

Business in 3D

How financial advisers can structure for success

Whitepaper



About this paper

How can financial advice firms best service their existing client bank whilst continuing to attract new business?

Against the backdrop of a rapidly changing industry, this has been a major challenge for firms but, as Sun Tzu observed, *"in the midst of chaos there is also opportunity."*

This paper explores the question of client servicing and client generation with input from industry experts at **Jigsaw Tree**, **Circadian** and **Standards International**, as well as rounding up how any advice firm can offer 3D advice – by **defining** your business processes, **digitising** your practice and **data** management.



Define your business processes

Understanding your internal processes puts your firm in a strong position to showcase exactly what it offers to prospects and clients, so they know what to expect from you.

In mapping out the client journey, you will also help to retain those clients that you already have. Recurring revenue is an underlying factor in the value of any business and good client experiences and outcomes only enhance this.

Drawing upon data from our Intelligent Office back office software, we can see that those firms that are embracing technology and driving efficiency through their processes are realising some 33% more repeat business than their industry peers who are starting out on their technology journey.

Technology not only makes it easier to map out workflows and internal processes, it helps to ensure a level of consistency across any business by providing complete transparency.

This also aids compliance efforts, since it makes it easier to identify discrepancies in process and to run data reports as appropriate for the regulator.

Sharon Taylor from **Jigsaw Tree**



Looking at and really understanding your processes carries so many benefits for advice firms, beyond just increasing client numbers. Technology is driving efficiency, but understanding your processes enables you to see where these efficiencies are being gained and how you can utilise the time savings made for client focussed activity lead generation. You should map your processes out step by step – how is information being utilised in your back office system and what should your workflows look like? This also helps staff to pick up and understand their work a lot better, reducing key dependency risk.

Too often we see firms that are saying “we work this way because we always have,” overlooking key elements such as training and understanding why they work the way they do. This also means that many firms are not using the full breadth of the technology available to them – set up automatic valuations, look at your workflows, get everything functioning and make it as easy as possible for everyone. The functionality is there, so use it!

Finally, having the right third parties in place is also a massive help. Using the right outsourcing partners can further reduce key dependency risk and be a useful resource if people are ill or are leaving the business. It can also free up staff to focus on that all important client work. Having everything sorted in the background will deliver a superior client experience in the foreground.

Digitise your practice

Technology really is underpinning advancement in the advice process.

Clients' expectations in the financial services sector have also shifted with technology's implementation. We all expect to use online banking and to make investments online - financial advice is no different. Clients expect to be able to access their portfolio(s) online. Provision of a client portal is central to meeting this expectation and is incredibly straightforward to do, with a secure messaging functionality adding a layer of security to the handling of sensitive information. There are also rapidly expanding integration options, meaning that you can work with the partners and providers that you wish, using your back office technology as the central hub. Appropriate outsourcing arrangements are also bringing about fundamental differences to how firms operate. Outsourcing sections of your process to third party experts can really help with regulatory compliance and shifting larger volumes of work that you may not have time for. In freeing up more time to focus on your advice process, such arrangements can be a massive boost to firms.

If processes are run smoothly and in line with business objectives, then time savings are realised, with that time being put back into servicing clients and client generating activities. Most advice firms are now realising greater efficiency through their advice process via the use of technology. From usage data drawn from our Intelligent Office business management software, we can see that across the board firms are still spending a combined 77 manual years every year on valuations. This, for example, can be done instantly, thereby freeing up 77 years' worth of time in the industry amongst Intelligent Office users. Other facets of the advice process such as income matching and reconciliation, portfolio and suitability reports and key client documentation can also be automated. Efficiency really delivers time savings and, of course, that time doesn't just need to be put towards generating and servicing more clients – several advisers we have spoken to are using the time to spend on holiday, work less or improve their golf handicap. It's really up to you.

Tim Gale from Circadian



Maximising the time you have with your clients is hugely important, rather than having to always focus on IT systems and other distractions. Your clients want to be advised, so that's where your focus should be. If your focus is on spending time with your clients, you will be giving them the best possible service and they will be more likely to recommend your services to friends and family. Word of mouth is still hugely important in this industry.

Don't be afraid to seek out help in doing this, either. Getting the right systems and partners in place up front really smooths the way to client engagement and using the right outsourcing solutions can also be a massive help. Getting it right first time is such an important time saver and efficiency generator in the advice process. If you and your team are all properly trained

and working to the same processes, it just makes the whole experience so much better for the client, and third parties can help your firm in getting things right up front, or in helping to clear backlogs of work.

There is so much going on behind the scenes in the advice process that the client doesn't see. Where are your resources best placed? Plan your processes, train your staff and use the right technology: increased time with clients and new business activities will follow.

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Data management

Lastly, but perhaps most importantly, is data.

Data is the cornerstone of the advice process. It is imperative that advice firms process and maintain accurate data and that there is a single source of truth, not only to provide an appropriate and superior customer experience, but also to stay the right side of regulatory prerogatives under GDPR and MiFID II. Accurate data also reduces risk, since there is less chance of incorrect rekeying or errors with cutting and pasting. Combining data and technology increases accuracy, since data can be repurposed across the advice process, from the initial client fact find, realising further time savings and efficiency gains.

This also plays directly into your firm's MI reporting. Such reports can be automatically generated in your back office software, but they are only as good as the data that is entered into them. It is worth taking the time to ensure that these

are functioning properly, since the output can be invaluable. Regular dives into your MI reporting will, hopefully, reveal that all is well but, if they do not, they give you an indicator as to what needs improving.

You should look to act upon these reports, even if it is to reassure yourself of the processes that you are following. Such valuable information should not be ignored.

The reward for turning your firm into a 3D advice business is superior client servicing. A slicker, more efficient process enables you to advise more clients and provide a modern interface to them. Technology can take up a lot of the slack in the process, those unseen parts of the advice process that your clients never see. This frees you up to do what you best – advise clients!

Michelle Hoskin of **Standards International**



Technology provides you with more time to work with clients you love! If you want to see them and you enjoy interacting with them, technology can make the time available to do so and you'll come across well and portray a positive image of yourself and your firm. Servicing clients can be a demotivating experience if you have too many to effectively service and you're not inspired by them, so having that passion for the client and your work is crucial.

Implementing the right tools means that you can more effectively service more clients, making tasks easier for you and your colleagues to fulfil. Financial advice is very much a people business and word of mouth matters – what would you want your clients saying about you? "This adviser is brilliant, they care and they understand." That's what you want them to say about you. Your enthusiasm will always shine through and advisers have the opportunity to turn a boring subject into something real.

As much as you love your clients, however, you should always love your staff more. If they are energised and enthusiastic, if they feel loved, then they will love your clients. Always make time for your team and they will go the extra mile. If you're too client focussed, then it demotivates staff. Empowering them to do the best work that they can, efficiently, enables them to work more quickly and accurately. Equipping them with the right tools is essential for this.



Further information

For more information on the role technology can play in your business, visit our [eAdviser page](#).

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