

A White Paper of the Wealth Management Practice

Reengineering the Client Experience for Improved Asset Gathering

The Challenge

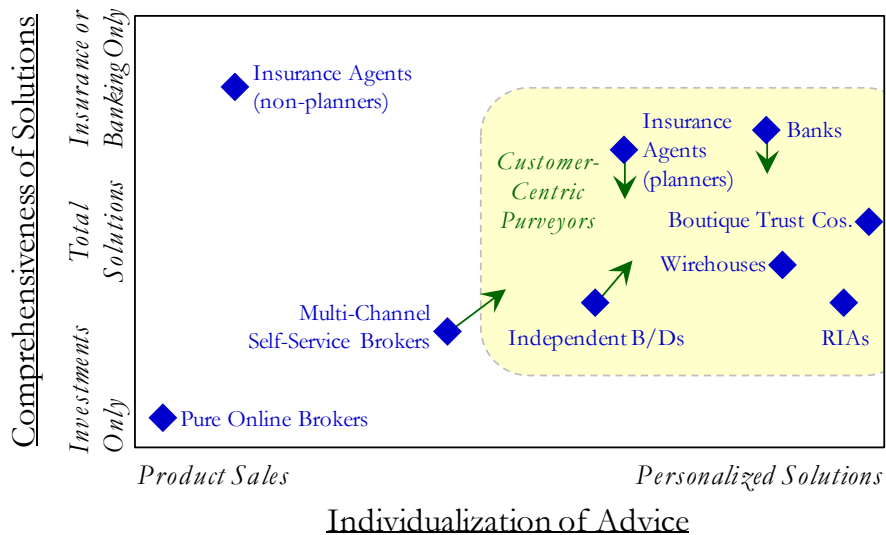
Investment services is increasingly commoditized, with financial institutions unable to differentiate solely through their product offerings. Brokerages, banks, and insurance companies are all competing for the same clients. Although each firm approaches clients from the vantage point of their own business model (i.e. investments, banking, insurance), client needs are holistic, requiring solutions to coalesce around total wealth management. Financial institutions are similarly relying upon multi-channel touch points, deploying advisors, online channels and call center reps, bringing further commonality between firms.

To be successful, purveyors must build a unique client-centric value proposition, tailoring their businesses to address their customer needs in a comprehensive and on-demand fashion, rather than delivering a pre-set, product-focused experience. Patpatia & Associates has worked with a variety of wealth management providers across channels to deploy new relationship-based, value-added client experiences. Below, we outline many of the evolving trends in the marketplace and the critical execution elements driving success.

Becoming a Client-Centric Organization

As banks, brokerages, and insurance companies increasingly compete against each other, individual firms need to aggressively position themselves as trusted advisors. Firms are employing advice-based engagement models and full wealth solutions, with the goal of positioning themselves as customer-centric purveyors.

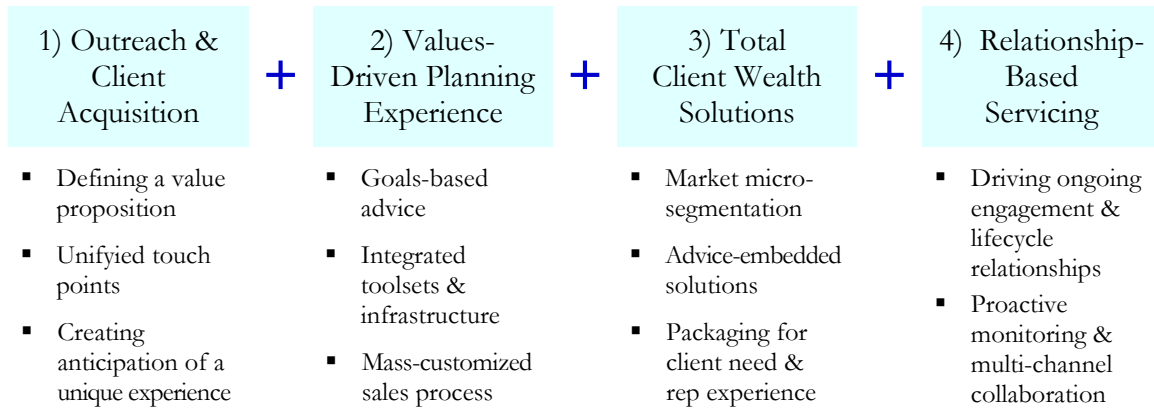
Competitive Realignment Toward Customer Centricity



