

Transforming the investment advisor's client communications capabilities

Digital transformation's last mile: Collaboration workflows

WHITE PAPER



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This paper discusses the last mile of digital transformation for the investment advisory business.

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Executive summary

Investors demand greater access and transparency, faster responses, and actionable advice.

In times of uncertainty such as a market downdraft, a natural disaster, or a pandemic, communications and education are critical. These are the moments when trust is earned. When concern and uncertainty is greatest, a set of digital-assist capabilities is needed to scale the advisor's client communications.

This is the last mile of digital transformation for investment advisors. It is the transformation that will enable the advisor to communicate with more clients faster, across multiple modes and modalities.

In this white paper, we discuss the need for collaboration workflows, the problems of a patchwork approach, and what steps firms are taking. Continue reading to find out:

- Why the current state of collaborative capabilities is insufficient to simultaneously meet the needs of today's demanding investor and regulatory compliance regimen
- How cloud communications and collaboration can transform the last mile of communications to exceed investors' expectations and satisfy compliance needs



Gartner's definition of communication-enabled business processes

Gartner defines communication-enabled business processes (CEBP) as “the integration of communications capabilities into software-enabled business procedures, applications, and technologies. CEBP enables communication between applications as well as between applications and humans to automate many components of business processes.

Collaboration workflow

Digital transformation's last mile

How do you describe the ideal investor, the ideal advisor-client relationship, or the ideal advisory business?

Today, investment advisory firms are moving to more sophisticated services at scale. The advisor's digital transformation is moving beyond portfolio creation, rebalancing, and reporting. Now, digital transformation projects are creating digitally assisted support for advisors to create the collaborative client relationship that has the right mix of human-led and digital-led services.

The last mile for digital transformation in the investment advisory business

Transactional automation

Paper forms to online

Account reporting portals

Automated disclosures



Collaboration-enabled transformation

Sophisticated human-led services:

Advice/planning

Structured finance

Custom policies

Large investment, asset, and life insurance firms are moving toward this goal quickly. But independent and smaller investment firms, without a CTO in place, can be ill-equipped to evaluate, integrate, and deploy new communications capabilities. Yet in order to remain competitive, the firm needs to progress along the digital transformation path to multi-channel communications, personalization techniques, real-time communications surveillance, and a range of digital-assist services.

“Not all virtual workplaces ran smoothly. Difficulties included lack of collaboration and getting needed information.”

—PWC’s “Financial services firms look to a future that balances remote and in-office work”
Remote Work Survey, June 1–June 20, 2020

Collaboration-enabled workflows support the investment advisor’s move to offer higher-value services at scale, such as financial planning and outcomes-based collaborative financial and protection goals.

Why now

If a firm misses out on this wave, the entire advisory business will suffer. Operations will not be streamlined, compliance will be a heavy lift across siloed systems, and both the productivity of the advisor as well as the investor experience will suffer. If the experience is not intuitive, or protective of security and identity, the firm risks losing clients. From onboarding through to service, clients are demanding to use different communications channels for different tasks.

Now is the time for the COO to drive innovation and investor experience to a new level of sophistication.

A recent survey of investment advisors by Aite Group shows they spend nearly a third of their time on client service and support. Collaboration-enabled workflows provide the opportunity to free up investment advisors’ time to spend on growing their business, attracting new clients and assets.

Client collaboration

Scale to meet client needs

Investor relationships are complex and sensitive. In times of uncertainty, there is the need for greater communication and education. These are the moments when trust is earned.

However, reaching out and responding at those times requires a set of digital-assist capabilities to scale with the investor demands. The advisor must offer clients greater access and transparency, quicker responses, and the on-demand advice their investors need. It is the opportunity to earn trust, if you can scale your communications and collaboration abilities.

As shown in the chart on the next page, Aite’s research reveals that advisors realize the impact technology can have on their business: 67% expect new technologies can benefit their collaboration with clients.

Benefits client-facing technology brings to your practice

Q. In your opinion, what benefits does client-facing technology (i.e., web and mobile technologies) bring to your practice? “Client-facing technology allows our practice to...” (n=98 independent RIAs)



Source: Aite Group's survey of 400 US financial advisors, April to June 2019

“It’s not about working harder but working smarter. Advisors will need to employ a wider range of smarter tools and technology from messaging and video calls to advanced telephony to improve collaborative communications and to deliver a better overall client experience.”

—Dennis Gallant, Senior Analyst, Aite Group

Adoption challenges

Mistaken beliefs

The different business models for independent brokers/dealers, hybrid registered investment advisors (RIA), and independent RIAs, mean every practice has a different budget, support, and deployment need. This, along with the need to establish new investor-engagement compliance frameworks, has slowed progress. Over the last year, the contention between the advisor's need and the immediate lack of operational support has led to friction between the advisor and their firm.

