



The Complete Technology Guide for New Advisors

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Introduction

If you're new to the RIA biz, you've probably got a lot on your plate. From compliance issues to building your client base, there's a lot to consider. Another important piece of the puzzle is the role technology will play at your firm. Technology will be a necessity for some of the functions of your firm, and a nicety for others. We've created this technology guide to help you decide which tech is right for your firm.

What Do I Need?

For most advisors, there are three core pieces of technology which you will need to run your RIA.

- **CRM:** manages client relationships and the sales cycle.
- **Financial Planning Software:** analyzes your client's financial situation.
- **Portfolio Management & Reporting Software:** manage client's investment accounts and report on portfolio performance.

Later, we'll go into further detail about the role these key pieces of technology will play at your firm. We'll also cover a dozen other types of tech which will play an important role at your firm as well.

Customer Relationship Management (CRM)

What is it?

CRM software lets you strategically manage your prospect pipeline. It's a place to store and organize all your current and prospective client's information. CRM helps you track and manage your relationships with people. It allows you to track your communication with prospects, and evaluate your sales process.

Do you need it?

Every advisor should invest in a CRM tool. There are dozens of CRMs on the market, and on average they'll cost you \$20-\$50/month. Some advisors might try to use Microsoft Outlook to manage contact information. But, this is an inefficient system which most often usually fails. Consider a CRM a must.

What should you consider?

Many advisors rely on Salesforce, but we think its interface can be clunky and hard to navigate. Many newer CRMs focus on easy-to-use, streamlined features. We recommend you check out:

- [Base CRM](#)
- [Wealthbox CRM](#)
- [Junxure](#)

Financial Planning

What is it?

Financial planning software helps advisors create appropriate investment and retirement plans for clients. This software can be used directly with clients to demonstrate plan comparisons and options. Because of this, financial planning software can enhance your engagement with clients. Features like cash-flow projections, volatility measurements, and tax-planning will equip you to best serve clients.

Do you need it?

As an advisor, you have to consider investments, insurance, taxes, retirement, budgeting, and college funding. This can become quite complex. This is why a software which automates the planning process can be beneficial. Financial planning software does an awesome job of compiling a client's complete financial picture, making it an invaluable tool for many advisors. In layman's terms, if you offer financial planning services, you need financial planning software.

What should you consider?

When picking a financial planning software, keep these key considerations in mind:

- Power: how sophisticated are the computations for investment, tax, and estate planning?
- Comprehensiveness: is every aspect of personal finance evaluated?
- Interface: is data displayed in an appealing, easy-to-use way?
- Cost: what are the initial costs? Annual costs thereafter?
- Investment scenarios: does the tool use actual historical data or hypothetical returns? Does it analyze individual securities? Does it use Monte Carlo simulations?

Two industry leaders provide advisors with robust capabilities:

- [MoneyGuidePro](#)
- [eMoney](#)

Portfolio Management & Reporting (PMR)

What is it?

Portfolio management and reporting software helps you manage client's accounts on a day-to-day basis. You can evaluate portfolio performance and graphically represent that information for clients.

Do you need it?

PMR software is essential for any advisor. It plays a key role in the daily operations of your firm, helping you stay on top of current client's accounts, prepare for client meetings, and create sample reports for prospects.

What should you consider?

There are many PMR tools on the market, most with a standard set of reporting functions. But, many of these products also contain additional, unique features. Most solutions are not solely dedicated to PMR, and also include features like a client portal, rebalancing tool, or trading platform. It's important to consider all the features of a given product and the value they'll add to your firm as whole. Some excellent PMR tools include:

- [Atlas/X](#)
- [Addepar](#)
- [Envestnet](#)

Portfolio Risk

What is it?

Risk tools help you assess client's risk-tolerance and build portfolios to match this risk. You can also use a risk tool to show prospects that their current investment strategy is outside their risk tolerance. You can keep current clients satisfied knowing their portfolio matches their risk tolerance.

Do you need it?

