



Automation Guide for RIAs

How to Increase Profitability and Boost Efficiency by Leveraging Automation

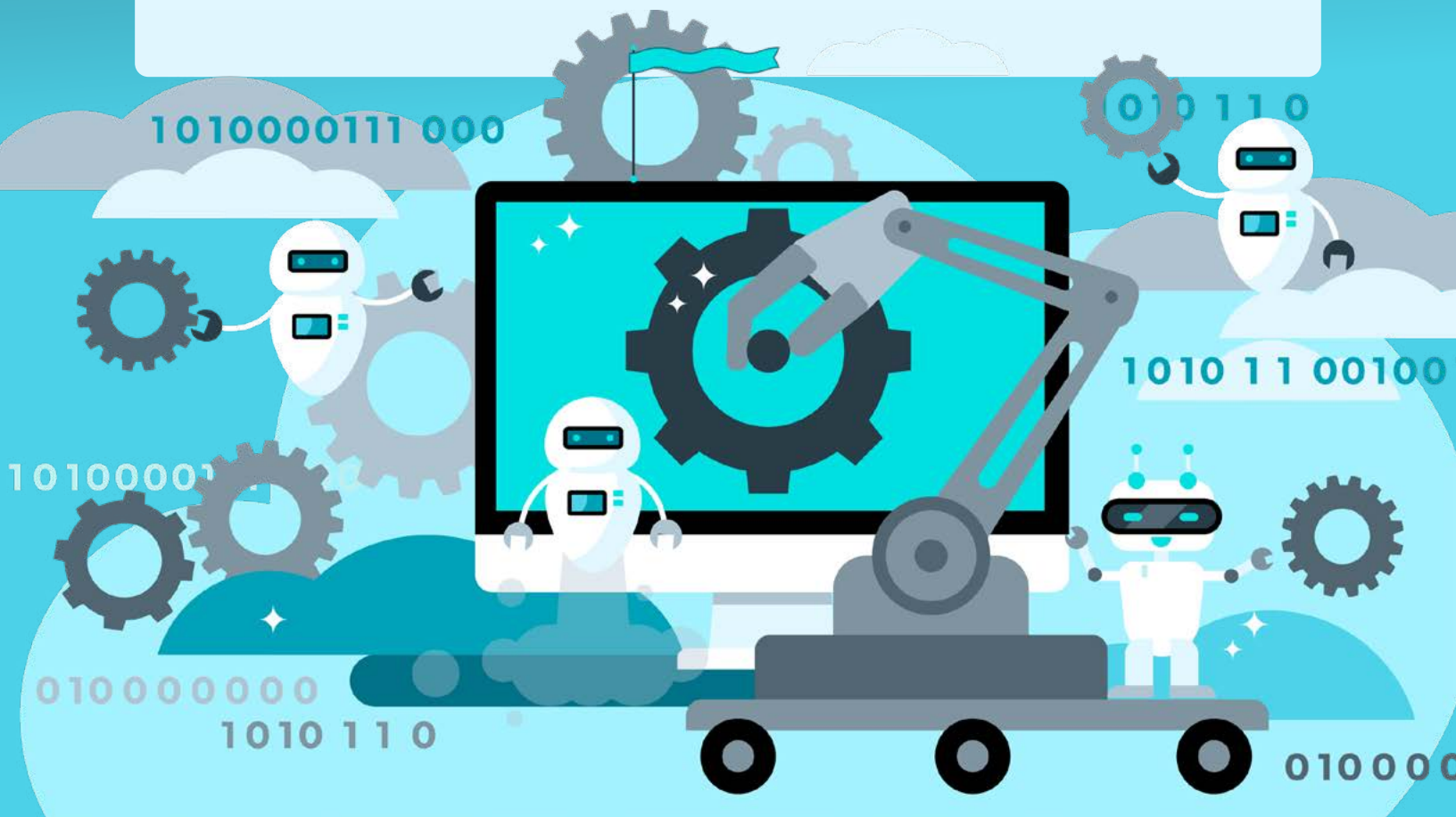
Fee compression and [new forms of competition](#) are real threats to growth. In this sink or swim environment, RIAs need to be more efficient than ever.

