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Transforming Your Business with an Integrated Solution

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When I'm onsite consulting with one of my client RIA firms, often one of the advisors will have to excuse him- or herself from a meeting to take a call from a client. Inevitably, that call starts a process to respond to whatever request the client is making, whether it's for basic information, a quick recommendation or a financial transaction.

I've seen advisors frustrated by the number of manual and redundant steps needed to complete the tasks generated from the client's call. Workflows within many RIA firms are needlessly complicated. Responsibilities are often dispersed among many people, disparate technologies are not integrated and lines of communication are often misaligned. The result is that tasks are not completed quickly, and they usually require redundant work, such as entering the same information into multiple systems.

So I was intrigued recently when one of my clients, who was considering purchasing [Tamarac's Advisor 9](#), a web-based investment management and business automation solution, encouraged me to watch a [demonstration](#). Advisor 9 integrates all of an RIA's core applications through a customized client-relationship management (CRM) system. It also offers outsourced portfolio accounting and rebalancing services to automate regular back-office tasks. Potentially, it's a game-changer for any firm that's trying to reduce costs, become more efficient and enhance their client experience.

Automating Workflows

Perhaps the best way to understand what Advisor 9 can do is to consider how a typical RIA responds to a client inquiry. Let's imagine that your client calls you to find out about the general health of his portfolio and to request a cash disbursement from an account that your firm is managing. To first discuss the health of his portfolio, odds are you'll have to call him back after tracking down his performance data. Next, you would assess whether the client could afford to take the disbursement and then decide the best way to get the cash for the client. You would either manually calculate the trades needed to generate the disbursement, or ask the appropriate person in your firm to handle this. You would write another email to whomever handles trades for the firm, and that person would perform the transaction(s) and write their own emails and update his database to reflect the transactions. Someone else in the firm would update



the client's portfolio information in another database. Finally, someone would have to contact the client to confirm that the transaction was done and then log the entire process into the CRM. To complete this cycle, it's likely that several members of your firm would have to log into four or five different systems and enter duplicate data by cutting-and-pasting from email communications and requests.

Here's how I saw it working with Advisor 9. The advisor took the call from the client, and he opened the client's information on a customized CRM screen from within Microsoft Outlook®. From that screen, he immediately retrieved current information about the client's portfolio, including up-to-date holdings and performance reports, thanks to Tamarac's outsourced services that updates their system every morning. He generated a ready-to-execute trade file to handle the client's cash request from Advisor CRM and logged the trades for reconciliation and compliance reporting. He then kicked off an automated workflow that assigned tasks to the appropriate people in his firm to execute the trades and communicate with the client. He then sent an email to the client setting their expectations with next steps regarding the cash request, and because the CRM is integrated with Outlook, all emails (interoffice and with the client) were automatically stored in the client's historical record in Advisor CRM. As each task in the workflow was completed, the client's record was automatically updated, and the advisor could check on its progress. The information flow was seamless, and nobody had to enter duplicate data.

Now, multiply those differences by the number of incoming calls you get each week. The benefits are obvious. With Advisor 9, your CRM system isn't just an online Rolodex™. It becomes a single system to handle any client interaction and portfolio management task.

Last year, Joel Bruckenstein, one of the leading technology consultants in our industry, wrote about what it means to have a robust CRM system and to use it to its maximum effectiveness. "Client relationship management software is probably the single most important piece of software for establishing and maintaining a successful advisory practice," he wrote. "On an everyday basis, successful advisors rely upon CRM for mission-critical help with time management, workflow management and workflow automation, and with the delivery of uniform services. When CRM is used to its full potential, advisory firms will record every action taken by any staff member on behalf of a client."

It seems to me that Advisor 9 is not only a huge step in the direction that Bruckenstein describes, but it goes beyond it in some ways. The deep integration of all of the functions means that an RIA can conduct client or portfolio management activities from the CRM. Advisor 9 can be the Holy Grail for



workflow efficiency—bringing to a robust CRM the added benefits of instant access to trading, performance reporting and portfolio accounting functions.

