



Exceptional Client Experiences Drive Growth



INTRO

An Impactful Client Experience (CX)

Over the past five years, financial advisors have come under pressure from a number of market forces.¹ The popularity of index funds, the emergence of robo-advice, and the proliferation of investment information have eroded the traditional value that advisors offer. These trends have affected organic growth. In recent years, increases in assets under management (AUM) have been largely driven by mergers, acquisitions, and investment performance rather than new business.

Advisors are finding that they can differentiate themselves, attract new business, increase their share of wallet, and boost retention by focusing on the client experience (CX). An impactful CX

is realized through helping clients understand what is relevant to them and collaborating with them so they can act on it. According to Eric Roberge, founder of financial planning firm Beyond Your Hammock, **“The client experience is really about communication and trust and transparency.”**

Alarming, research from Ernst & Young shows that 40 percent of clients are willing to swap advisors under the right circumstances.²

To capitalize on this potential disruption, advisors should invest in the client experience to attract customers from other firms. As Jim Finegan, Manager, Advisor Sales, at eMoney explains, **“Firms that constantly improve their customer experience will rescue clients from firms that don’t.”** Tens of billions of dollars in revenue are potentially available for the advisors who win these opportunities.¹



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Understanding the Client Experience

The phrase client experience is frequently heard, but what does it actually mean in practice? How can advisors and wealth management firms grow their businesses by deepening their relationships with their clients?

As Finegan says, CX is “the client’s perceptions—both conscious and subconscious—of their relationship with your service, resulting from all the interactions with your business.”

This means that CX encompasses everything from marketing to client onboarding, the frequency and quality of interactions, the value and insight that the advisor provides, and the technology platforms they offer.



Roberge says, “The client experience actually starts before you even talk to with a prospect, the minute they come across your business—whether that is online, through an article you have written, or a referral.”

“Our business is based upon client experience. We have developed a strong level of client satisfaction, which has led to roughly 80 percent of our new business coming from client referrals,” says Michael

Chasnoff, founder of Truepoint Wealth Counsel, an RIA with \$3 billion in assets under management.³

ADVISORS

Driving Growth by Enhancing the Client Experience

Recent advances in fintech are revolutionizing the client experience. According to research from Fidelity, e-advisors—defined as financial advisors who use twice as many technology applications as their peers—have better relationships with their clients, gain far more referrals and manage over 40 percent higher AUM per client.⁴

But with so much choice, what areas should an advisor focus on? What technology has the potential to make the most impact on CX?

Compared with their peers, e-advisors:

- Achieve higher AUM per client
- Have stronger client relationships
- Have higher numbers of referrals



RELATIONSHIPS

Improving Collaboration with a Client Portal

The days of the financial plan annual review are over. Today's clients expect regular contact, 24/7 access to their financial information, clear communication, and transparency. Increasingly, they want to take an active role in their finances and collaborate with advisors to determine the strategies that are best for them.⁵

An interactive portal is an important tool that advisors can use to create a sticky client experience. Through a portal, clients can view their financial information, monitor cash flows, and track progress toward goals any time from anywhere on any device.

Via screen-sharing capabilities, financial advisors can regularly connect with clients remotely.

“One of the biggest advantages of a good wealth-management platform is screen sharing, which allows client and advisor to interact remotely,”

says Ashley Leuthe, Director of Product Management, eMoney Advisor. **“This helps advisors increase satisfaction by staying in regular contact with clients.”**



A client portal also enhances meeting productivity because the client and advisor have access to the latest financial information—both client and advisor can prepare for their upcoming meeting by reviewing and updating account information before they talk. By reducing the time usually spent gathering and sharing information in meetings, advisors can spend more time identifying goals and developing financial plans with their clients.

With a well-designed portal, clients can make changes to or add new financial goals between meetings with the advisor—without having to wait for an annual review. After a client makes changes, the advisor can receive an alert so they can review and contact the client regarding any adjustments needed to the plan.

Because trust is an important element in the advisor-client relationship, data security is paramount. Advisors and clients must be able to share documents and sensitive data while protecting this information from possible breaches, ensuring compliance, and making the interactions available for audits. A well-designed portal can also help clients learn on their own by providing useful supplemental information, a key feature as today's investors are more proactive and informed.

Enhancing Decision-making with Planning Software

With data aggregation capabilities built into a planning platform, advisors can provide clients with unified views of their financial situations. These views can include information from household assets such as bank and savings accounts, or specialized accounts like 529 plans, 401(k) retirement savings, and health savings accounts.

