

Investment advisory solutions: Reduce the time to “yes” with collaborative communications



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Introduction



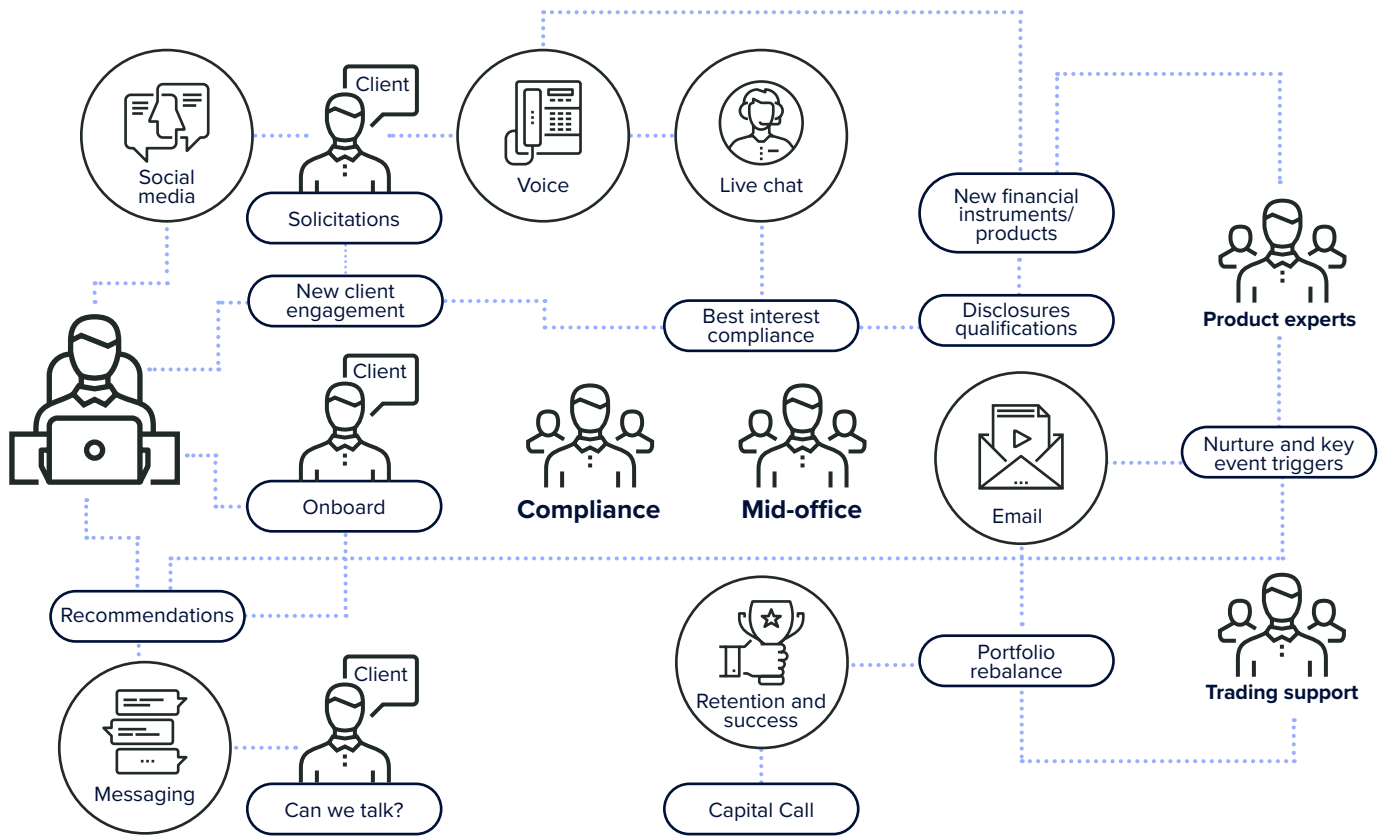
Investment advisors face an unprecedented number of pressures today, as long-term economic and market trends disrupt the investment advisory landscape.

Technologically savvy investors now expect high-quality digital experiences and convenience at every client touch-point, at a time when 24 percent of advisory firms admit to an urgent need to upgrade the technology supporting their advisors, according to a [2019 Aite Group online survey of financial advisors](#).

Meanwhile, the rise of passive investing, self-directed portfolio creation with index funds, robo-services and the shift from commission fees to advisory service fees and from advice to financial planning all play a role in reshaping the workflows of the modern investment advisor.

