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eBook

Leveraging Technology for Growth

A collection of content showcasing how the integration of technology can help you stand out in a crowded, competitive industry.

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Contents

How a Disjointed Workflow Hinders Advisor Productivity and Growth

The average financial plan takes an advisor more than 15 hours to produce.

By Rich Napolitano

A study from Michael Kitces found that while financial advisors work for an average of 43 hours per week, only 36% of that time is spent building client relationships or engaging in business development and meeting with prospective clients or centers of influence. Instead, advisors must spend the bulk of their time on non-client-facing work such as building financial plans and reports.

From data gathering to plan presentation, the study found that the average financial plan takes an advisor more than 15 hours to produce. While the majority of advisors report using standalone financial planning software, most use other tools in tandem, suggesting that the systems they're using are not really integrated.

Disjointed Workflows Lead to Lower Productivity

This lack of integration is a problem. Having to constantly switch between systems and applications makes completing even the simplest tasks excessively time-consuming. Advisors typically switch between seven and eight different applications and systems every day, and these nonintegrated tools don't give advisors a holistic, centralized view of each client.

The choppy workflow that results from having to constantly open new windows and applications can seriously hurt advisor productivity. With so many systems to learn, user IDs and passwords to memorize, and interfaces to navigate, advisors and their support staff must spend a lot of time training new hires and learning the ins and outs of each system; time they could be spending with clients, prospective clients and centers of influence.

Troubleshooting for all these different systems is also a time suck. When an issue arises within several different platforms at once, advisors can lose many hours on the phone with various tech support reps at several different companies trying to resolve the problem. This issue is compounded by the lackluster data processing and integration found in many of the applications advisors use every day.

For True Integration, Data Is Key

In the advisory business, data is currency. The best integration must come from a foundation of unified data; gathering all the information advisors need to best help their clients suc-

ceed and bringing important details to the front.

Fragmented access to essential data presents complications for advisors as they navigate their clients' elaborate financial lives. Ideally, a truly integrated wealth management platform should be able to give advisors a full picture of an entire household by synthesizing important data to make managing life events such as marriage or retirement, complex tax situations, and estate planning needs easier for the advisor and more beneficial for the client.

Most technologies do not provide a unified solution with clean and simple data aggregation capabilities, so advisors often spend more time fussing with tech than working directly with their clients.

Productivity Is Essential for Growth and Scale

The truth is, systems that offer advisors only a piece of the puzzle are actively hurting the bottom line of the practices they claim to serve. A truly integrated platform must include data aggregation, CRM, performance reporting, financial planning, trading, model management, rebalancing, operations, workflow, analytics and document imaging all in one user-friendly place. These systems exist, and research shows they are effective.

Take this data from Commonwealth Financial Network, which shows that its advisors, who use an integrated platform, are 20–30% more productive than their industry peers. This is not only good news for the advisors themselves, who gain back hours of their lives, but also for their practices. When advisors have more time to focus on client service and business development, their businesses and revenues grow.

Integration Is the Future of Finance

The wealth management industry has, for the past few decades, been experiencing a shift away from the Wall Street brokerage model, which was once the only option for investors. Today, new technology has opened the door to IBDs, insurance companies, banks, and rollup and independent RIAs, giving investors more options than ever.

The resulting competition is fierce. Enterprise firms looking to get ahead in the race would do well to consider the impact of individual advisor productivity. When advisors have access to truly integrated systems, they don't have to waste precious time trying to make sense of disparate processes. Giving advisors improved, integrated tools to work with could spell the difference between success and failure in a crowded market—ultimately deepening their essential client relationships. ■

Rich Napolitano is CEO of Advisor360°, an integrated wealth management platform for advisors, investors, broker/dealers and rollup RIAs.

The Financial Advisor's Guide to Digital Marketing

Why does it seem like every technology company, consultant, and business guru on the Earth is talking about digital marketing right now?

One reason is because we spend so much of our lives online today.

Just over half of the world's population has a social media account and the average person spends about 2 hours and 20 minutes every day on social media alone.

And when it comes to financial advisors, research says that social media can be one of the most effective ways to acquire new business.

In one study, 92% of advisors who use social media for business said it helped them find new clients, and the average new client acquired through social was worth just under $5 million.

Social media, however, is just one digital marketing strategy. There are many more possibilities.

We haven't even touched on how much video people watch—a number that rises by 100% every single year on mobile devices.

Before we go too far into any one specific digital strategy, though, let's spend time establishing what digital marketing is and how your advisory firm can benefit from it.

What is Digital Marketing?

Digital marketing might be mysterious to some, but it doesn't have to be.

According to Hubspot's popular marketing blog, digital marketing is simply any kind of marketing that exists online.

As you start learning about digital marketing, you're likely to encounter an approach called inbound content marketing.

In this way of thinking about marketing, a business regularly creates new content (blog posts, videos, etc.) that are designed to provide valuable information to prospective customers. When those customers find the content helpful, they then have an opportunity to reach out to the business, instead of the business doing the effort to reach out to them.

That's where the inbound part of the phrase comes from: Leads are coming into the business, instead of the business going out and contacting prospective customers to convince them to work with them.

Digital Marketing vs. Other Popular Methods of Client Acquisition

For most of the history of financial services, inbound content marketing hasn't been the primary method of acquiring new clients.

In fact, it's been the opposite. Most forms of client acquisition relied on outbound marketing attempts. We'll look at a few in this section to contrast them against digital marketing.

Cold Calling

Although cold calling is one of the oldest sales techniques, it isn't typically the best use of time for a financial advisor, even though it's frequently used by young employees just entering the industry who need to build up a book of business from nothing.

Cold calling relies on making a phone call to a prospective client—who may or may not be at all interested in a company or even aware the company exists—to try to interest them in the company's services and convince them to become a client.