Account aggregation can also include real-time client cash flows, allowing clients to track their household balance sheets. And all of this information can be automatically and continually updated. “Using an aggregation tool on a wealth platform, I can upload all of the information. At the press of a button my client’s static balance sheet becomes dynamic, full of real-time data,” says Leuthe.

This gives clients the transparency they want. With a detailed view of the client’s finances, both clients and advisors can understand the client’s current situation and adapt plans accordingly.

But aggregation isn’t just about helping clients stay on track; it’s also about improving decision-making based on an informed and realistic analysis of a client’s current financial situation.

Eric Roberge says, “Someone might call me up and say: ‘Should I buy a car? I’m at the dealership right now.’ They want on-demand advice, and they also want to know the state of their balance sheet, right now.” Even if the advisor is traveling, with the right platform, they can quickly check the relevant information and provide informed guidance.

With all client financial information available from a single source, advisors can use sophisticated financial-planning software to create in-depth plans for their clients. **“With a traditional platform, it’s very difficult to model something as simple as the financial implications of a**

retirement date,” says Nick DeCenso, Senior Manager, Wealth Solutions at CapTrust.

“But a good financial system tells you everything you need to know about a client’s future financial life.”

Using the platform, advisors can stress test client goals against adverse events, such as disappointing stock market returns or unemployment. If there is an unexpected financial event, such as a sudden fall in the price of a stock, the advisor can contact their client to keep them informed of the impact to their financial plan.

Because clients have a variety of needs, a well-designed platform will allow the advisor to apply goals-based or cash-flow planning. By helping clients create budgets to carefully manage their day-to-day expenses, advisors can set them on the path to achieving their long-term goals.



Maximizing the Power of Visualization

Client portals will also include dynamic reports that help clients understand their financial situations. These reports might present their household balance sheets, assets, cash flows, and income taxes among others. Because the reports are built from real-time data, clients know that they're getting an accurate representation of their finances. These highly interactive, visual experiences create a 'stickier' advisor-client relationship.

Visual reports can also improve decision-making.⁶ With help from a financial advisor, clients can see how even small changes in spending and saving might impact their long-term goals. This is especially useful when people are trying to balance competing priorities or understand the interaction of several different variables.



SCALE

Improving the Client Experience with Automation

By automating routine aspects of client onboarding and financial planning, advisors can focus on adding value for the client and deliver a better service. As Leuthe says, “Individual advisors are looking to scale an experience across their clients while a larger enterprise is looking to scale a client experience across all its advisors.”

Automation can also help advisors scale their marketing activities to attract new clients. These initial activities will create important first impressions early in the client experience. “Wealth-management platforms are providing automated marketing campaigns, targeting lists of prospects and clients who will find particular content useful,” says Leuthe. For example, to attract small-business owners on LinkedIn, an advisor might post content that discusses the challenges of managing finances that include variable income.

But where can advisors access content that will be relevant to their audiences? Creating it is time consuming and costly. Some platforms provide an extensive library of meaningful content that advisors can share via email, marketing campaigns, or social media. Other useful tools include “needs analysis” evaluators that can be placed on an advisor’s website and help prospects determine how financial planning can benefit them.