Ensuring that your models and client portfolios are within certain risk tolerance levels is important. Additional value comes from the client-facing capabilities of this tech. Many risk tools include client-facing questionnaires and projections, enhancing your client's experience. A portfolio risk tool may not be absolutely essential, but it is important.

What should you consider?

There are many different risk-oriented products on the market, each with different features. Some include client-facing questionnaires, others focus on stress-testing your portfolios, and some help you calculate the risk a client can tolerate. Three popular options include:

- [Riskalyze](#)
- [Pocket Risk](#)
- [Hidden Levers](#)

Client Experience

What is it?

It's a tool which improves your online engagement with current and prospective clients. Engagement is achieved through a client portal, new online communication streams, or interactive quizzes. Client experience platforms are a relatively new piece to the advisor tech puzzle. But, in an increasingly competitive marketplace, focusing on your client's experience is essential.

Do you need it?

While a client experience tool can improve your client's satisfaction, it's not essential to the everyday operations of your firm. For advisors working with younger clients, consider a client experience platform a higher priority. Young clients are more tech-oriented and will reap the greatest benefits from an experience platform.

What should you consider?

Since each client experience platform boasts unique features, it's important to first consider your goals before investing in one. Here are some key-players to consider:

- [Oranj](#)
- [PreciseFP](#)

Account Aggregation

What is it?

These tools compile data feeds from multiple financial institutions to create a complete financial profile of your clients. Some advisors try to do this manually by requesting bank login information from new clients. But this is highly discouraged as it puts your firm at risk for compliance and security issues.

Do you need it?

Because many PMR tools have data aggregation abilities built in, you may not need a dedicated aggregation tool. Or, you may not need aggregation capabilities at all. For some advisors, a complete financial picture may not be necessary. For example, money managers may not require a data aggregation tool. Evaluate your existing technology solutions's capabilities and your firm's needs when considering a data aggregation tool.

What should you consider?

Many of the solutions mentioned in this guide include some account aggregation features. If you need a dedicated data aggregation tool, check out:

- [Quovo](#)

Archiving

What is it?

According to [SEC and FINRA regulations](#), advisors are required to keep records of electronic communications like email, text, and social media. Archiving tools automate this process, so all your communications are stored securely in accordance with regulations.

Do you need it?

Since appropriate archiving is a matter of compliance, a good archiving solution is a worth-while investment for any advisor.

What should you consider?

When purchasing an archiving solution, consider which electronic communication platforms you plan on using. For example: email, social media, instant messaging, text, a blog, etc. Ensure that your selected solution provides archiving capabilities for all your chosen communication channels. Some of our favorite archiving solutions include:

- [Smash](#)
- [Erado](#)

Rebalancing

What is it?

A rebalancing tool helps you monitor changes in portfolio allocations over time. This allows you to keep your clients' portfolios in line with their risk tolerance. This helps ensure that you're meeting compliance requirements and saves you lots of time!

Do you need it?

A rebalancing tool can increase client satisfaction and streamline operations. Because of this, it's nice to have. For smaller firms, manual rebalancing may be an option. But as you grow, a rebalancing tool is something to consider.

What should you consider?

At the most basic level, a rebalancing tool can balance a portfolio between asset classes. More advanced tools offer additional capabilities such as the ability to optimize for taxes. When selecting a tool, consider your firm's needs. Also, note that some of the other solutions listed in this guide contain a basic rebalancing tool. Oftentimes, this tool is enough to meet the needs of most smaller firms. If you're looking for a dedicated rebalancing solution, check out:

- [iRebal](#)
- [Redblack](#)
- [TRX](#)

File Sharing, Document Storage & Management

What is it?

A document storage tool lets you keep all your business-related documents organized and secure. As an advisor you'll be handling lots of paperwork like onboarding documents and client reports. It's important to have a way to securely manage and share all these files.

Do you need it?

Every advisor needs some type of file-storage system. While some may attempt a do-it-yourself method, it's not recommended. Because you'll be handling lots of sensitive personal information on behalf of clients, it's essential that your documents are stored securely. It's also important that you have a way to share files which is safe, secure, and easy for your clients to use, too.