Reengineering the Client Experience for Improved Asset Gathering

The Design of an Effective Client Experience

Financial institutions must reengineer their business models to deliver upon a higher-value, comprehensive customer experience:

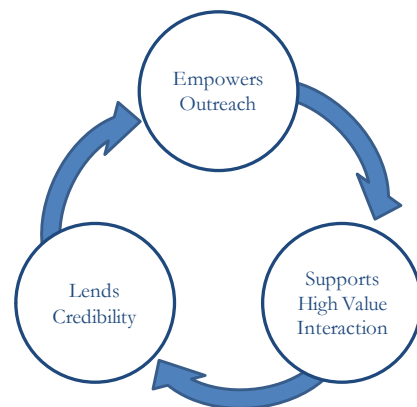


Firms are enhancing their advisor channels, deploying coordinated relationship processes, deploying expanded multi-product offerings, and integrating advisory technology to execute upon these new solutions.

Coordinated Outreach & Client Acquisition

Establishing a differentiated value proposition starts with implementing a coordinated needs-based communications strategy, emphasizing value-add (e.g. liability-driven retirement solutions, active management). Successful firms universally apply a consistent message and disciplined segmentation strategies for cost-effective delivery.

Harmonizing the multi-channel experience is key to establishing a compelling trusted advisor value proposition. Firms are migrating toward collaborative client ownership, encouraging team-based servicing through multiple experts and allowing clients to drive the choice of advisor & channel. Resource intensive activities are being centralized to reduce the burden on advisors & bring consistency and compliance to business practices, while the roles of online platforms & call centers are being expanded.



Firms must also remake their customer intake processes to create anticipation of a unique experience and convert prospects to clients. Application of analytical customer vectoring can allow firms to plan a personalized customer experience, which must be presented to set clear expectations of a differentiated service model.

Reengineering the Client Experience for Improved Asset Gathering

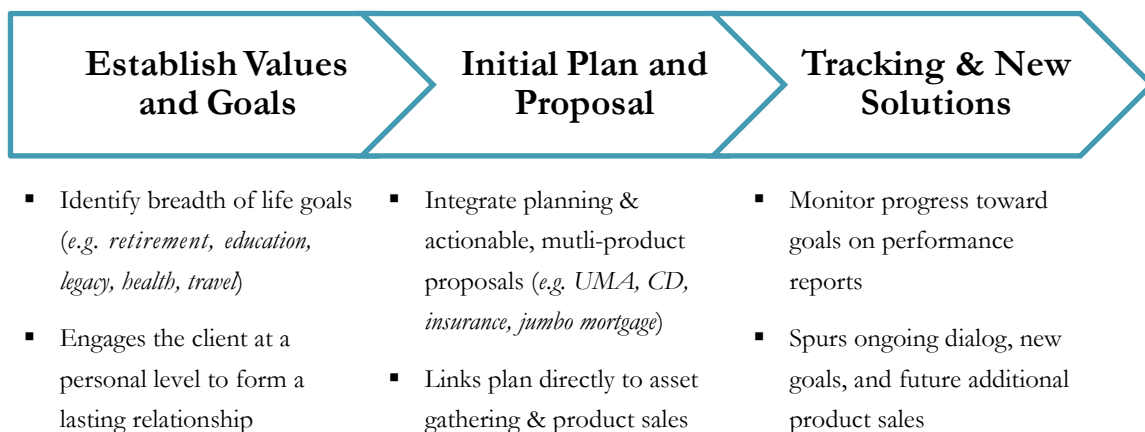
Values-Driven Planning As the Foundation

A planning-based client experience is now becoming universal across channels, for its ability to forge lasting, high value relationships with clients instead of transactional product sales. Insurance companies have long employed planning in insurance sales; however, life insurers are now linking to lifecycle planning to comprehensive wealth solutions to deepen their market penetration. Banks trust departments have been early adoptors, employing planning to differentiate as fiduciaries fulfilling clients total wealth management needs, and are now fostering planning-based experiences across their increasingly diversified channels.

