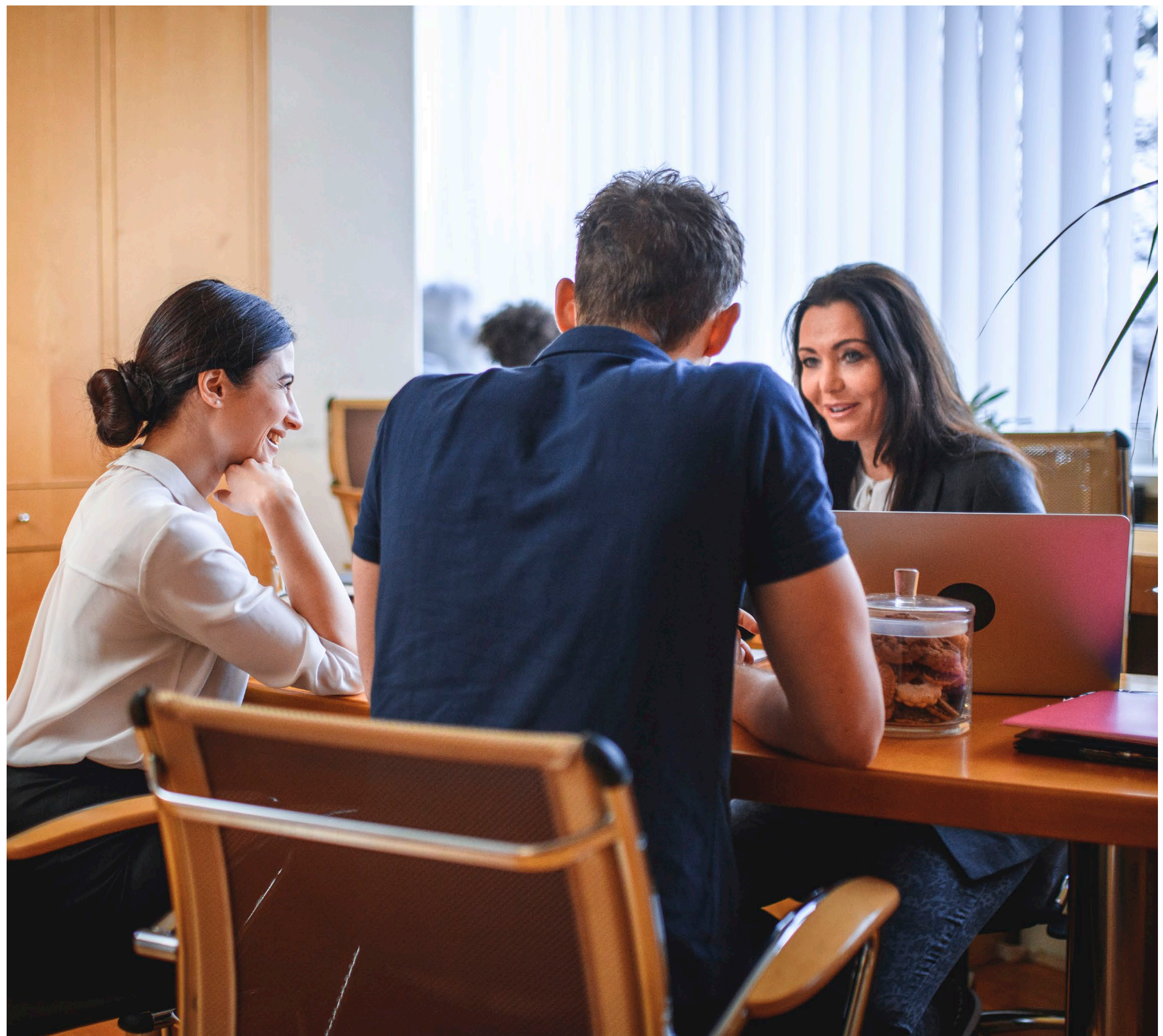
8 Things to Look for in a Fintech Provider

1. Offers a broad spectrum of well-integrated tools
2. Manages their own integration (not outsourced)
3. Enables seamless, secure connectivity to banks and financial institutions
4. Follows security protocols that meet or exceed industry standards
5. Provides APIs for streamlined integration
6. Offers a robust, engaging client portal
7. Gives client data back to home office partners for use with their business objectives
8. Provides a personalized and consistent client experience across applications

CHALLENGE 5:

Engaging Clients at Every Step of Their Financial Journeys

A firm's ability to scale collaborative planning depends on their ability to provide a seamless digital experience to every client, regardless of where they are in their financial journey. However, meeting the demand for planning across all financial levels efficiently and effectively can be a challenge without the right technology. When firms are using different technology solutions to meet the needs of their different client bases, their client experience lacks consistency and their advisors may be missing opportunities to grow AUM and up-sell or cross-sell.