From solicitation to onboarding, from capital calls to client retention, the investment advisor's role requires collaborative communication tools more than ever before.

The life of the advisor: Complex client engagements requiring real-time collaboration



This ebook examines the following topics:

- How to develop and maintain new client relationships in a digital-first world
- How to maintain communications compliance in a regulated space
- How to increase advisor efficiency and productivity in client onboarding and servicing
- How to leverage advanced technology as an on-ramp for innovation

Develop and maintain collaborative relationships in a digital-first world



58%
of advisors say that social distancing has the most problematic and negative impact on their business.



60%
of investors have switched advisors at some point

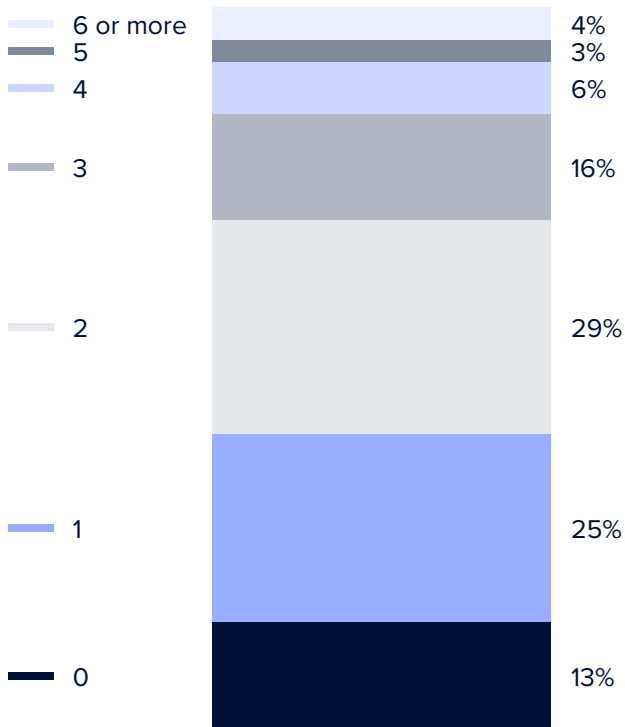
2020 brought a seismic shift to the daily ebb and flow for investment advisors. Prior to social distancing mandates due to the global pandemic, the advisory business was largely conducted by in-person meetings. It was not unusual for business to be conducted over breakfast, lunch, drinks, and dinners. There were regular contract signings, holiday check-ins, portfolio reviews, and appointments to complete compliance documents. Social distancing changed all that. According to Aite's [Wealth in Transition Forum](#) in October 2020, 58 percent of advisors say that social distancing has the most problematic and negative impact on their business.

Making the switch to virtual engagements has necessitated a change both in mindset and workflow for investment advisors, who may wonder how to solicit new business while maintaining social distance, how to develop trust with new clients, and how to retain existing clients who are accustomed to a more personal approach.

Those questions are worth asking. According to research from [Spectrem](#), 60 percent of investors have switched advisors at some point, and the number one reason given for that switch is “lack of contact.” Though social distancing may have changed the way advisors contact investors, it has not diminished investor expectations regarding the need for contact with their advisor.

[Investments & Wealth Monitor’s “Contrasting Investors’ Behaviors, 2008 Versus 2020”](#) noted: “The pandemic has spurred a change in communication methods between investors and advisors. These communication changes range from the number of times that investors have communicated with their advisors to the approach used for that communication. Not surprisingly, advisors who communicated more frequently with clients during the market volatility scored better than those who did not...Nearly 60 percent of investors communicated with their advisors two or more times. As the number of times an investor communicated with the advisor increased, the more likely an investor was to indicate being ‘impressed’ with the primary advisor.”

May 2020: Number of times investors have communicated with primary advisor since February 15, 2020



(Source: [Spectrem Group](#))

Though virtual engagements with clients pose some challenges for advisors, they also provide opportunities to take market share. Virtual engagements enable advisors to handle a bigger book of business. A unified collaborative communications platform can help investment advisors overcome the challenges of social distancing and seize the opportunities that virtual investor engagement affords them. All signs point to investor willingness to engage via digital means with advisors.

Concerning the post-pandemic relationship between investor and investment advisor, “Contrasting Investors’ Behaviors, 2008 Versus 2020” further stated:

“Investors will communicate with financial advisors and make investment changes differently in the future. Investors will expect proactive communication from their advisors, and they will be more willing to engage in a virtual manner. These changes may seem like they will be easy to implement, but advisors need to determine how to create warm and trusting relationships in a virtual world.”