As you can likely guess, the "smile and dial" technique isn't very effective. A study by LinkedIn found that less than 2% of cold calls result in scheduling an appointment.

Cold calling is time consuming, requires tremendous sales skills, and is more of a game of numbers than anything else. If there's a technique that's as opposite to inbound content marketing as possible, it's this one.

In-Person Events

Financial advisors have long built their businesses on in-person events like educational seminars that also include a meal as a way to attract people to attend.

While many advisors found success with seminar marketing over the years, the expenses associated with them meant that the upfront cost could be prohibitive to hosting too many.

An in-person seminar often requires renting a conference room (usually in a hotel), marketing the event with direct mail postcards, and providing a meal if that's not already included in the room rate.

While seminar marketing may have been effective in the past, the complete shift to remote work that occurred in 2020 also meant that in-

person events were out of style.

And now that advisors have gotten a taste of digital life and the benefits of marketing without time-consuming tasks like cold calling large lists of people or spending hours upon hours preparing for and planning an event, there may be no going back to the old ways.

The Digital Marketing Funnel

Unlike other forms of marketing and sales that may use high-pressure techniques to try to get a prospective client to commit immediately, digital marketing is more focused on warming up a person to the idea of working with a business by providing different types of valuable content over time.

That warming up process can be thought of as a funnel, through which a person moves from a status of "stranger" to the brand, all the way to the point where they're ready to commit to becoming a client.

Make no mistake, the funnel and the amount of content delivered through it are critical. The average person interacts with 11 pieces of content before they make a decision to make a purchase or work with a brand.

There are three parts of the funnel that we'll look at in today's article: The top of the funnel, the middle of the funnel, and the bottom of the funnel.

Top of Funnel

All prospects begin their relationship with a company at the top of the funnel. At this stage, a company's content is about creating awareness of their brand, not attempting to close a sale.

The top of the funnel is the first chance for your advisory firm to prove to a prospective client that you can be a valuable addition to their financial life.

Content developed for the top of the funnel should address an issue a prospect is encountering and help them solve that problem.

Because top of funnel marketing attempts to increase awareness, the type of content that's best used here is easy and quick to consume, like a blog post, infographic, or even a problem-solving ebook.

Middle of Funnel

Once a prospect has become aware of your brand and knows that you provide solutions for more than just the one issue you helped them address at the top of the funnel, their repeated interactions with your firm will move them to the middle of the funnel.

At this point, a prospect is considering whether or not your company is right for them. They may also be considering other firms and looking into who is the best fit.

Middle of funnel content can go deeper and more specific than content you serve up for the top of the funnel. Instead of high level issues, you can start to provide more detailed information.

Email nurture campaigns can be particularly effective in delivering tailored content right to a prospect, and an event like a webinar (which requires more commitment than simply reading a blog) can also help you weed out who's really interested in your company.

Bottom of Funnel

The bottom of the funnel is where things start to get really serious. When a prospect makes it to the bottom of the funnel, they're at the point where they are ready to make a decision about which advisor they want to hire as their own.

Any content delivered in the bottom of the funnel phase becomes ultra-specific, with the goal of showing a prospect why they should work with your advisory firm. You're still providing educational value, but now the focus can shift to why your firm is the right choice, instead of simply offering information about how to budget or what type of investment strategies might be right for their situation.

Content that fits best here could include more webinars, or even comparison fact sheets that illustrate the difference between your firm and another type of advisor, like one who works at a wirehouse.

Most advisors will find that it's necessary to run their marketing funnel with the help of a marketing automation system. Marketing automation is exactly what it sounds like—a way to automate the delivery of content throughout the entire customer journey.

Instead of keeping tabs on who has read or interacted with every single piece of content you send out, the marketing automation system tracks it for you and automatically moves prospects further down the funnel to provide increasingly relevant information.

That's a pretty stark contrast from something like cold calling, where you have to actively spend time on your marketing strategy instead of having it work for you while you're handling other facets of your business.

Content Foundations for Digital Marketing

As you may have guessed, there is a tremendous variety of content your firm can produce when marketing to prospective clients.

We won't cover every single type of content you could produce, but here are the most common types that will help you guide prospects from an awareness of your firm to becoming your newest client.

Blogging

Blogging is the most popular way to create consistent marketing content and bring people to your website again and again. But what if you don't like writing? Keep in mind, you can always outsource your writing, or you can build a vlog instead of a blog.

Email Marketing

An email is the holy grail of marketing. When you get someone's email address, you have permission to be in their inbox and communicate with them in an increasingly personal way.

Social Media

As we covered in the introduction to this article, social media can be a tremendously valuable way for your advisory firm to discover and engage with new prospective clients. And with the updated SEC advertising rule, you have more leeway to interact and talk with clients and prospects.

Website

Your firm's website is the home base for all the digital marketing content you produce. Even if you use social media to promote and distribute content, the end goal of content is always to bring prospects back to your website, where you can engage them with even more valuable content.

Digital Advertising

If you've ever been followed around the Internet for weeks on end by a sweatshirt that you looked at on Amazon, you've encountered digital advertising. This form is known as retargeting, and it allows you to remind people who visited your website why they should make a return visit.

Video

Google's YouTube is the world's second largest search engine, right behind Google itself. It's one point out of many that illustrates just how much video people watch, and why video is an important part of digital marketing for any advisory firm. You want to show up wherever someone is searching for answers, and video gives you an opportunity to be there when someone is looking for financial advice.

Other collateral

There's no shortage of other materials we could discuss. Digital marketing can include longer resources like ebooks that go into deep detail about a topic, white papers that include a wealth of research, and even client case studies—which could soon be a reality for advisors as well, thanks to the updated SEC advertising rules from December 2020. The short story of digital marketing is that your imagination is the only limit to the amount and type of content you can create to help get the word out about your firm.

Getting Organized: Why an Editorial Calendar is an Advisor's Best Friend

With so much content that you could create, being organized about what you want to publish and when you want to publish it is key.

