



A New Way to Measure Technology Adoption Return on Service

By Frank Reilly*
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Like most established businesses, we at Reilly Financial Advisors have steadily increased our reliance on technology over the years to enhance our operational efficiency. Technology has helped us grow and improve our economies of scale. Most importantly, it has also helped us provide our clients better, more personalized service, a focus which is central to our continued success.



Along the way, we have discovered that the truest measure of successful technological innovation isn't necessarily Return on Investment (ROI), it's what we think of as Return on Service (ROS).

Since our inception, our firm made has made a commitment to deliver highly personalized service to every client. That promise is still our primary consideration across all our lines of business, and it applies equally to the evaluation and implementation of new technologies. Return on Service to our clients is our fundamental yardstick of success.

Truly personalized service begins with client contact, and it is extended by the resources we dedicate to initiating and maintaining that contact. In other words, our definition of service revolves around the nature and quality of the time we actually spend with clients. And it isn't always the big things that matter the most; sometimes it's the basics!

Over 10 years ago, RFA made a commitment that a real person would answer every phone call and welcome every visitor. Our clients don't just expect the phone to be answered promptly and with courtesy - they expect it to be answered by someone they know, like, and can rely on. Our Administrative Services Manager, Shanda, is their first point of contact, and time and again, they have told us that dealing with her is a breath of fresh air that they greatly appreciate.

In that same spirit of personalized client service, we recently decided that a manual workflow management process was the best for new clients. A consultant recommended a complex, automated system. While it would have eliminated a few



steps in our process, it would also have diminished our Return on Service, so for us it wasn't the best choice!

Instead, we continued physically passing each new client's initial paperwork through the chain of responsibility, in order to ensure that everyone in that chain is fully aware of each new client's individual characteristics and unique considerations. The seemingly antiquated use of a bright yellow checklist proved to be a more effective way to track the status of new accounts, and it also enhanced teamwork and collaboration. In that particular case, we determined that corporate awareness and collective memory were more important than mere automated efficiency, because they too improved our ROS.

The "right" technology should free up time that can be better, more effectively spent on further enhancing client relationships and on delivering better and more personalized service. Recently, we began to realize the limitations associated with our firm's proprietary portfolio rebalancing system. It took too much time to use. We accepted an invitation to beta test portfolio software that integrates with our portfolio automation and accounting system. This proved to be an excellent example of technology that did increase our Return on Service.

Prior to adding the portfolio rebalancing software, we needed five full-time employees for four full days to complete a process that now takes two people a single day. That allows us to rebalance more often and more effectively, providing real efficiency because it serves our clients better, not just our staff. Our new trading system also enables us to work across all our client accounts simultaneously. We can now implement strategic investment decisions, adjust model portfolios, and put cash to work instantly across multiple accounts. That too improves service in ways that are consistent with our core philosophy, because it frees up both time and people that we can use to cultivate even better client relationships.

The information age offers a universe of technological applications that collectively can automate a huge percentage of what needs to be done in a modern, competitive, business environment. But, the key to using that technology efficiently in an industry that rises and falls on the basis of personal relationships remains essentially unchanged. You must always ask yourself whether a particular application will improve your ability to enrich the service you provide your clients.

At RFA, our measure of which technologies to implement and which to avoid is Return on Service. What's yours?

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