SOLUTION:

A Unified Financial Planning Platform

A full spectrum planning solution allows every financial professional to be equipped with the right-sized planning solution, whether that's a simple one-time scenario analysis for young or mass affluent clients or a fully comprehensive planning solution for their most complex customers.

This enhances the user experience for both planners and clients. It allows for easier centralization of firm-wide planning data, which means that all teams within the organization get a clear line of sight into opportunities for planning, upselling, and cross-selling. This can greatly increase profitability and ensure all clients have the solutions they need.

Clients will benefit greatly from having a consistent digital experience at every stage of their financial planning journeys. As a client's financial situation gets more complex and they graduate from needs analysis to goals planning and cash flow planning, they will have the same technology experience. They don't have to adapt to new technology or have their plans changed every time they have a new need.

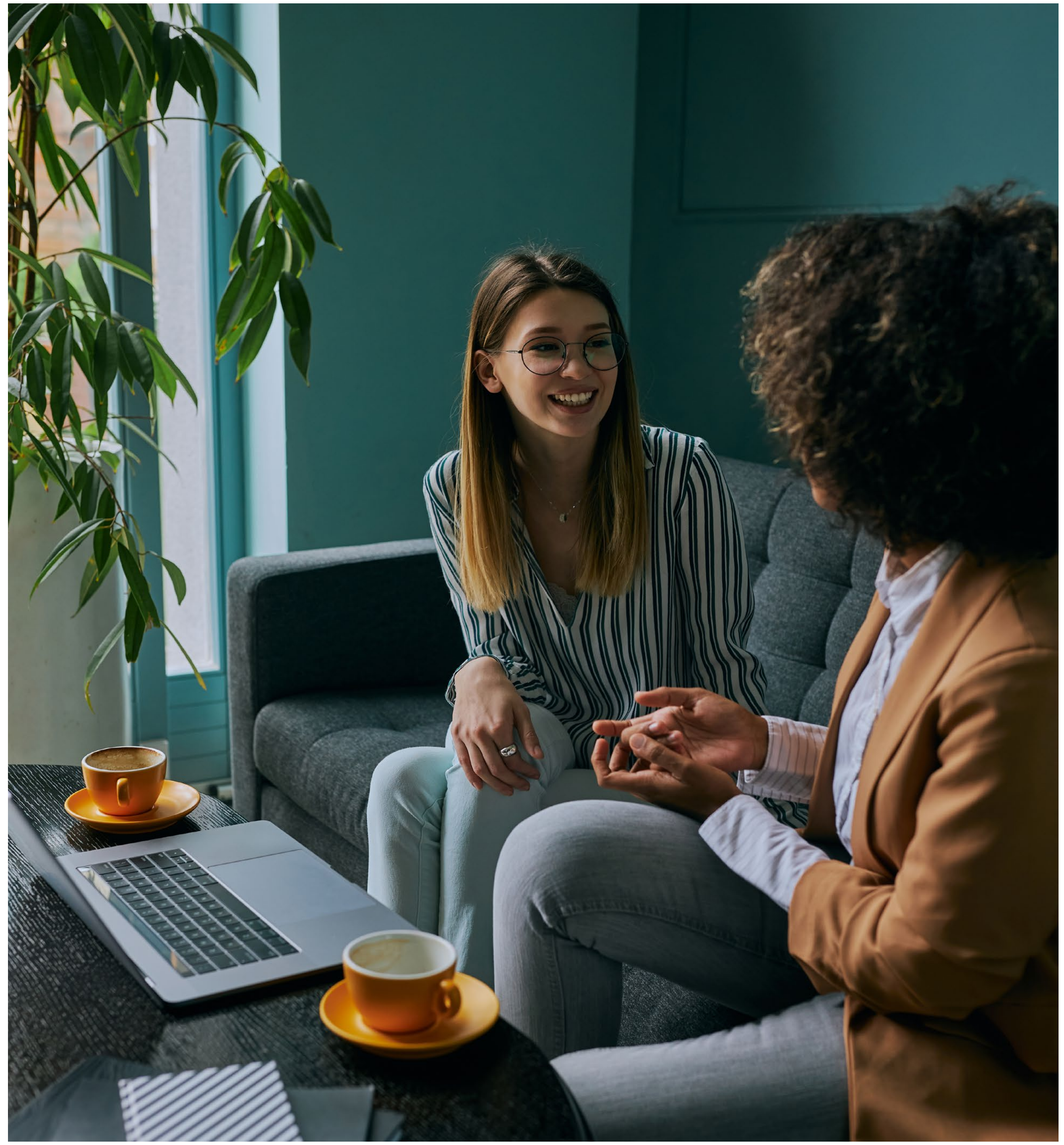
The right provider will bring together all the tools we have discussed here—aggregation, intelligent planning software, client portals, and APIs—and a host of others that fit your firm's particular needs, to create a unified platform that engages clients at every step of their financial journeys. This will generate increased AUM, client referrals, and insights that drive relevant product recommendations.