VERSATILITY

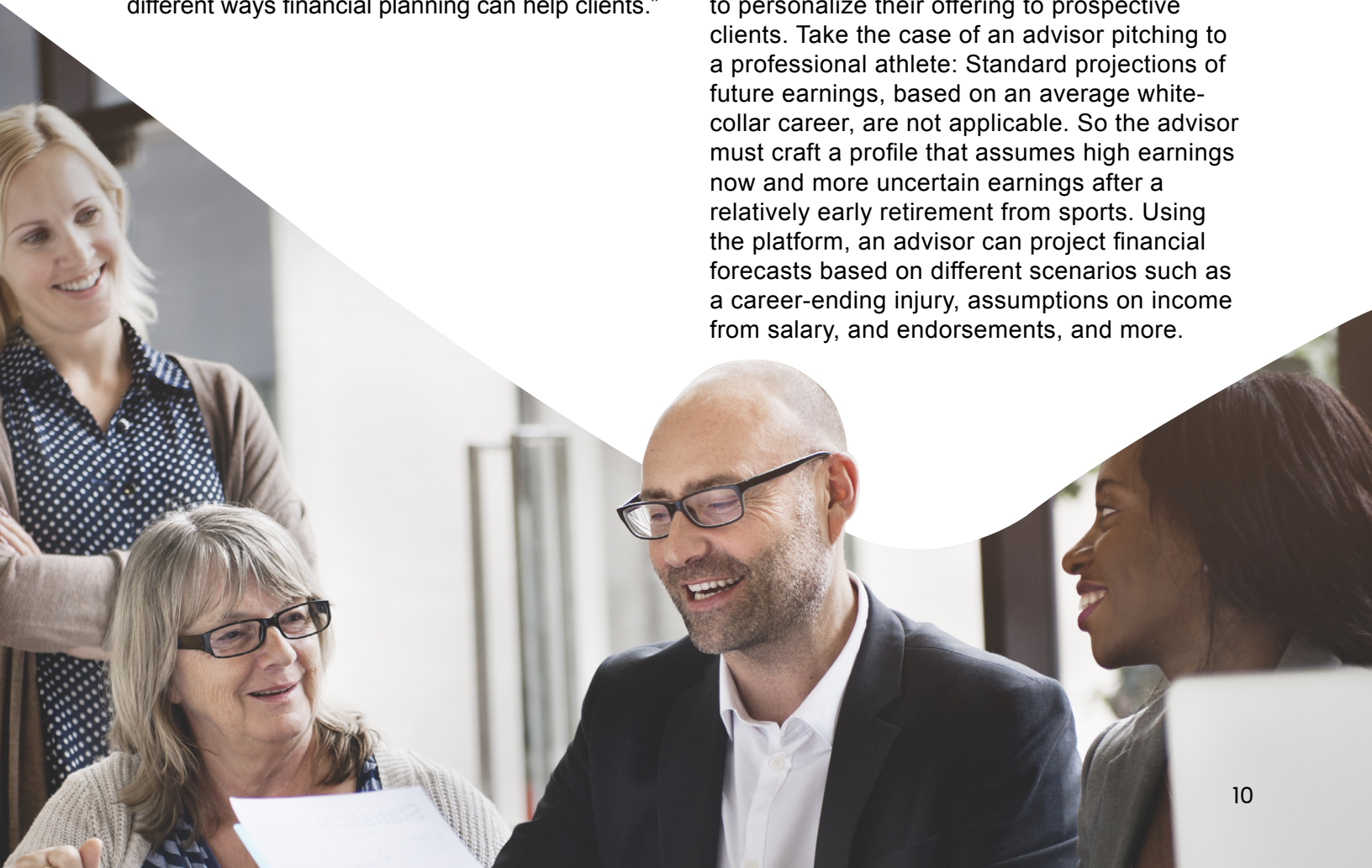
Providing Digital Experiences to Clients of All Circumstances

Financial advisors should bear in mind that digital services aren't just for the younger generation of clients. In fact, many older customers have embraced digital services as a way to manage their finances while leading busy lives. Many financial-planning software tools are focused on the needs of Baby Boomer clients or those from the Silent Generation because these generations are wealthier than others.

As DeCenso says, "Older clients want help managing healthcare expenses, working out what they can give away to their kids, how to give it their kids, and so on. There are all sorts of different ways financial planning can help clients."

As a result, financial-planning software frequently offers sophisticated solutions in areas such as healthcare planning, estate management, tax considerations, and charitable giving. But advisors should also consider tech that solves problems for prospects who face a different set of challenges. For example, there is over \$1.56 trillion in outstanding student loan debt in the U.S.⁷ Planning solutions that help clients tackle debt obligations are useful tools for advisors looking to appeal to a wider audience.

A sophisticated wealth-management platform also makes it easier for an advisor to personalize their offering to prospective clients. Take the case of an advisor pitching to a professional athlete: Standard projections of future earnings, based on an average white-collar career, are not applicable. So the advisor must craft a profile that assumes high earnings now and more uncertain earnings after a relatively early retirement from sports. Using the platform, an advisor can project financial forecasts based on different scenarios such as a career-ending injury, assumptions on income from salary, and endorsements, and more.



Conclusion

As clients enjoy digital experiences from companies in other industries, notably retail, social, entertainment, and news media, their expectations for high-quality digital fintech experiences are increasing. High on their list of capabilities are collaboration, transparency, and 24/7 accessibility to their financial information on the device of their choice. To grow their businesses, advisors will need to satisfy these expectations.

To drive sustainable revenue, advisors need to build deep relationships with their clients. By offering superior digital experiences that attract prospects and retain clients, advisors can overcome the forces that are compressing margins and stifling growth.

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