Even brokerage firms, long the bastion of transactional business models, are beginning to expand planning best practices across their broader field forces, to direct and bring consistency to advisor behavior. Even self-service firms are deploying multi-channel (online, branch, call center), on-demand independent advice to fulfill clients' demand for guidance.

As firms deploy new planning programs, the main challenge is moving from a static product sale (i.e. marketing "financial plans") to engaging with clients through a holistic and actionable advisory client experience.

Values-Driven Planning Methodology



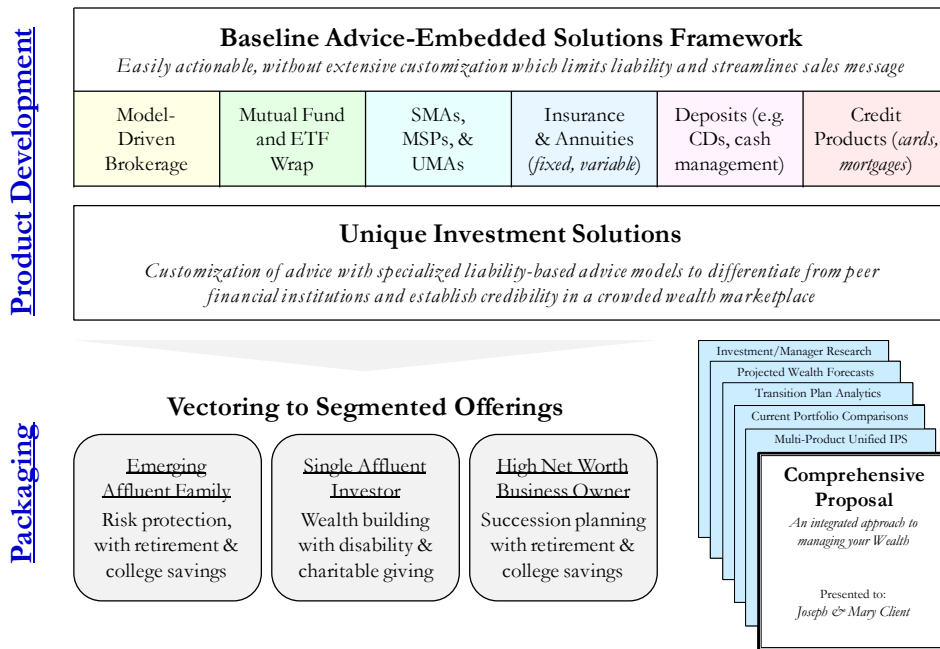
By forging a meaningful ongoing dialog with the client, the values-based planning approach is ideally positioned to integrate disparate investment, banking, insurance, and fiduciary needs.

As not all clients require the same depth of advice, firms are developing segmented planning offerings, deployed by planning toolsets integrated directly into their CRM and back office environments. However, leading adoptors of the value-based approach continually reinforce the process through proactive field training & development programs, online & social media integration, and centralized plan production.