May 2020: Favorable impressions of primary advisors by number of communications



(Source: [Spectrem Group](#))

What digital channels are advisors using to communicate with investors, and which channels are investors willing to use to communicate going forward? Text messaging and video chat have grown in popularity, as have educational webinars, videos, and podcasts. Of course, phone calls continue to be a staple of everyday activity for the busy advisor as well.

Interest in communicating with advisor via this method
(0 = no interest, 100 = great interest)

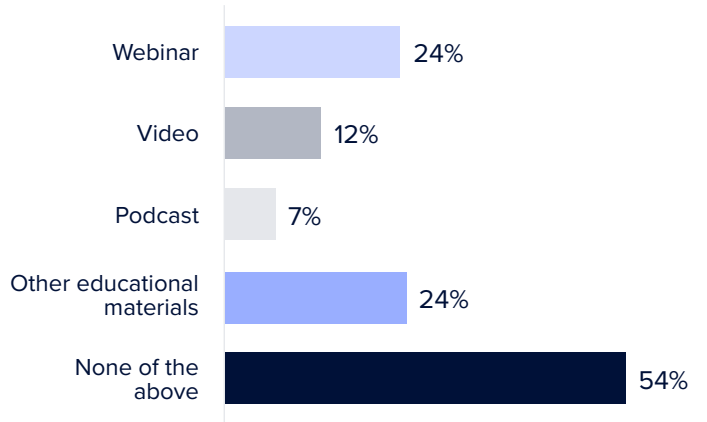
Texting



Video Chat



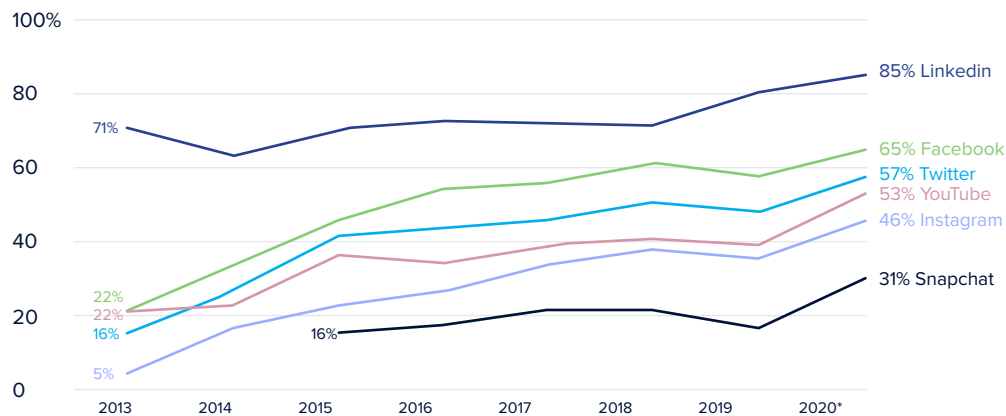
May 2020: Advisor education offerings regarding the corona crash



(Source: [Spectrem Group](#))

Social media channels are also making waves in the advisory space. According to a recent [Putnam study](#), 83 percent of financial advisors are using social media for business purposes, with LinkedIn being the social media platform of choice. Advisors who use social media increased the amount of assets under management significantly, seeing an increase of \$15.3 million in AUM between 2018 and 2019.

Social media networks used for business



(Source: [Putnam](#))

However, until recently, financial advisors couldn't use testimonials in their online client communications. [The SEC](#) recently released a rule that investment advisors can now post reviews as well as enable customers to share testimonials on their websites, as long as the testimonials are

fair, balanced, up-to-date, accurate, and shared with the full consent of the client.

Being able to share client testimonials is just one more tool for the digital-savvy advisor to use when soliciting new clients via social media platforms.

The Putnam study further revealed that 74 percent of advisors relied on direct messaging through social network platforms to initiate conversations with new prospects. Among those utilizing this method, 94 percent reported gaining new assets in the process.

Among the 50 percent of advisors who used LinkedIn direct messaging functionality, 92 percent gained assets. For the 38 percent using Facebook, the 33 percent using Twitter, and the 26 percent using Instagram, 98 percent of each group gained assets.

In addition to direct messaging, other social media strategies for solicitation included using LinkedIn's InMail feature and participating in or hosting a LinkedIn Live session. Support from corporate offices for the use of social media platforms for investment advisors also surfaced as a key differentiator for those advisors who gained the most new clients via social media channels.

