

Case Study:

Henssler Financial



At A Glance

- Founded: 1987
- Headquarters: Kennesaw, Ga.
- Website: www.henssler.com
- Services Offered: Comprehensive financial planning, asset management, insurance, tax & accounting services
- AUM: Approximately \$1.56 billion as of December 31, 2016
- Clients: About 3,600 individual accounts, and approximately 1,100 clients
- Staff: 75 team members, including 22 advisors in its financial planning division
- Primary Custodian: Charles Schwab & Co.
- Portfolio Management/Reporting: Advisor View™
- Portfolio Rebalancing: Advisor Rebalancing®
- CRM: Advisor CRM®

A Case Study in Ensuring Your Firm can Adapt to Any Challenge

For Henssler Financial, a provider of comprehensive financial planning, asset management, insurance, and tax and accounting services based near Atlanta, “Live Ready” isn’t just a flashy company slogan—it’s a state of mind. The team at Henssler believes that since life is unpredictable, clients need financial plans that are both holistic and flexible in nature, and financial advisors who can act as truly engaged partners along life’s evolving journey.

In 2013, the firm’s management team realized that while Henssler prepares clients to be ready for life’s inevitable roadblocks and monkey wrenches, the RIA itself wasn’t. At that time, Henssler relied on a client relationship management (CRM) system and a trading program that it built in-house, as well as a third-party portfolio management and reporting application. The arrangement was going swimmingly, but after a while, the firm realized what they were doing was not scalable and those who fully understood how the custom technology applications worked were few in number. Any future retirement or departure of these few individuals could have had a significant impact on the firm’s ability to maintain its systems.

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“It got to a point where, when we realized an impending retirement or employment decision of the one or two people who knew all about those programs and their inner workings could have a significant impact, it became obvious to us that we needed to find something we liked, hopefully off the shelf, that we wouldn’t have to maintain,” says Adam Ledbetter, CFP®, who serves as Training Manager for Henssler Financial. “What we had was good because we built it how we wanted it. However, we saw this as an opportunity to not only reduce our maintenance burden, but also give our entire system a significant upgrade.”

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As the firm’s Training Manager, Mr. Ledbetter is responsible for training staff members to become familiar with not just technological changes, but also how to utilize technology applications to enhance productivity and quality of work. After searching for new applications, Mr. Ledbetter and his colleagues chose to implement Investnet | Tamarac’s (Tamarac) Advisor® Xi wealth management technology platform for independent RIAs.

From a training perspective, he and his colleagues liked that Tamarac would assign a team of support professionals to guide Henssler during the transition and implementation processes, and ensure that Henssler employees could become familiar with Advisor Xi applications and teach their co-workers to use them in ways that maximize their productivity and quality of work.

Mr. Ledbetter and his fellow Henssler management team members were also impressed with the operational efficiencies, and template and workflow customizations, offered by the Advisor Xi components, as well as Tamarac's commitment to rolling out new technology updates across the platform every other month.

“Tamarac definitely keeps us on our toes so nothing goes stale—they’re always improving Advisor Xi by adding new features,” says Mr. Ledbetter.

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“There's an area on their support site where they allow us to enter enhancement requests, and then they track those requests and once they get enough of them, or figure out how to create something that's useful for multiple clients, you'll see certain enhancement requests from that page addressed in the latest roll-out,” says Mr. Ledbetter. “It's great to be able to see that you're not the only one who requested something, and that Tamarac is listening.”

Off to Tamarac University

Henssler went all-in and decided to adopt all three products in the Advisor Xi suite within a few months of each other. They first implemented the Advisor View™ portfolio management, reporting and client portal application, then the Advisor Rebalancing® program, and finally, Advisor Xi's enterprise-level CRM system, Advisor CRM®. Members of Henssler's dedicated support team from Tamarac came to the firm's headquarters in Kennesaw, Ga., for several days to oversee the implementation of each application.

To learn how to use each application, and understand how the three Advisor Xi components work together to improve the wealth management experience for advisors and clients, Mr. Ledbetter and several of his colleagues attended Tamarac's intensive, classroom-style Tamarac University (Tam U) training sessions. The Henssler team did not have to travel far initially, as Tamarac hosted a Tam U session in Atlanta that focused on its Advisor View application. Afterward, the Henssler team traveled twice to Tamarac's Seattle offices to attend group trainings for Advisor Rebalancing and Advisor CRM.

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But Henssler's Tam U sessions didn't end when all three Advisor Xi applications were up and running. “Not only did they come out for the actual implementations for a couple of days, but even after we attended Tam U, they were flexible and willing to come back,” says Mr. Ledbetter. “We had them back here last year, and they spent a day or two with us on each product. Even though we were a few years into using Advisor Xi, they came to see us and spend time with us to further enhance our processes and help us become more knowledgeable, which was a great benefit.”

Significant Operational Efficiencies (and Customizations)

After Henssler transitioned to and implemented Advisor View, the firm began saving a lot of time on key workflows. Henssler runs monthly and quarterly billing for all accounts, and monthly billing, which used to require a full week, now takes two days. Quarterly billing, meanwhile, which Mr. Ledbetter describes as “much more difficult and high-volume,” used to take as much as two weeks to complete, but now lasts only four days.

Henssler can also customize PDF report templates in Advisor View that can be sent to clients by post or email, or presented to clients at in-person meetings. “For certain types of meetings we have with our clients, we’ll generate a template we’ve created, and eventually have it made into a booklet that we produce and take to the meetings so clients have a takeaway,” says Mr. Ledbetter.