Yet firms hurt themselves by doing things as they've always done... manually.

Manual work eats up precious time and resources, and humans make mistakes.

Investment managers have a lot on their plate, and time is money. They shouldn't be doing time-consuming, manual work... especially when it can be automated.

RIAs should be focused on what matters most: servicing clients, being profitable, and driving maximum efficiency. Automation helps achieve those objectives.





Automation Guide for RIAs

So, What Can RIAs Automate?

Even if advisory firms want automation, they frequently don't know the full scope of what can be automated.

There are workflows they never thought of where automation can apply... more than they ever realized.

Simple automations can provide value when you have a lot of work that is straightforward. You can also add together several automations and automate a complete process.

Some Sample Use Cases

Required Minimum Distribution

With Required Minimum Distribution (RMD), you can automate the process as follows:

1. Have the bot look at data in your CRM to see who is over 70 ½ years old.
2. If they are of age, look in your portfolio accounting system to see the value of their non-taxable accounts.
3. Calculate the RMD based on the IRS table.
4. Send an email to the clients asking if they want a lump sum or periodic payments.
5. Get a response from the client and update your distributions list with new RMD info.

Sending Emails

Stay in touch with your financial planning clients. Keep them updated by sending out friendly emails on a regular basis:

1. Have a bot check to see if a client is tracking to plan (within a tolerance); look at financial planning system and total of their assets in the plan.
2. If so, send an email and let them know "good work", as they are on track to meet their goal.
3. If not, send an email letting them know, and ask to schedule a meeting to help get them back on track.

Private Equity Processes

With private equity investments, they are typically a very manual process. We automate this to be as follows:

1. The automation bot starts with waiting to receive a certain email.
2. Then the bot goes to a website to download a document.
3. The bot then opens the document and grabs data out of it and saves it to Excel.
4. Finally, the bot transforms the Excel spreadsheet into a file that can be uploaded to a portfolio accounting system.

With this approach, there are countless opportunities for automation, and therefore efficiency in your business.

Below are some simpler examples that you can combine to make complete automations.



Automation Guide for RIAs

Do You Have Some Ideas for How This Can Work For You?

20 Common RIA Processes Ripe for Automation

Required Minimum Distributions (RMDs)

Knowing who meets the requirements, calculating their distribution, sending an email to impacted clients asking if they want a lump sum or monthly distributions.

Private Equity/Venture Capital/Hedge Fund Statement Processing

Downloading alternative investment statements from email, websites, and portals.

Formatting/Renaming/Storing for Files and Documents

Converting file formats, setting up naming conventions, and uploading to internal storage servers or other specified locations.

Data Extraction from Email and PDFs

Getting specific information from emails and PDFs and placing into spreadsheets, documents, presentations, and CRM systems.

Report Generation

Automatically generating reports a few days before a meeting and emailing them to the relationship manager; generating reports for portfolio managers when certain criteria are met.

Email Communication and Notifications

Sending emails to desired recipients with standard messaging when processes are complete or when reports are ready; sending investment objective emails.

Automatically Emailing 1099 Reports to CPAs or Tax Advisors

Auto-emailing your clients' tax advisors with reports to help with quarterly estimated taxes.

Form ADV Updates

Automatically emailing your updated privacy policy and updated Form ADV Part 2.

Performance Report Tracking

Tracking based on overall portfolio, fund strategy, entity, and time periods.

Back-Populate Fields

Updating fields in older accounts with new data, across multiple systems.



Automation Guide for RIAs

20 Common RIA Processes Ripe for Automation (Continued)

Client Onboarding/New Account Setup

Loading data into forms, sending out emails, saving signed documents to a specified location.