CHALLENGE 6:

Maximizing the Value of Your Technology Investment

Investing in an enterprise-wide technology solution is a major undertaking. To maximize the value of that investment, leaders must be prepared to guide their organizations through change while balancing short-term and long-term needs.

Successful implementation of new technology requires wealth management leaders to simultaneously navigate data migrations, ensure top-tier security, and drive advisor adoption. But the work doesn't stop there—firms need to continually evaluate whether or not today's tech investment continues to meet tomorrow's demands, otherwise further tech investment or adjustments could be needed.



SOLUTION:

A Trusted Partner with Enterprise-grade Security and Support

To future-proof their investment, firm leaders should choose a tech partner who is aligned with their vision for growth, trusted by top names in finance, and dedicated to delivering best-in-class-financial planning solutions. This will help ensure that the firm can plan their future with confidence, knowing that their tech provider will continue to support them at every step of the way.

To maximize success from day one and beyond, a partner that offers enterprise-grade security and support is key. Enterprise-grade security will ensure that your clients' sensitive financial information—and your firm's reputation—are protected. Best-in-class support will ensure a smooth and seamless transition to new technology. This could include a customized transition plan tailored to the firm's needs as well as ongoing coaching and training programs to encourage rapid adoption and optimal use of technology.

3 Tips to Encourage Advisor Adoption

1. **Make new-platform education bite-sized.**

   It can be difficult to get advisors excited about a 60-minute Zoom session when their day is full of meetings. Provide one- to five-minute learning moments that make participation easier. Sending 30-second videos showing success stories from peers can also generate interest in new tools.

2. **Appeal to advisor motivations.**

   Using messaging that appeals to advisors' interests is key. For example, instead of a session on conducting Roth conversions in the new system, make it about how advisors can use the new technology to grow their AUM by 20 percent or how they can increase client satisfaction with a new platform.

3. **Use peer learning instead of teacher-led instruction.**

   Tap into as much peer learning as possible. Make time for advisors to get together and learn from each other about how they are using the new resources and share their success stories.