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These reports, which usually include performance and holdings as well as other customized content, are printed and bound in-house at Henssler and enable the firm’s advisors to better engage with clients during in-person meetings. Henssler also uses sample holdings and other reports from Advisor View for prospecting in order to demonstrate how the firm can present similar portfolios.

Another key benefit for Henssler’s clients is the use of the client portal in Advisor View. The firm didn’t offer a client portal prior to implementing Advisor View, and more than three years later, between 400 and 500 of Henssler’s approximately 1,100 clients utilize the client portal to receive real-time account data and updates as well as performance reports.

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“Going through and setting up a portal at the beginning is a benefit because it allows us to post copies of semiannual performance reports, billing invoices and other documents—so as soon as a client activates their portal, all their documents are already there,” says Mr. Ledbetter. “It saves us time to post it all electronically, and they have all the materials at their disposal.”

Clients receive billing invoices and semiannual performance reports through the client portal’s document vault, and receive an email alert and a link to each new document when it’s ready. A small number of clients still wish to receive invoices and reports by postal mail, but the majority of them prefer paperless communications, which saves Henssler a significant amount of time each month and quarter.

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Printing and mailing semiannual performance reports used to take at least a week from beginning to end, but today, the process is completed in two-and-a-half days.

Rebalancing: Not Just One Model Anymore

When Henssler implemented Advisor Rebalancing, Mr. Ledbetter and his colleagues were able to customize multiple trading and rebalancing models for clients, a capability that was a big improvement over the firm's proprietary trading application.

"When the trading system we had before was built originally, we were primarily only using one model for our clients, believe it or not," recalls Mr. Ledbetter. As time progressed, the firm added a few alternative models, but the trading of those models was generally a manual process. "Advisor Rebalancing made it easy for us to assign each client their own customized model, or pick from a list that we could recommend from."

Advisor Rebalancing also enables Henssler advisors to target potential opportunities for tax-loss harvesting when running certain models. This is especially useful for Henssler because its advisors look for tax-loss harvesting opportunities as part of the firm's asset management service offering. Checking for tax-loss harvesting prospects is now an automated process, which gives Henssler's advisors the freedom to run tax-loss harvesting screens frequently as opposed to once a year.

Charles Schwab & Co. serves as custodian for more than 80% of Henssler's accounts, and Tamarac's deep integration with Schwab's custodial platform enables the straight-through processing of trades for these accounts from within Advisor Rebalancing. Once advisors have approved their trades, the trading department at Henssler can automatically upload trades directly to Schwab Advisor Center® without leaving Advisor Rebalancing. The integration between systems also allows Advisor Rebalancing to show advisors important gain and loss information for an account and each of its holdings, which helps the advisors make more informed trading decisions.

Custodian alerts from Schwab Advisor Center show up in the Advisor View program, quickly informing Henssler's advisors of issues that need to be addressed. In addition, the Henssler team can designate the Schwab Advisor Center as the data source for Holdings, Transactions, and Realized/Unrealized Gains and Losses reports in Advisor View, ensuring that all client-facing reports include the most up-to-date information from Schwab.

Henssler also manages some accounts for which Fidelity Investments or TD Ameritrade Institutional serve as the custodian, but since Tamarac's Advisor Xi platform is custodian-agnostic in nature, Henssler's advisors can benefit from similar integrations Tamarac has implemented with the Fidelity WealthCentral® portal and TD Ameritrade Institutional's Veo® system.

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“Processing trades is very easy with Tamarac because they keep enhancing their levels of integration with different custodians,” says Mr. Ledbetter. “Our trading department used to have to go outside Advisor Rebalancing to process certain non-discretionary trades and mutual fund trades, but one of Tamarac’s updates allows them to send these trades directly to Schwab with fewer manual clicks. This is another example of how Tamarac continues to improve its products based on client feedback and in-house thinking about how to make things better.”

Added Flexibility has Eased the Tech Transition—and Made Henssler Adaptable

The implementation of Advisor CRM enables the Henssler team to create and customize workflows as well as data inputs, making the management of client relationships much more seamless throughout the organization.

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“I do a lot of work on that end, and even something as simple as creating email notifications about a field change so other departments know about it has a positive impact on so much of what we do,” says Mr. Ledbetter. “Advisor CRM is a flexible system that we’ve been able to customize to fit our needs. What’s nice is that we can automate more workflows while making sure different teams stay informed about client updates—so we don’t lose that human element that’s important in our culture.”

In addition to adding customized fields in Advisor CRM, Mr. Ledbetter and his colleagues were able to incorporate its distinct service team structure into the application.

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“When it came to setting up our company’s unique service team structure in Advisor CRM, we had more team members than the Advisor CRM default setting allowed for,” says Mr. Ledbetter. “It wasn’t a problem, though, because we were able to work with Tamarac to build customized service teams that could accommodate the other individuals who are assigned to those clients.”

The flexibility and customization in Advisor CRM, and across Advisor Xi, made the transition from Henssler’s previous technology setup more palatable.

“We used to have a system that was built specifically for us, so coming to a new platform that we could personalize for our practice made it easier to adjust,” says Mr. Ledbetter. “Knowing that we have the flexibility to continue to make it easier to manage client accounts and relationships gives us peace of mind that we can ‘Live Ready’—just like our clients.”

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Envestnet | Tamarac's web-based platform for independent RIAs, Advisor® Xi, deeply unifies portfolio management, modeling, rebalancing, trading, billing, and reporting with a client portal and enterprise-level client relationship management (CRM) system.

For more information about Envestnet | Tamarac's Advisor Xi, please visit www.envestnet.com/tamarac or follow [@TamaracInc](https://twitter.com/TamaracInc) (twitter.com/TamaracInc).