Enhancing Client Relationships & Compliance

After watching the demonstration of Advisor 9 with my client, I thought about what additional impacts it could have for RIA firms. First, there's the all-important client relationship. We're in the *personal* finance business, and it's never been more personal than it is these days. I have client firms where each advisor handles 500 or even 600 clients. When a client calls, and the only thing an advisor has handy is information that's in Outlook, the advisor is not in a good position to provide much of a response to a question. Frankly, there's nothing more frustrating to a client than to call with a fairly simple question, only to have the advisor say, "I'll have to get back to you on that," because the advisor can't quickly or confidently access the data he needs to give an answer.

With Advisor 9, that conversation is quite different. When that advisor gets a call from a client, he opens the current "Performance Dashboard Report" on the client's household in one click from Advisor CRM. If a trade is needed, the advisor generates a trade order from within the CRM, while taking into consideration the client's model portfolio, tax sensitivity and custom account settings. The advisor then logs the trade and generates a compliance report that is stored in the system. Job completed.

Compliance issues would also be solved more easily. Everything is automatically archived and updated, and it's searchable. With the SEC tightening its auditing procedures, advanced-level message tracking and document management will turn out to be a huge benefit of integrated CRM. The possibility for error is greatly reduced when advisors don't have to cut-and-paste information from one system to another. It's the same thing with keeping data in a consistent format, whether for compliance or for presentations to clients.

For a firm that really wants to dive all the way in, even portfolio accounting and rebalancing can be part of Advisor 9. An optional service, Tamarac AdvisorServices™, handles daily system updates of current holdings and account information, reconciliation of an advisor's client accounts, updating performance reporting, and portfolio rebalancing – all using the Advisor 9 platform. Also, if an RIA decides to take these tasks in-house down the road, there are no system changes.

Even something as seemingly minor as scheduling appointments can become easier. Because Advisor CRM is integrated with Microsoft Outlook, it automatically syncs anything from your Outlook Calendar with your CRM



calendar and tracks complete email strings and appointments within the appropriate contact's history in the CRM.

Making the switch

Admittedly, advisors have a right to be cautious about any new software that comes to the market. When a software developer says that a system is “simple” or “intuitive,” all of us know that the reality of our actual use of the system often can fall short of the developer's idealized world. These problems occur most often when different systems must be joined together. What's promising about Advisor 9 is that Tamarac has already done the integration—that's the whole point. The advisor does not have to be an IT expert to make the system work. In fact, advisors don't need an IT department to run Advisor 9 since it's a web-based system.

Still, advisors are concerned about working with a new platform, whatever firepower it promises to provide. Sure, Tamarac's Advisor Rebalancing software has been around for a decade, and it's top-of-class; but what about Advisor 9? In a recent phone call, Tamarac's VP of Marketing, Matt Stroh, pointed out to me that Advisor 9 is built on proven systems: Microsoft Dynamics CRM (run through Outlook); Schwab Performance Technologies® PortfolioCenter® for portfolio accounting; MoneyGuidePro™ for financial planning; and ByAllAccounts for account aggregation. Using these systems is not taking a leap into the unknown. What Tamarac has done is “stitch it all together,” said Stroh.

As Stroh describes it, an advisor who has been using Outlook would not face much of a learning curve. The interface will be familiar. What will be new is how much more can be done from that interface, and which steps of the process are automated.

The final hurdle, it seems to me, is that firms have already invested in various software for CRM, portfolio accounting, trading, etc., and any change is disruptive. But I've rarely seen a firm that is actually pleased with all of the programs it's using. Looking at the cost-benefit of switching systems, most RIAs agree that they would be very willing to invest in a new platform if it truly broke new ground in efficiency, ease-of-use and functionality.

Furthermore, by reducing internal IT requirements, Advisor 9 enables firms to focus more time and energy on revenue-generating activities – such as acquiring and serving clients. Stroh said that one newly formed RIA, Etesian Wealth Advisors, LLC, is literally operating with Advisor 9 and eight laptops. It has no server and no IT manager. Additionally, Etesian outsources its portfolio accounting through Tamarac which gives them access to state of the art technology, run by IT professionals who know their business.



Etesian Wealth Advisors might be on the cutting edge of outsourcing these tools. But the firm is mainstream in recognizing that outsourcing can be cheaper than managing in-house software and allows for greater growth potential. In this sense, Advisor 9 fits squarely into the natural evolution of our industry.

Firms of all sizes, whether they are established or startups, are looking for ways to get more efficient in handling client portfolios, reporting and communications. All of us know that integration of those functions is the wave of the future. With Advisor 9, the future might just have arrived.

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