Any financial advisor making even a modest investment in digital marketing needs to be operating with an editorial calendar, also often referred to as a content calendar.

The content calendar comes in many forms, but it should always, at minimum, include these details:

- Content Topic (What It's About?)
- Type of Content
- Publish Date
- Who's Responsible

You can get much more detailed, but if you're just starting out, these four pieces of information will give you a sense of what's happening, when it's happening, and who needs to see it across the finish line.

There are many benefits to using a content calendar to organize your digital marketing initiatives, but the biggest may be that it can help you to publish more consistently

Nothing derails good marketing faster than missed deadlines. You're a financial professional and not a professional marketer, after all; the content calendar helps you get your thoughts in order so you can continue to keep your focus on serving clients and not spending hours brainstorming your next blog.

Think of writing down your marketing content goals and planning out the content you need to create in an editorial calendar as a process similar to having clients write down their goals so you can formalize them into a financial plan.

It might seem overwhelming to get started with digital marketing given how much can go into it, but the truth is exactly the opposite. Pick one thing that you'd like to start doing, and start small. As your skills increase and you begin seeing results, you can add to the amount and variety of content that you create.

The world has moved online, and you need to be there too. ■

Fintech: The Next Generation

Integrations are dead. Make room for the 'all-in-one solution.'

By Manish Khatta

I was introduced to the fintech world at the onset of my career at Potomac Fund Management, and I was immediately intrigued. As the company evolved, it quickly became apparent to me that a strong tech stack was a "must have."

I was later tasked with the tall order of upgrading our technology profile. This included every aspect of the advisor workflow: proposals, account opening, portfolio management, financial planning and more. Read those again—they literally represent the life's blood of our business. If one is weak, all suffer. The absolutely vital role that fintech providers play in an investment advisory firm's world cannot be overstated.

For most of the last decade, fintech firms have been pushing a "best of breed" narrative—encouraging advisors to source the "best" technology solution from each category in the advisor workflow. Obviously, they are all (in their eyes) the best. Now try sitting through five demos of financial planning software and then report back to me on your findings. Break it down—UI, UX, customer service, pricing, basic vs. advanced offering … you get the point. If you are like most advisors, most normal functional adults in fact, you have no idea. It's OK. You are not alone.

The "choose the best stack" argument was predicated for a long time on the assumption that no single firm could create a solution that addressed all the needs of an advisor. You needed to sign up with each specialized firm and then "integrate" its services into the tech stack you had been assembling, hoping that the promises made about a "seamless" intertwining of the tech were real and not just hype and sales blabber.

Once hailed as the ultimate expression of choice, integrations were supposed to enable independent advisors to build their dream tech stack. Everything was supposed to talk to everything! Scores of coders at different companies with completely different objectives, funding, team members and philosophies were, at some implied level, almost robot-like in their ability to understand each other's code, and after spending a few days in a room stitching their creations together … boom! A flawless, value-added, client's-mind-blowing, bandwidth-freeing integration was born.

The problem was that on a Jurassic Park–level failure, nothing worked. Nothing ever "integrated" like it was promised to, and managing the workflows became a full-time job. How quickly the dream died. How swiftly the nightmare replaced it.

I have personally sat through numerous calls with fintech firms that would tout the software's ability to "integrate"—pretty much with anything. However, the truth set in after you signed up and committed. That thing you just bought to stick onto the other thing you bought, that was supposed to resolve that other thing, was just a half-assed attempt to simply make the sale.

Once upon a time, we signed up for a proposal for software that boasted a "new account" integration with a portfolio management system and a custodian. The integration to the portfolio management software sent over the name and email only. The integration to the custodian would complete the custodian paperwork but nothing else. OK, but what about the RIA agreement, we asked? "Well that needs to go through a separate DocuSign or get a wet signature." Gee, thanks! Give me my money back.

The good news here is that the heyday of "integrations," which seemed for several years to be an obsession with

fintech firms of all shapes and sizes—is dead. Journalists are no doubt rejoicing at not having to receive any bland, crap PR pitches about "integrations" in their inboxes, and if they do, they can safely ignore them. Ask any fintech reporter, and they would probably describe the onslaught of integrations press releases as second only to M&A ones—except at least 75% of the time the M&A deals are interesting.

This era has now given way to a new hope: the "all-in-one solution."

We now find ourselves in a new financial technology arms race. It was only a matter of time. Look at behemoths Orion, Envestnet, even up-and-coming firms like SMArtX—they are all now in an all-out sprint to be the advisor's one-stop shop. They are playing nice with one another for now, but the race is on. Instead of integrating with smaller firms, the big dogs are now eyeballing them as acquisition targets.

Which begs the next logical question—are small fintech startups basically just building to sell? Do they even know it? One wonders how many more fintech innovations there can be. Have we reached a place where, much like the devices we use the technology on, the "innovations" will be evolutionary, not revolutionary?

Is our reality one where Kitces' fintech industry map will now start shrinking, via consolidation? If so, will this slow innovation, as technology starts moving at the pace of a large organization? Or will it speed up, as startups race to become the next unicorn purchased by Orion, Envestnet and others?

