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Dylan Navra is Praemium Asia's managing director and heads its financial advice software arm. He has over 12 years' experience in the financial services industry, including several years as a financial adviser. Dylan is passionate about helping advice practices increase their client engagement and business efficiency through the use of practice management and wealth management tools. A key part of his role at Praemium is driving the growth of its adviser software and digital solutions globally.

# CRM systems and financial advice

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**E**very adviser is acutely aware of their mounting administration burden. Not only do advisers have to provide sound advice, they must also show how and why they have provided it. To do this manually for every individual client is an administrative headache that inevitably places a limit on the number of clients an adviser can successfully support.

It is frustrating to think that upper limits are set, not on the capacity to advise or the availability of new clients, but by interminable tasks and the need to generate pages of compliance blurb, which is often impenetrable or meaningless to the average investor.

For those unwilling to accept this status quo, embracing automation and becoming paperless is an increasingly likely solution.

Advisers need to look beyond the traditional back-office systems that only store contact information, create a single view of client holdings and monitor remuneration. While they may have served an adviser well to date, even the most sophisticated back-office system is unlikely to make the necessary difference for an adviser trying to operate in today's environment.

## Focus on service

The Future of Financial Advice reforms and more recently the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry have placed a far greater emphasis on the service proposition advisers are providing clients. Advisers not only need to provide greater transparency on fees, but also clearly demonstrate that the advice they provide is suitable for a client's needs. In short, advisers need to show the value they provide to clients and they need to do it regularly.

In addition to demonstrating the value of their services, advisers also have a large administrative burden. They need to disclose their fees and get client opt-in regularly, produce statements of advice following delivery of advice, and make sure they are on top of all their compliance requirements, just to name a few. This can be tough to scale with a back-office system that only records activities rather than focusing on the client's experience.

The real question to ask is: Does the client value, or even see, all the effort that occurs in the back office? Probably not. To our mind, simple back-office systems just cannot deliver in this new environment. Advice businesses need customer relationship management (CRM) systems if they want to grow their client base and provide a strong level of service that a client sees and values.

CRM systems offer a tool to build and manage the adviser-client relationship, rather than simply being a mechanism to keep everything in one place. They are used to help deliver the service to the client, rather than just store the history of it.

A good CRM system assists from the very beginning of the client relationship, at the introductory call or fact find stages, through subsequent meetings, implementation and ongoing service. Online engagement tools will assist throughout the entire lifecycle of the client journey.

## Establishing a workflow

The right CRM system provides advisers with an opportunity to evaluate and streamline their workflow. It helps advisers consider how they can deliver their client proposition efficiently while eliminating cumbersome processes. The more an adviser 'rinses and repeats' the model they build within a CRM system, the more they become aware of areas that have been inefficient and are able to tweak their workflow accordingly.

With a healthy workflow established, an adviser can work out the time and cost to deliver their service proposition for different types of client – silver, gold, platinum, for instance. The CRM system then supports that service, issuing reminders for client meetings or updates at the appropriate intervals. This maximises time spent with the client rather than on the client.

### High-touch engagement

A CRM system also allows the adviser to create a factory-repeatable process. Advisers can communicate at scale because they no longer need to contact each client to take action because the CRM system does it automatically. It allows a high-touch service without additional work for an adviser.

The adviser's focus then becomes about the delivery of the service rather than the production of it. CRM systems have built-in tools to deliver on that engagement through online portals where it is possible to view investment positions, update information digitally and communicate freely with the client. This creates new, modern ways for advisers and their clients to interact.

### Be entirely digital

No matter the industry, every business has a digital experience, whether they consider it or not.

More than five years ago, mobile/tablet eclipsed traditional computers when it came to connecting to the world. If an advisory practice has not considered and invested in its digital experience, it may already be creating a negative outcome for clients.

A simple and highly effective way to create a digital experience is with an online engagement platform such as an investor portal. Investor portals can allow for instant and secure adviser-client communication. Further, with investors having access to their wealth information in real-time, there is the opportunity for advisers to engage with their clients in a more meaningful way. Many also provide a shared document hub to allow the facility to manage ongoing requests or activities between the parties.

Further, with digital signatures becoming more widely adopted, the entire onboarding process can be delivered through a digital platform. From fact finding and risk profiling to delivery of statements of advice, investors now can input and receive this information digitally and provide the necessary authorities to process the same way too.

### Embrace AI and learn from your data

Artificial intelligence (AI) is finally reaching the everyday market by providing worthwhile insights into client engagement. Utilising a CRM system allows advisory businesses to store the full history of every contact point with clients. In turn, this will greatly streamline any auditing obligations.

Within CRM systems, AI can help business owners and advisers better understand the common patterns in their business model. For instance, whether there is a certain part of a process that takes too long in the onboarding stage, or if activity has dropped below the average. It can even let an adviser know which clients have not been contacted and the risk that this may bring. Each insight can help drive greater business efficiency and alert businesses to maintain high levels of engagement with particular clients.

With well-defined digital portals, businesses can also track investor logins and how their clients are perceiving and interacting with their financial situation. This can create worthwhile insights on client comfort levels, alerting advisers to make contact if need be. For instance, if suddenly an investor logs in far more frequently than their average, it may indicate that their stress levels have changed. Be it market conditions, or a need to make a withdrawal for personal reasons, AI can alert the adviser to contact the client to offer support and guidance.

Every login and interaction on digital portals offers advisers insights into their clients and provides the opportunity to facilitate more personal support than ever before.

### Integrating platforms and CRM

The reality that CRM systems and investment platforms will be able to work harmoniously, creating the ideal experience for the adviser and the investor, is perhaps one of the most exciting aspects to come in 2020.

Integrating a practice's CRM system with the investment platform provides a complete set of data about the client's financial situation and enables a holistic view of the client base and their wealth management experience.

Today, the implementation and actual execution of advice takes the longest time in the financial planning process. Advisers need to create the advice, and investors need to approve it before the adviser then submits the request to the platform provider to execute. If this is all done on paper, the amount of double entry can be as high as seven instances in relation to the same information being input between paper and systems. Moreover, the time delay and the risk of error can be substantial.

With an integrated experience between the CRM system and investment platforms, the input of data can be reduced to just the one entry, with acceptance being the trigger to pass information between systems. Time and error should shrink substantially, thus offering an even better experience for the client.

Entering a new decade, the shift in focus from ensuring the job is done to ensuring the job is done well is a welcome change. The more businesses can focus on the client's experience, the better the outcome will be for everyone. Embracing relevant technological capabilities will give advisers not only more time, but the potential for more clients to engage with. **FS**



#### The quote

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