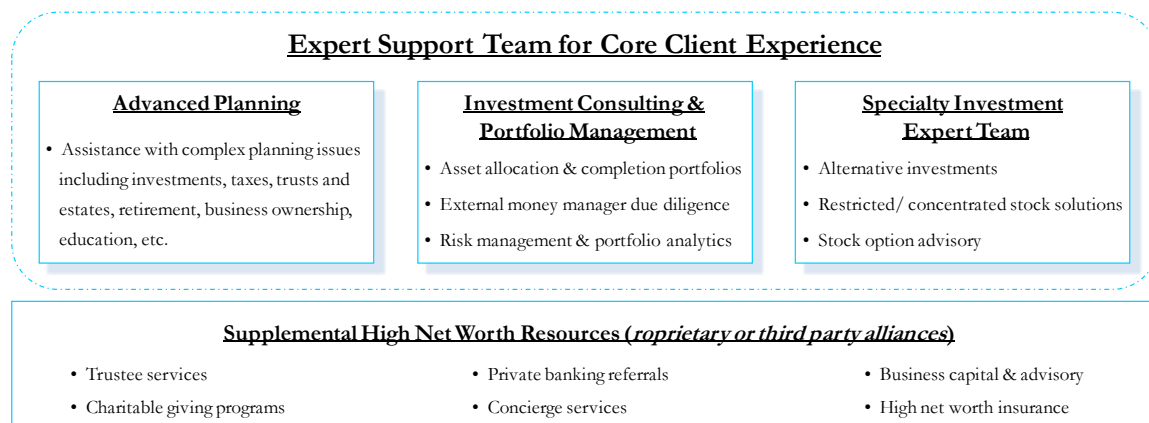
Reengineering the Client Experience for Improved Asset Gathering

Delivering Total Client Wealth Solutions

Providers are needing to offer compelling wealth solutions, fulfilling a clients’ comprehensive goals, while differentiating from the “off the shelf” programs offered by their peers. By deploying pre-configured, compliant solutions with prudent “mass-customization”, the best providers are able to balance clients expectations for a high touch, personalized experience within the risk-managed & operationally efficient investment framework.



To deliver upon the promise of total wealth solutions, firms are needing to reinforce front-line reps with effective centralized advisor support. Whether deployed in the home office or via regional sales support experts, these teams are being assembled to provide tactical assistance in case analysis & development of professional multi-product presentations.



Reengineering the Client Experience for Improved Asset Gathering

Relationship-Based Servicing

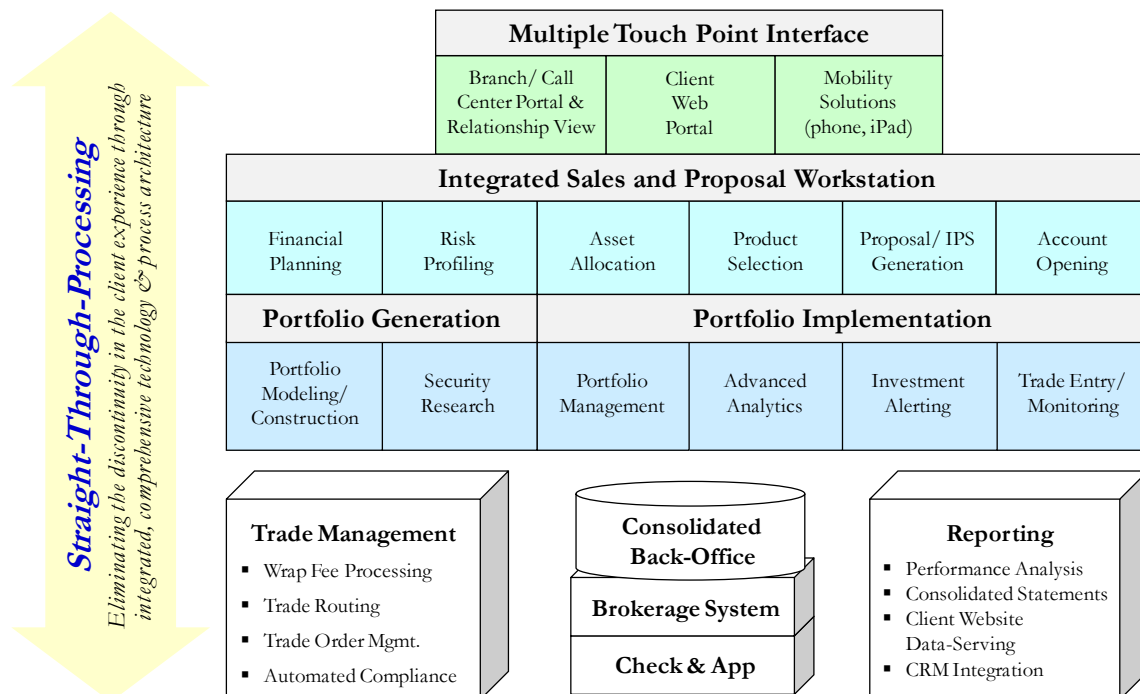
Purveyors are aspiring to maximize success by building planning solutions that encourages the expansion of relationships from topical to comprehensive solutions over time. While some firms try to force clients into their preferred objectives (e.g. retirement planning), leading firms understand that they must also be able to support the full range of lifecycle solutions as their clients demand.