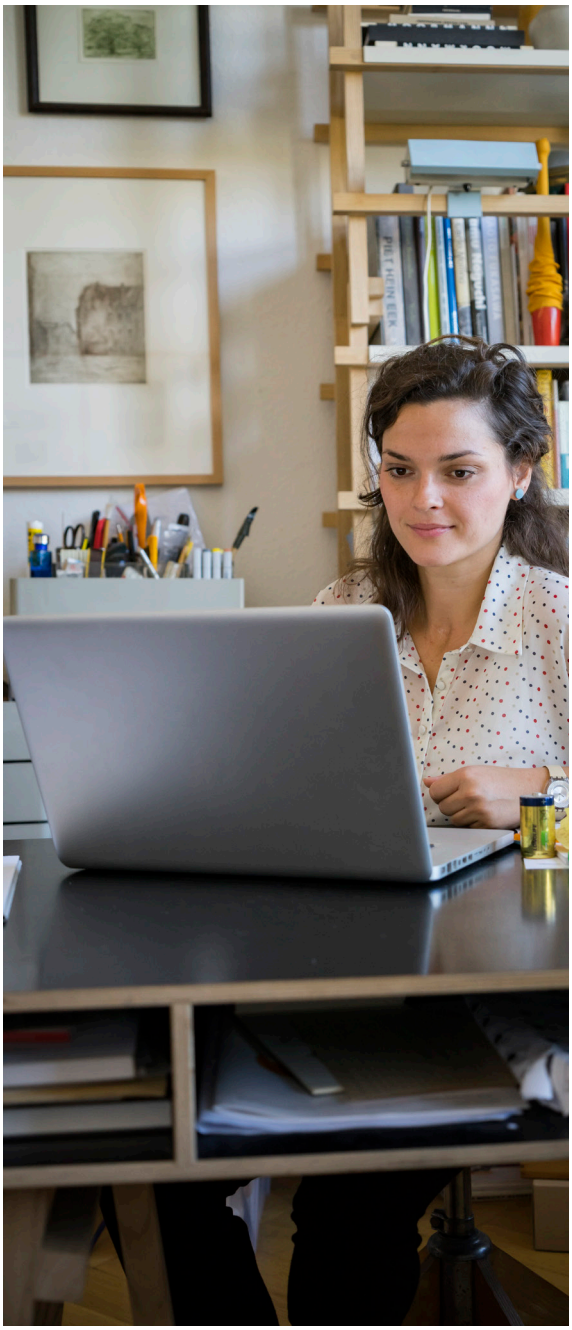
Is any of this a good idea? Or is it just the next Jurassic Park simulation, where everyone has been so busy figuring out if they "could," they didn't stop to ask if they "should"?

So many questions. What we do know is we are in a Golden Age of Fintech in our industry, which followed closely on the heels of the Golden Age of the Rollups. Both are still evolving before our eyes—which is a good thing, because it means that our little sector of financial services remains the belle of the ball.

What we also know is that if you listen closely, you can hear the jubilant shouts of elation emanating from the inboxes of industry reporters. Integrations are dead. Long live integrations. ■

Manish Khatta is the president and CIO of Potomac Fund Management and a self-proclaimed school of hard knocks fintech expert who gained expertise through dealing with too many of them to count, before building his own.

We are in a **Golden Age of Fintech** in our industry...which is a good thing, because it means that our little sector of financial services remains the **belle of the ball**.



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The Top 5 Lead Generation Ideas for Financial Advisors

Introduction

Many aspects of daily life shifted for Americans when the COVID-19 pandemic swept through the country in 2020. The one lasting effect that might stand out above all others, though, is the number of activities that had to go fully digital.

Most industries have been living a hybrid lifestyle for at least the last decade. Restaurants offered in-person dining, but could also deliver through apps like UberEats, and allow reservations to be booked online instead of over the phone.

Until the pandemic, financial advisors had also been enjoying a hybrid approach to business development. Firms had increasingly been incorporating digital marketing efforts to supplement the in-person events and meetings that have long been a hallmark of the wealth management industry.

In 2020, however, that hybrid approach tilted completely in one direction as in-person meetings were duly eliminated, and a digital-only approach became the standard.

Many financial advisors had to adapt their service processes and adjust how they handled sales overnight. But the long-term positives of a heavy emphasis on digital marketing as the best way forward for advisor prospecting and sales are undeniable.

In one recent survey, almost 85% of investors said they believe receiving personalized content is important for making their decision about who to invest with, and 42% now start the search for a financial advisor online.

In an industry where client referrals have long been the number one way to grow, these are dramatic changes.

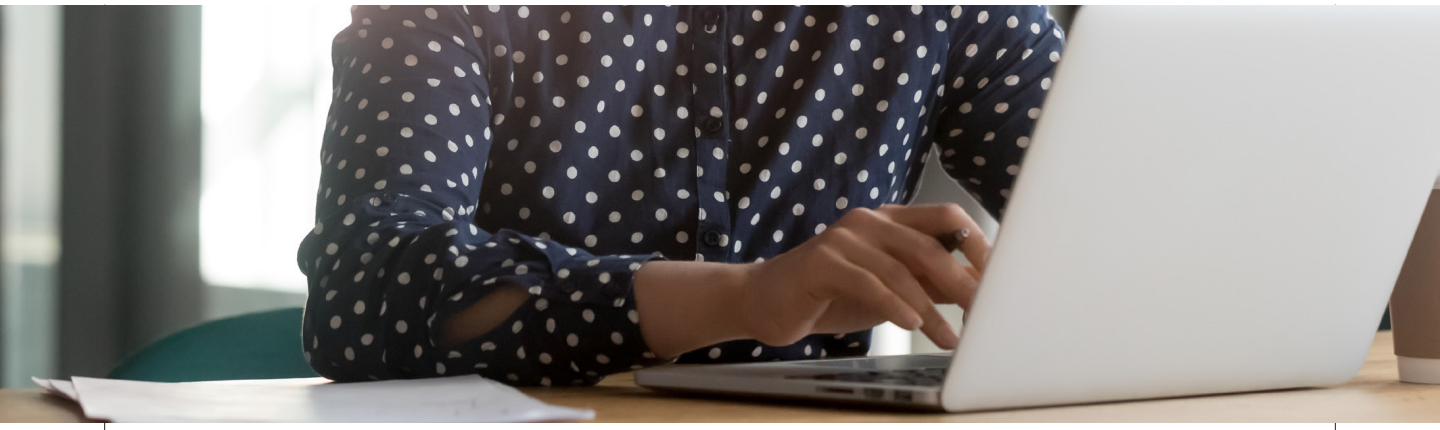
Whether your firm is just starting out with digital marketing, or you've been in the process of bringing more of your prospecting process online, the lead generation techniques covered in this tip sheet will give you the inspiration and insights you need to be the answer when clients are searching for an advisor online, and continue to deliver the advice and investment expertise they need after they've found you.