Billing and Payouts

Calculating fees, excluding assets, checking to ensure there is sufficient cash prior to debiting accounts.

Proposal Generation

Having bots grab data from statements to put into an asset allocation model.

Cash Distribution and Contribution Management

Automatically alerting traders or portfolio managers when new cash hits the account.

Annual Review Booklets

Compiling data from custodians into a single PDF and ready for advisors to share with clients.

Migration of Historical Data

Moving data from an older system into a new one.

Data Aggregation

Pulling in data from multiple sources into a single, consolidated format.

Creating and Sending Out Birthday/Anniversary and Holiday Cards

Triggering a card service such as Handwrytten to send out cards.

Compliance Reporting

13D, F reports, and AUM.

Margin Number Calculations

Creating internal calculations and comparing them with broker's numbers.



Automation Guide for RIAs

How Does the Automation Work? And What Exactly Are These Bots?

Automation Works Best for Tasks That Are Manual and Routine

Routines can be time-based, such as:

- every day
- every week
- every January
- 2nd Friday of the month

Or when certain conditions are met:

- 2 days before a client meeting
- when a client turns 70 ½
- when cash falls below a certain level

Bots are the agents that carry out these tasks. Bots are not physical robots. Rather, they are programmed software applications that work within your device to carry out the desired functions.

The key to automation is to get all your data in one spot. Then you can enable bots to perform these tasks.

The Benefits of Automation

- **Increased Accuracy** – No more human-caused errors
- **Faster Turnaround Times** – Bots work as much as [20 times faster](#) than humans
- **Return on Investment** – As much as [30%-200%](#)
- **More Time Available** – Focus on higher-value, revenue-generating activity

Getting Started Is Easier Than You Think

No need to worry about setting up the automation internally. It's a costly and potentially futile endeavor to attempt in house. Leave it to the experts.

Firms can leverage RIA automation specialists like Empaxis to implement the solutions for them.

The only thing RIAs need is knowing what to automate. It's really that simple.

- You don't have to change your existing systems.
- Bots are deployed into your existing applications. Empaxis sets up and maintains the bots for you.
- No coding or script writing required.
- Maintain accountability: each stage is documented, enabling a clear audit trail.





Automation Guide for RIAs

How Do We Begin This Process?

The Empaxis Process



Our methods are designed to allow you to leverage automation to the fullest.

After a brief call to better understand your organization, we will arrange for a discovery session and procedural walkthrough to know your specific requirements.

Upon reviewing and accepting the scope of work, Empaxis will begin implementing the solutions according to an agreed upon timeline.

At each stage of development, we will provide regular updates showing our progress. Our quality assurance analysts will oversee all work being done, ensuring deliverables to meet your expectations.

Once the bots are ready to go live, Empaxis maintains and reconfigures the bots as needed, given new workflows.

About Empaxis

Empaxis Data Management is a leading provider of customized automation services for RIAs, family offices, banks, financial institutions, hedge-funds, and broker-dealers.

With over 60 employees and over \$100 billion in assets under administration, Empaxis also provides a cloud-based turnkey asset management platform (TAMP1), allowing you to have all your data in one place. The platform is complete with a data warehouse, reconciliation and performance reporting engine, an advisor-client portal, and middle- and back-office experts to manage the system for you.

Founded in 2004 and headquartered near Los Angeles, Empaxis has offices in the US, UK, and India to serve investment firms globally, on a 24/7 basis.

North America

840 Apollo St., Suite 100
El Segundo, CA 90245
United States of America

+1 (310) 356-5831

Europe

77 Shaftesbury Avenue,
London, W1D 5DU
United Kingdom

+44 (0) 203-1264-854

Asia

Plot-A 40, Ithum Tower C,
Unit Nos: 901-908
Sector-62, Noida,
UP, 201309, India

+91 120-456-1291



For more information, please visit: www.empaxis.com