Once a client's immediate trigger event concerns are addressed, advisors may reengage with a full values-based planning approach to drive a full wealth management proposal. Coupled with mandatory quarterly or annual reviews, this ongoing planning process has been proven to generate enhanced sales, with planning clients generating up to *3 times the assets and 5 times the revenues* of traditional transactional relationships.



Technology for Efficient Implementation

Leading peers are investing in new integrated advisory toolsets to effectively implement new wealth models. By embedding client experience workflow directly into the advisor desktop, firms may direct their producers into adopting relationship-based best practices. Additionally, by executing a straight-through-processing environment, innovators can achieve material gains in producer productivity.



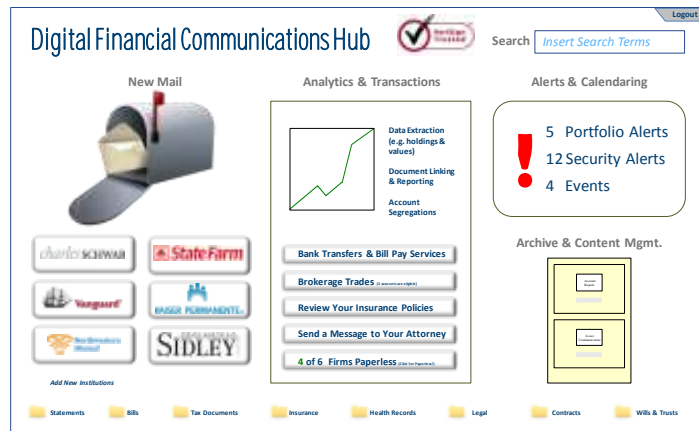
Reengineering the Client Experience for Improved Asset Gathering

Ongoing Interaction

Technology may also be deployed to fill critical relationship-based service gaps, allowing purveyors to deliver continuing value that supports client retention and drives further sales. Goal-based reporting, which integrates investments with banking, insurance, & annuities, and links the results to the client's financial plan all on one statement, is key to making the firm's investment performance relevant to the consumer. When paired with life event monitoring, wealth product cross-sales may be maximized.



Effective communications tools are also optimizing the client experience. Proactive alerting is employed to spur value-added conversations with clients and anticipate compliance concerns. New innovations in consolidated client mailboxes and collaboration tools will also be adopted to foster real time interaction.



About Patpatia & Associates:

Patpatia & Associates' Wealth Management Practice is committed to helping the breadth of global brokerages, retail & private banks, insurers, and RIA platforms to reposition themselves to capitalize on evolving market opportunities. We orchestrate appropriate tactics to implement new distribution methods, wealth management products, and support infrastructure, leveraging our experience with a broad range of purveyors. We also help our clients to grow their channels and harness superior sales, servicing, and operations models.

We assist our clients with a variety of initiatives including:

- ✓ Reengineering the client experience
- ✓ Expanding distribution channels
- ✓ Enhancing product platforms
- ✓ Deploying wealth technologies
- ✓ Deploying new engagement models
- ✓ Implementing retirement solutions

For more information please contact our Wealth Management Practice at:

wealthmanagement@patpatia.com

510-559-7140

Copyright © 2012 – All Rights Reserved