A unified communications platform enables omnichannel communication with investors. Keeping those communication lines open attracts new clients, strengthens existing client relationships, and builds trust that leads to long-term client retention and revenue growth. Some benefits of a unified communications platform that address the challenges of acquiring and retaining investors in a digital world include:

- Simplicity of use across any device
- Point and click to launch meetings, chat groups, and calls
- Auto-log calls in your CRM
- Search across messages, files, and events by client
- Expand video meetings for hosting educational seminars
- Easily incorporate onboarding and client service teams as needed
- Work remotely, office or mobile, transparently with the client
- Prioritize calls from key clients and self-administer call handling options
- Easily add tools for communication surveillance and record retention

Maintain communications compliance in a regulated space



Investment advisors are ever mindful that they operate within a highly regulated industry. Unless advisors remain fully compliant with investor protection rules, the advisor, client, and holding firm may become entangled in legal battles, time-consuming audits, client restitution, and remuneration charges.

Risks include financial risks such as fines and penalties as well as other forms of risk such as reputational damage.

Some of the key regulatory requirements for investment advisers issue from the Securities and Exchange Commission (SEC). They include:

- Investment Adviser [Compliance Programs](#)
- Fiduciary Requirements and [Form ADV](#)
- [Client Disclosure Statements](#)
- [Code of Ethics](#)
- [Privacy Rules and Regulation S-P](#)
- [Regulation Best Interest Rule](#)
- [Social Media Advertising Rule](#)

Annually, the SEC's Division of Examinations (formerly named the Office of Compliance Inspections and Examinations or OCIE) releases a report of the agency's examination priorities. Some of the priorities highlighted in the [2020 edition](#) of the report reflected the increasing reliance on digital technologies for investment advisors. For example, examination priorities listed included:

- Oversight practices pertaining to cloud-based storage
- Controls surrounding online access and mobile access to customer brokerage account information
- Electronic investment advice and its related compliance complexities
- Compliance with Regulations SP and S-10
- Compliance with the Customer Protection Rule and Net Capital Rule
- Compliance with the Customer Due Diligence Rule and associated AML requirements
- FINRA and MSRB

The complexity of juggling regulatory compliance with onboarding clients in an increasingly digital-only environment can lead to frustration for the modern investment advisor. With support teams working remotely and the use of disparate apps and personal devices for work proliferating, agent productivity can suffer and compliance risks can rise.

A unified communications platform can alleviate many of the stresses inherent in

this scenario. For instance, with a unified communications platform, messaging, voice, and video can all be recorded, surveilled, and securely stored in harmony with compliance standards for solicitations for business and investment recommendations.

In addition, required disclosures can be standardized across all channels, and conversations across text, voice, and video can be aggregated for compliance.

Best-in-class unified communications platforms such as RingCentral integrate with APIs that enable real-time monitoring of regulated communications with industry-leading partners such as ThetaLake, Smarsh, or RedBox. Firms can also deploy compliant configurations by advisor, region, or branch.



RINGCENTRAL MINI CASE STUDY:

One of the top investment management firms, with more than 500 independent offices, needed a standardized, modern, and compliant communications platform to provide a consistent client experience across offices and to reduce field office and advisor costs.

The RingCentral result:

A field office pricing program, enterprise support, and a self-serve co-branded web page for signing up, promotion, and education including an ROI spreadsheet empowered independent offices to move, at their own speed, to a unified communications platform, while giving HQ the required oversight needed to ensure compliance at every level.

Increase advisor efficiency and productivity in client onboarding and servicing



As mid-office support teams move to a distributed work model, investment advisors must cope with another layer of complexity in workflow management and productivity. The introduction of disparate mobile devices, multiple apps, and different systems leads to significant time costs as well as financial costs.

The typical asset manager may be dealing with dozens of systems that operate in the front and middle office. That may be why a 2019 Aite survey revealed that 15 percent of financial advisors spend only 15 percent of their time prospecting, and 49 percent want more automation to achieve productivity.

Some of the common challenges to efficiency and productivity for advisors include:

- Inability to see all related emails, voice, and messaging from clients
- Missed client communications in the form of calls, texts, or emails
- Inability to personalize outbound client communications consistently due to the use of different communication apps
- Lack of integration between third-party systems like Salesforce, Dynamics, or Google with the internal communications platform
- Inability to customize call handling options for individual advisors
- Lack of scalability
- Lack of visibility into call reporting analytics

Here, again, unified communications technology comes to the rescue. With the right unified communications app, an advisor can enhance the client experience from onboarding to account servicing by using the most appropriate channel for communication at every touchpoint.