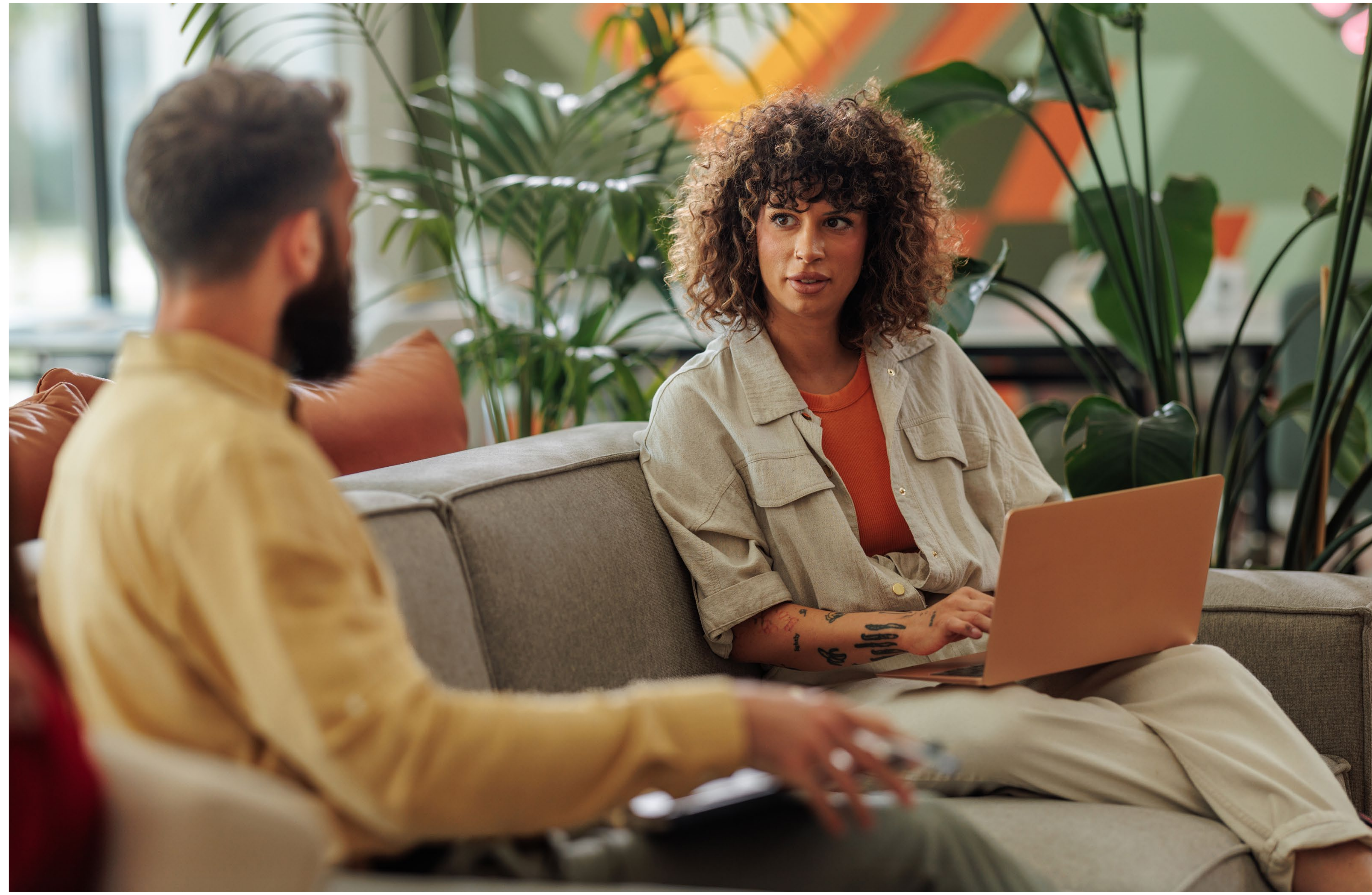
EVERY WEALTH MANAGEMENT FIRM'S DREAM: THE MULTIPLIER EFFECT

Investing in a tech stack that supports more collaborative and personalized planning can have a multiplier effect where a firm's initial investments and efforts are reinforced in a way that creates sustained forward momentum.

For clients, the shift toward collaborative planning and tech stack integration provides a highly personalized experience. When clients feel known and understood by their advisors, they engage more frequently and follow through on advice, giving them better outcomes. The relationship deepens, building trust.

For advisors, cohesive technology integration enables them to scale and deliver personalized planning simultaneously. Both stand to increase the advisor's AUM and earnings. Having access to data that shows the client's larger financial picture empowers advisors to compete for assets held away, and referrals increase because clients are more satisfied and engaged. Finally, advisors can use the greater flow of information between firm departments to their advantage to build their knowledge base and open career paths.

For the firm, happier clients make for more satisfied advisors, less employee turnover, increased advisor recruitment, and a more profitable organization. Having greater continuity across a firm's technology interfaces makes it easier to onboard, train, and keep advisors engaged. Each of the above dynamics feeds into revenue growth for the firm.



CONCLUSION

Having a well-defined plan to scale collaborative planning is critical to the ongoing success of every wealth management firm. With thoughtful planning and investment in a stronger, more productive tech stack, large firms can achieve greater integration and continuity across platforms, contributing to the mutual long-term success of the client, advisor, and firm.

Ready to start scaling collaborative planning at your firm? See how eMoney can help your firm balance client demand for personalized financial planning and operational efficiency by visiting eMoneyAdvisor.com today.

Sources:
eMoney, "Planning Better Together" Research, October 2024.

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