Blogging

Many people misunderstand or don't grasp the reason for a financial plan and need to be shown the value of good advice. But savvier investors are looking for a financial advisor who will guide and teach them.

Writing blog articles is a perfect way to show that you can be that coach for their financial life. You can use blogs to explain complicated investing concepts, give your own commentary on what is happening in the markets, and share news about your firm.

It might seem like a basic concept given how long blogging has been around, but writing a blog is still one of the best ways to market your firm online. Blogging



builds content that you can post on social, send in an email, and continually draw people back to your website.

If writing seems out of your comfort zone, remember that you are an expert in your field and that more than anything, consistency is the key. Regularly updating your blog is one of the most effective ways to share your knowledge and demonstrate that you have the background necessary to help with an investor's problems—even before you ever meet.

Blogging also increases your visibility. You can use this technique to fill up the schedule for your social media posts, link to blogs in emails, and even use your blog posts to create videos or longer content.

Plus, the more your blog is read, the more Google is likely to show the articles to other people looking for that same topic. Maintaining a popular blog also increases the likelihood that someone reading and enjoying your content will reach out to you for help when they need an advisor.

Email Marketing

Email marketing needs to be a big part of your prospecting strategy, because emails keep you in front of prospects while also allowing for deeper discussion and education.

Drip campaigns—a communication strategy that sends pre-written emails to your target audience over a determined period of time—can be deployed easily through marketing automation software.

These campaigns are an effective way to walk a prospect through the entire sales funnel, from the initial search for an advisor all the way to becoming a new client. Through these emails, you can share educational content (such as your blogs and videos) to get or keep prospects engaged, offer easy ways to schedule a meeting with you, and give readers a glimpse into your personality and what it's like to work with you.

Not only is email a big part of everyone's daily routine, it also leads to a higher conversion rate. In fact, 99 percent of Americans check their email daily, and some check it up to 20 times a day. Studies have shown that people who visit a website from email are more likely to buy a good or service (4%) compared with visitors from search engines (2.5%) and social media (0.6%).

Social Media

To find prospects, you need to be where they are, and they are definitely on social media.

Look at Facebook, for starters. According to Pew Research Center, seven in 10 U.S. adults use the platform, 72% of which are high-income earners ($75,000+).

Social media gives you a place to share all of the content you're creating, as well as a way for your clients and followers to share that content with their friends. Client referrals are still a large part of the advisory industry; by making yourself more available online, you make it easier for clients to share what you've done for them.

But always remember: Social media is social. It's not just about posting informative updates; you also have to take time to engage. As much as your compliance department allows, look for ways to get into conversations with peers and prospective clients about topics that are natural to your interests, and then offer your financial acumen when it makes sense.

Similar to blogging, social media rewards consistent activity. Monitor your accounts, respond to comments, and answer any direct messages as quickly as possible. One "like" could be the start of a relationship that turns into a new client.

Retargeting Ads

How many times have you searched the internet for a service or product, and then seen ads for that same thing on social media or on every other website you visit after that?

It's not magic; it's called retargeting, or remarketing. Here's how it works:

- You've probably noticed that most websites ask you to accept cookies when you first visit their page.
- Cookies are a tracking device attached to each visitor.
- After a visitor leaves your site and goes to other websites, the cookie goes with them.
- When they land on a website with advertising space, the cookie information communicates with the ad placement providers to let them know to serve up your ad.
- This ensures that your visitors, who have been cookied, are reminded of you when they visit other websites.

Retargeting is most effective when used in conjunction with other lead generation efforts, because most people have to see or engage with a brand seven times before they'll take action to start a relationship or buy a product.

Video

Video enhances every part of your overall marketing strategy. From email to social media to ads, video makes a higher impact on your audience:

- Email: Video increases email open rates by 19 percent and email clicks by 65 percent.
- Social media: 64 percent of consumers purchase after watching branded videos on social media.
- Ads: Almost 60 percent of marketers say Facebook ads with video lead to more clicks than images only.

Video helps you quickly and consistently tout your thought leadership and value. Especially in today's increasingly digital world full of Zoom happy hours and FaceTimed holidays, video gives you a chance to establish confidence and rapport with prospects who can't see you in the same room, but can still engage with you face to face.

Importantly, you don't have to be an expert in video production to be successful. A simple iPhone video can make just as much of an impact as a professionally crafted one.

And there's always the cold, hard truth of growth to consider. Businesses who use videos in their marketing grow their revenue 49 percent faster year-over-year than businesses who don't.

Conclusion

Investing in digital marketing is the number one avenue for advisory firms to reach new prospects, develop deeper relationships with current clients, and meet investor expectations for working with a firm today and into the future.