What should you consider?

There's a whole slew of document management and file sharing products out there. Some focus more on secure storage, while others emphasize file-sharing. Some great solutions are:

- [Dropbox](#)
- [Egnyte](#)
- [Boxcryptor](#)
- [Box](#)
- [Docupace](#)

Electronic Signature

What is it?

Electronic signature software lets clients and prospects sign documents virtually. An electronic signature tool can streamline your account opening process, leading to higher client satisfaction.

Do you need it?

Unless you plan on having clients come into the office to sign everything, an electronic signature software is a worthwhile investment.

What should you consider?

Most electronic signature tools come with a standard set of features. Our favorites are:

- [DocuSign](#)
- [HelloSign](#)
- [RightSignature](#)

Virtual Meetings

What is it?

Virtual meeting software lets you hold virtual, video-based meetings with clients. Virtual meetings are the wave of the future, with more and more advisors jumping on the trend. Some advisors are even completely virtual, meaning they've replaced all face-to-face meetings with virtual meetings.

Do you need it?

While a virtual meeting solution is not essential, it can add immense value to your firm. The flexibility of virtual meetings benefits you, expanding your potential client pool beyond those in your immediate geographic location. And it also benefits your clients! Many clients see the option of a virtual meeting as a huge value add, since it saves them time.

What should you consider?

There are quite a few virtual meeting solutions out there, each with the same basic features. Some virtual meeting solutions are free, or very low-cost. While others are more of an investment, they provide features which enhance the virtual meeting experience for your clients. When picking a solution, consider what role virtual meetings will play at your firm. Check out:

- [ZoHo Meeting](#)
- [GoToMeeting](#)
- [Skype](#)

Online Meeting Scheduling

What is it?

Online meeting scheduling is another up-and-coming trend in the advisor world. An online meeting scheduling tool lets clients/prospects book a meeting with you without ever having to pick up the phone! Online, interactive calendars prompt your website visitors to select a meeting time. Many tools sync seamlessly to your work calendar so you're always up-to-date.

Do you need it?

Online meeting scheduling is becoming more and more relevant in today's increasingly digital world. While it's not a necessity, it does add value to your firm. It keeps you technologically relevant and reduces the times you spend scheduling meetings.

What should you consider?

Look for a tool which lets you set your available meeting times and generates an interactive calendar for clients to schedule through. Some of our favorites include:

- [Calendly](#)
- [Doodle](#)
- [Bookeo](#)

Social Media Management

What is it?

Social media management tools help you manage various social media accounts in one place. This means you can create posts for multiple networks in one place, and monitor the success of your social media efforts seamlessly.

Do you need it?

Social media management software is not a need. But, it can help streamline your operations if you plan on using multiple social media accounts to promote your firm. It will not only save you time, but also enhance your social media's performance. Some management platforms are even free to use, so you really can't go wrong with a social media management tool.

What should you consider?

Consider what role social media will play in the marketing of your firm. Some tools are free to start, and others are very low cost. Chances are, there is a tool to fit your budget. Try one of these:

- [Hootsuite](#)
- [Buffer](#)
- [Sprout Social](#)

Newsletter Delivery/Email Marketing

What is it?

A newsletter delivery tool lets you maintain a list of email subscribers, create professional-looking templates, and send out newsletters. This increases your outreach, and can be an invaluable marketing tool for your firm. Whether you prefer to send out a newsletter quarterly, monthly, or weekly, a delivery platform can increase its performance.

Do you need it?

If you plan on sending out a newsletter, you'll probably need a delivery tool. Without it, you'll be left to manage an email list single-handedly. Not to mention, you'll be limited to sending only plain-text emails. A tool can enhance the quality of emails you send, and reduce the amount of time you spend creating your newsletter.

What should you consider?

Some newsletter services are free up to a certain number of emails per month. This should be sufficient for most advisors. Some tools can even integrate with your website so prospects can easily join your subscriber list. Check out some industry favorites:

- [Mailchimp](#)
- [Constant Contact](#)
- [Aweber](#)

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