At the same time, a unified communications platform can streamline internal workflows between front-line and mid-office teams by integrating messaging, voice, and video into internal systems such as CRM and portfolio and compliance systems. Such a platform can also be configured to automate certain client communications, all while maintaining compliance and keeping advisors in the loop regarding every client/firm interaction.

How much time is lost each day capturing and re-typing notes from client interactions, filing those interactions appropriately, and following up with recommendations in a timely fashion? How much advisor time is spent simply trying to catch up?

A unified communications app can help advisors streamline daily workflows by enabling them to:

- Host meetings from anywhere on any device
- Use team messaging to collaborate on projects and share files securely
- Capture and track client interactions with detailed call logs.
- Access advanced search functionality
- Integrate with third-party apps like calendars, CRMs, and advisory platforms
- Integrate messaging, video, and phone
- Automate priority call handling
- Send secure text messages to clients and teams



RINGCENTRAL MINI CASE STUDY:

A global firm with \$5B+ in revenue was struggling with poor call quality, unacceptable communications outages, a lack of integration capabilities, and a lack of collaborative tools and video capabilities that hampered productivity and efficiency across the board, costing the company time and money.

The RingCentral result:

A UCaaS platform that includes global video conferencing, voice integration capabilities, and a suite of streamlined, standardized collaborative tools, all in one global platform.

Leverage advanced technology as an on-ramp for innovation



As yesterday’s in-person client interactions shift to digital interactions, investment advisors must compensate for some of the nuances that get “lost in translation.”

Things that the human brain processes naturally when visualized are harder to parse when presented in other formats. For example, it may be easy to detect an investor’s hesitation or stress regarding a recommended course of action when you are sitting across a desk discussing it in person, but can you detect those emotions as easily when you are reading an email or texting? For that matter, can you detect them as easily on a video call? Perhaps not.

Firms are leveraging advanced AI, machine learning, and natural language processing to create “digital assistants” to help their investment advisors. Some of the innovative third-party applications available today detect emotions, fraud, and compliance violations, offer “best-next-step” recommendations, and provide an assortment of digital-assist capabilities for individual investment advisors. These value-added services can increase both advisor productivity and profitability.

An open platform for unified communications serves as an on-ramp to extend the system and add innovative analytics and apps. Natural language processing apps, for example, may analyze the frequency of phrases used or the tone of voice of the speaker to detect the emotions behind the communication. Contextually rich insights derived from the use of such technologies can be monetized as advisors use those insights to humanize digital experiences and retain and build client trust.

Some groundbreaking work is already being done in this area, as noted recently by [Deloitte](#). For example, leaders at UBS Wealth Management USA developed an AI-powered personalization engine that enables clients to share information about their interest and needs and then receive a personalized selection of investment and financial information. Insights from the app flow directly to advisors, who can then initiate conversations to answer client questions and address client needs more fully. With what results?

“The emotional connections fostered through our digital engagement allow our advisers to better understand what is truly important to our clients, forging deeper relationships.”

— Jeanne Andreana, head of digital strategy and platforms for UBS

RingCentral: Answering the call for an open unified communications platform for investment advisories



RingCentral offers an open unified communications platform that meets the needs of modern investment advisories. Its cloud-based approach enables anywhere, anytime collaboration and communication. With capabilities ranging from basic telephony to text, video, and chat, RingCentral enables seamless connection with clients and teams across multiple devices.

Its open platform enables investment advisors to integrate third-party APIs that leverage the power of AI, Natural Language Processing, Machine Learning, and other digital-assistive capabilities to help investment advisors navigate the complexities of an increasingly digital client experience.

RingCentral offers investment advisors scalability, security, compliance, and exceptional communication and collaboration abilities—all in one complete, easy-to-use platform. Request a demo today to [see how it works](#).

Learn more about RingCentral for Trusted Advisors at ringcentral.com/financial-services.

For more information, please contact a sales representative.

Visit us at

ringcentral.com/financial-services

or call 844-569-2989.

RingCentral, Inc. (NYSE: RNG) is a leading provider of cloud Message Video Phone™ (MVP™), customer engagement, and contact center solutions for businesses worldwide. More flexible and cost-effective than legacy on-premises PBX and video conferencing systems that it replaces, RingCentral empowers modern mobile and distributed workforces to communicate, collaborate, and connect via any mode, any device, and any location. RingCentral's open platform integrates with leading third-party business applications and enables customers to easily customize business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world.

RingCentral

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