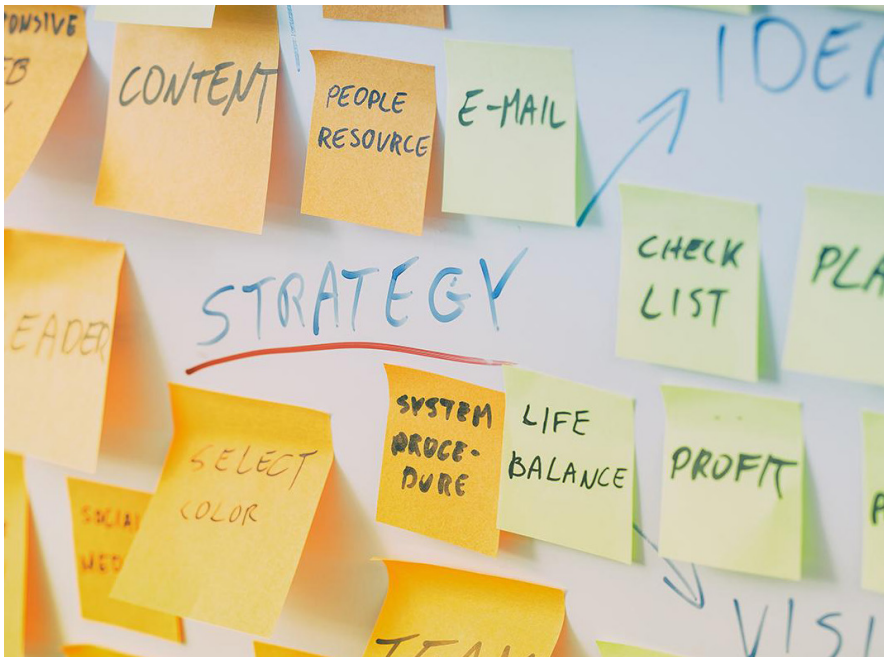
Advisory firms, though, don't always have the time to create compelling content and distribute it to the right people while also effectively serving existing client relationships.

In short, those firms need a virtual CMO.

Orion Market*r provides advisors the professionally designed, hyper-customizable content that investors today demand, with structure and guided workflows that make it simple to distribute.

If you're ready to level up your marketing game, get in touch with Orion to schedule a demo and see how you can build your business like a boss. ■

Investing in digital marketing is the **number one** avenue for advisory firms to reach new prospects.



Advisors' Obsession with Traditional Marketing

Not unlike clients who come to advisors for a quick fix to their financial woes and expect unrealistic returns, advisors who turn to traditional marketing to get them past growth hurdles are destined for immense disappointment.

By Brandon Moss

Financial advisors, like doctors or lawyers, are more often than not highly trained professionals with one job: taking care of their clients. The amount of time it takes to attain a CFP, a CFA or countless other credentials, and to look after people's financial lives day in and day out, 24/7, 365 is often staggering. It is hard work. Being a trusted financial expert is a full-time job. If you add business ownership to that already substantial responsibility, the job is even more challenging.

Given that advisors are already under immense pressure (even in a good year, much less 2020) to deliver for clients, and to grow their client base and assets, can you blame them for looking for any competitive advantage they can find? Hence their affinity for traditional marketing: website development and enhancement; blogs; podcasts; social media; social media advertising: these are shiny toys that advisors pressed for time are lured to like a moth to flame, with dreams of growth dancing in their heads.

The conceptual allure of referrals rolling in on account of your dynamic, modern website, designed specifically to engage the visitors who have connected with you on social media or watched your wisdom-filled podcast, is strong. Yet, it is unhealthy to the point of obsession in the new world of marketing advisory firms.

Hindsight Is 2020

Advisors are quick to admit that they know little to nothing about marketing, but still they flock to strategies that don't work and repeat the cycle over and over. Not unlike clients who come to advisors for a quick fix to their financial woes and expect unrealistic returns, advisors who turn to traditional marketing to get them past growth hurdles are destined for immense disappointment.

It's not that traditional marketing isn't necessary—a good portion of it is. Your brand and messaging must be squared away and clear, if you want clients coming, repeatedly. That said, let's take a step back for a moment. Here are some cold hard truths:

1. No matter what your marketing plan is, if you and other advisors in your firm cannot deliver what you promise, no amount of marketing will unlock your growth. Service to clients is always the best marketing because service speaks for itself. As a result, training financial advisors to provide consistent and reliable service to clients is the first and most important marketing tool. I know, training people is not the solution you want to hear when it comes to marketing your firm.
2. In 2017 (yes, 2017) Accenture's Financial Services Global Distribution and Marketing Consumer Study reflected that we were beginning to see a "shift in consumer behaviors and expectations." Most notability, how consumers receive advice from their advisors. Over 78% of consumers cited that they "welcomed automated support." These consumers wanted "speed and convenience." This means that after you

dedicate yourself to training your advisory team, the second-best marketing tool you have is technology to deliver advice to the client faster. Enter 2020 with a worldwide pandemic leaving millions isolated at home. What do you think the pandemic did to speed up consumer desire to seek financial advisors with "automated support?"

3. Our own trends data reveals that of those firms we worked with in 2020 who grew the fastest, the majority of their growth came from their existing client base sending them referrals. How and why did those client referrals come in so rapidly? No, it had nothing to do with traditional marketing. It was the rate at which trained advisors could respond to client requests using technology those firms already had in place prior to the pandemic. Simply put, the firms who grew the fastest in 2020 responded faster and more efficiently than other advisory firms. Based on our assessment of data from the advisory firms we work with, if 40% of your client base has never referred someone, you're doing marketing all wrong.

Thinking Differently About Marketing

Here's the good news: You more than likely have the best functioning marketing mechanism in place already—your client experience, or in consultant speak, your CX.

Now, to win in marketing, we simply have to digitize it. In other words, make it accessible from any device. This is called your Digital Client Experience (DCX). Convenience is the best marketing tool of all.

But, before we make your service more convenient we have to figure out what is so great about your client service.

You may not have the foggiest idea about websites, podcasts, and social media—all the basic marketing toys that everyone seems to tout. You don't need too. What you need to do is develop a deeper understanding of your client service, and make it digital and accessible.

Once you've spent some time digitizing your firm, you will feel energized, focused and empowered to make important strategic decisions about your business, which may certainly involve a website refresh or deploying social media more effectively. The point is, you will have clarity or purpose, armed with the knowledge of how every nook and cranny of your business is contributing to the war effort in winning the best clients.

Making your client service more digital is the marketing insight that truly separates the great firms from the ones that are just getting by, albeit with a nice new website. Learning how to make your client service more accessible through CX and DCX, you will unlock the true secret of marketing. It might even become your next, rather healthy, obsession. ■

Brandon Moss, CFP is the Chief Marketing Officer and Senior Consultant at Herbers & Co.

Advisor Technology Outlook

Questions you should be asking your advisor tech.

Introduction

Few, if any of us, saw the numerous challenges that would spring up during 2020. As we look ahead, we don't expect that disruption (and ensuing innovation) to stop any time soon. We're living in an age of disruption, and we aren't going back.

That doesn't apply solely to financial advisors. Expectations about all types of work will be different going forward. According to one study, only 12% of employees want to make a return to the office full-time. An overwhelming 72% of respondents want a hybrid approach to work going forward, where they split time between the office and their home.[1]

Along with other societal changes, investor expectations for financial advisors are also continuing to adjust. Those expectations were changing before COVID, and they've radically transformed even more so since the advent of the pandemic. For an industry that has always relied on inperson, face-to-face meetings, COVID presented a wholesale shift toward advice delivered digitally.

Before, an advisor could get away with offering a tech-augmented client experience that still largely occurred face-to-face; today, the experience is tech-first, always.

Even before COVID, the trend toward consumers preferring digital-first firms was growing at a steady pace. An estimated 45% of consumers with over $100,000 in assets changed their advisor in the two years prior to 2020 because they wanted a more digital experience.[2]

As disruption continues, the need for answers grows along with it. And an advisor's ability to provide clients with those answers quickly and accurately becomes more important, too. You need technology that gives you accurate data at a moment's notice—but more than that, you need tech that helps you make quick assessments so you can turn on a dime from analysis to decision-making.

As we head toward continued uncharted territory ahead, it's more important than ever to know that the technology you're using can support the growing complexity of demands coming your way.

You can start by examining the way your technology supports your core work during each essential element of the client journey.

Prospect

Your advisory firm doesn't have to become a nationally-known billion-dollar outfit to be considered a success. But you do have to be continually looking for new opportunities to grow your client experience and attract the right type of investor.

For some firms, that may look like a focus on maximizing referrals from current clients; for other firms—especially new advisors and breakaways— that may mean putting additional effort into getting the word out to people who don't yet know your firm.

Prospecting today has turned into a virtual event, just as meetings and conferences have. You need to be able to market your business online, embracing digital marketing to grow awareness about your firm and build prospective client interest about what you can offer.

When attracting nextgen investors, a digital presence is essential. More consumers under the age of 45 start their search for an advisor online rather than ask friends and family for a referral.[3]

On a basic level, that means **prospecting begins with**:

- Getting your website in shape with a modern look and messaging
- Establishing your local footprint with Search Engine Optimization
- Being present on social media
- Committing to some kind of a regular content publishing schedule

When your prospecting efforts are largely digital, it's critical to support your sales and marketing efforts with robust technology.

Ask these **three questions to determine if your marketing approach is going to work** in the future:

1. Do I have to be (or hire) a professional marketer to get the most out of my marketing tools?
2. Can I seamlessly plug a digital prospecting database into my prospecting efforts?
3. Do I have the digital prospecting capabilities to protect my pipeline from competitors who are taking advantage of remote service to extend their reach?

Plan

An advisor's primary value isn't shifting—it's already shifted.

If you're just now getting into financial planning, you're behind the top advisory firms. And if you're still focused on prioritizing stock picking as your primary value, you're behind the curve by at least five years.

Based on a Vanguard survey, the emotional value that an advisor creates through behavioral coaching accounts for about 45% of the total perceived value of an advisor-client relationship.[4]

An advisor's financial planning solution is the centerpiece of the client experience in 2021. The technology you use for planning needs to support a seamless transition as an investor moves from prospect to client.

Above all, planning should be an enjoyable experience. After all, the process is about helping clients realize their dreams, not simply setting a far-off goal that they may or may not reach.

These are the **critical questions you need to ask about your planning technology**:

1. Are my planning tools seamlessly connected to my prospecting campaigns? How much hassle and re-entry do I need to perform before we can discuss plans and goals?
2. Is the planning stage actually fun for the client, or does it feel like an endless root canal?
3. Is your tech as relevant to accumulators as it is to people on the cusp of retirement?

Invest

It goes without saying that an advisor's value isn't only found in planning. Once a plan is built, it's up to an advisor to put clients into the right investment mix to guide their portfolio toward their financial goals.

Whether you outsource portfolio management or handle it in-house, you should be using technology that makes you confident that you can get the job done. And if you're an advisor who wants to take a hybrid approach—managing some portfolios while outsourcing others—having a single system to handle both approaches is even better.

For years, portfolio management was thought of as a back-office technology. As client expectations have grown, though, every piece of technology that an advisor selects as part of their tech stack needs to play a role in the client experience.

When it comes to portfolio management, your tech should enable conversations with clients. As you discuss what a client owns and how it's working to help them reach their goals, your portfolio management technology should give you the tools you need to help them improve their investment knowledge.

These are the **questions you need to ask about your investing technology**:

1. How quickly can I go from building a plan to executing on it? Am I digitally integrated with my custodians, or does it still take days to set up new accounts?
2. Does your portfolio management tech give you information for conversations around things under your control, or do your clients worry more about things they can't control?
3. Does the risk scoring methodology I use truly reflect short- and long-term asset risks? To what extent can I use this information to tie my clients' portfolios to their goals?

Achieve

Sending paper reports in the mail once a quarter is a thing of the past. Reporting is now about creating a continuing dialogue and engaging in conversations that result in decisions, not just information.

Performance reports still play an important role in the client experience, but their purpose is to help clients see exactly how they're achieving progress toward their goals, rather than just allowing an advisor to showcase their investment prowess.

As with the rest of the advisor-client journey, this step requires dynamic digital support as well. Give clients the power to access their information at any time through your client portal, and bring all the pieces of

their financial life together so they can see their full balance sheet in a single view.

Reporting isn't just for clients, though. You also have to have a solution that helps you make smart decisions for your business' health. The only way to do that is with easy access to "big data" so you can identify trends and pursue growth with actionable knowledge.

In 2021, your portfolio management platform should empower you with the flexibility, client reporting resources, and business intelligence data to help you run your business.

These are the **questions you need to ask about your reporting technology**:

1. Do your reporting tools synthesize planning goals and investment performance to show progress to a client in a way they can understand?
2. Are your clients actually using client portals? How many of them do they need to bounce through in order to see their entire financial picture?
3. What business intelligence insights or analytics can you derive from your clients' progress? Does it help you grow your business and improve the client experience?

Conclusion

Throughout this article, we gave you a series of questions to ask yourself about the technology you're using to empower the client experience in your advisory firm. Some questions are easier to answer than others, but if you found that you didn't have a good response to more than one, it might be time to think about upgrading your advisor technology.

If your current technology isn't the right fit, don't get complacent. While a technology conversion does require time and concentrated effort, it's much less disruptive to a business than the inefficiencies and poor client experience caused by holding onto technology that doesn't serve your needs.

As you use these questions to look through your existing technology stack, you can also evaluate any new technology you look to purchase by using the same standards.

Orion has a solution for each point in the client journey. From first contact to ongoing relationship management, to planning and investing, Orion's unified platform can help you provide a higher level of service for your clients.

To see how your firm can streamline processes and crush your goals in the year ahead, get in touch with Orion Advisor Tech today! ■

If your current technology isn't the right fit, **don't get complacent**.

How Automation Can Help Advisors Optimize 2020's Unusual Tax Losses

It may be time to revisit the platform or manual process your team is currently using to complete these essential EOY tasks.

By Lauren Yeaton Hunt

While this year has been a bumpy ride for investors and advisors alike, there may be an upside to all the uncertainty. Indeed, the COVID-19-fueled market volatility of the past few months could actually present a last-minute opportunity for advisors looking to help their clients ease their tax burden through effective tax-loss-harvesting strategies.

For many advisors, tax-loss harvesting, or selling securities at a loss to offset a portfolio's capital gains exposure, can be a thankless annual task. This year's topsy-turvy market presents a particularly complex challenge, as many — but not all — markets that initially went down significantly in early spring have rallied back above pre-crisis highs.

The manual process of identifying accounts with unrealized gain or loss positions, determining the best opportunities to reinvest proceeds in replacement securities, placing trades to relieve proper tax lots and keeping on top of wash sale rules may be overwhelming for many advisors, who may have difficulty finding the time to accomplish it all before year's end. As we move into the final months of this chaotic year, the clock is ticking for advisors who want to give their high-net-worth clients something to look forward to, come April 15.

Facilitating Recommendations Across Client's Whole Balance Sheet

Especially during periods of market disruption, timely tax strategies are one of the best ways to consistently and tangibly add value to client portfolios by attaining more tax-deferred growth potential.

The question on the mind of many wealth management teams right now is whether it's possible to reliably scale and manage tax-loss-harvesting strategies considering all the other year-end activity that must be completed on behalf of their clients. Many advisors are utilizing platform technologies that enable them to quickly execute on the complex requirements for tax harvesting. Per Cerulli, 80% of advisors surveyed said they already use client-oriented tax and accounting software, and 52% reported they plan to use this technology within the next three years.

According to the survey: "Creating a fully integrated platform … that includes all aspects of investment management, brokerage and advisory business can help teams work in unison and facilitate comprehensive recommendations across the client's entire balance sheet."

Finding Efficient Ways to Execute Tax-Harvesting Trades

Finding the right platform to perform seamless tax-loss harvesting is crucial — especially this year. Advisors should take a hard look at their firm and its processes, and ask themselves these two tough questions: Is my home office overlay team struggling at year-end to scale up and efficiently complete all of our advisors' tax-harvesting requests in a timely man-

ner? Are our advisors subtracting valuable time from counseling clients to spend their days identifying and executing tax-harvesting trades by hand?

If the answer to either of these questions is "yes," it's probably time to revisit the platform or manual process your team is currently using to complete these essential EOY tasks. Not only will transitioning from an error-prone manual procedure to a more reliable automated approach optimize your firm's cost efficiency, it can also help you more quickly pinpoint loss-harvesting opportunities, replace clunky, human-led trading workflows with automated, streamlined trading and perform tax-advantaged trades of individual securities with ease.

The truth is that if you're not already using an automated system to help your tax-harvesting strategies, your firm is likely at a disadvantage. If your high-net-worth clients can get better tax-advantaged services from an advisor who uses a hybrid technology model, they don't have a strong reason to stick with you.

Supporting Clients in Times of Uncertainty

This is especially true for clients who require their strategies to be adjusted and monitored on a semiannual or quarterly basis. For advisors who serve these clients, tax-loss harvesting is not just a year-end task but also a routine process that takes up a lot of time throughout the year. As Cerulli notes, technology platforms can enable a firm "to turn on a tax-aware setting to alleviate the manual effort associated with trying to determine and manage tax optimization."

The benefits of such a platform can be immediate: Instead of managing this critical task by hand, digital tools can enable your team to scale up and complete all requests in a timely manner. Meanwhile, firms that employ a comprehensive platform service can see their advisors' time freed up significantly, giving them more bandwidth to focus on directly communicating with and supporting clients during this historically tumultuous time. With so much doom and gloom in the world, a little extra assurance, guidance and ongoing advice will go a long way to keeping your clients happy. ■

Lauren Yeaton Hunt is VP of product marketing at Vestmark, a provider of portfolio management and trading software, and outsourced services.

A little extra **assurance**, **guidance** and ongoing **advice** will go a long way to keeping your clients happy.