Technical skills not required

Advisory firms may also believe deep technical skills are needed, but in fact, the advent of cloud-based SaaS (software as a service), PaaS (platform as a service), and IaaS (infrastructure as a service) capabilities can make the move to more advanced collaborative communication easy.

Operational problems

Complexity and risks

With a piecemeal approach, firms face increased compliance risk, suboptimal use of resources, and a drag on the advisor's efficiency. Additionally, the firm may unknowingly be susceptible to brand damage due to a lack of consistency across the advisory network. Exposures with a patchwork approach:

- **Security and compliance risk.** The proliferation of video and chat apps along with the use of personal mobile phones exposes the firm to operational and compliance problems. The firm needs to enable advisors or risk a potpourri of problems.
- **Lack of client communications records.** The firm doesn't have a complete record of—and it's hard to track—conversations on phone, video conference, chat, and fax.
- **Poor app administration.** Advisory support teams spend more resources on tracking and managing multiple apps with different data loss prevention processes, limits, usage terms, licenses, and other administrative tracking. There are security, integration, and coordination of update cycle issues.
- **Multiple vendors to manage.** Operations is responsible for ensuring vendor compliance to regulations and managing vendors with different SLA terms.
- **Advisor billing complexity.** Different apps from various vendors mean more coordination and monitoring of advisor billing.
- **Brand equity risk.** When advisors use a variety of communications channels to reach clients, the advisory firm loses branding control and equity.
- **Productivity loss.** The proliferation of communications apps wastes time. Half of workers use four or more communications apps and toggle between them up to 10 times per hour.¹

1. CITE Research online survey conducted on behalf of RingCentral

The trusted advisor's solution

Streamline investor communications

Sophisticated communications handling, collaboration, and virtual meeting capabilities can reduce the time to "yes," streamline daily tasks, offload standard communications, and build a digitally assisted communications capability that can scale with surges of calls, requests, and recommendations.

Leveraging a cloud communications platform can scale your firm in multiple ways, such as simplifying and consolidating the communications infrastructure while increasing business resiliency. One easy-to-use cloud communications app also has the benefit of helping you consolidate the proliferation of video conferencing solutions and text messaging tools.

Boost productivity

An integrated cloud communications and collaboration solution can resolve many tedious daily tasks while enabling new efficiencies for frontline workers.

By equipping investment advisors with a unified communications app, you can drive productivity in frontline and mid-office teams. A configurable app, integrated into your advisor platform or stand-alone, helps to create streamlined workflows, reducing the potential for errors in a multi-touch process. By integrating messaging, video, and voice content into CRM, compliance, and portfolio systems, you now have the infrastructure to help advisors shift productive time from generic client servicing tasks to client prospecting. Out-of-the-box functionality allows simple connections to CRM systems such as Salesforce and to social media platforms.

Below is a list of popular applications investment advisors integrate with their unified communications platform.

Social media and CRM

LinkedIn
Zoho
Salesforce
Microsoft Dynamics

Office collaboration

ServiceNow
Slack
PagerDuty

Retention and analytics

Smash
Theta Lake
Red Box

Digital vs human services

What is the right mix?

Whether you are looking to digitally assist your advisors or to humanize your digital services, an open platform for unified communications can be an “on-ramp” for more sophistication over time. Open APIs allow for the use of microservices and natural language processing (NLP) and artificial intelligence (AI) extensions.

Third-party applications using NLP and AI can be easily integrated into an open platform to detect emotions, voice identity, compliance violations, deliver “next-best-move” recommendations to the advisor, as well as an assortment of digital-assist capabilities. Firms use this expanded capability to “digitally assist” the advisor, help read hesitation, and listen for “trigger words.” Extracting contextual information adds insight to transactions. It is a way to monetize the insights embedded in communication channels.

A cloud unified communications platform provides a launching point to provide advanced “digital-assist” services for both the advisor and the investor.

Modernizing communications

Nine steps to take

Firms are assessing the **mode, method, and frequency** of communications and engagements. But that is the just the first step in the last mile of transforming the advisor’s capabilities.

Steps advisory firms are taking:

1. Benchmarking “channel, method, and frequency” for advisor workflows; determining competitive gaps
2. Evaluating long-term operating goals for vendor management, security, and resiliency; considering vendor consolidation
3. Implementing a framework for compliance and control
4. Locking down a standard mobile office across the advisor network
5. Supporting advisor outreach across all communications channels
6. Expanding the menu of self-service options for advisors, including call priorities, re-routing, and auto attendant
7. Integrating adjacent systems to streamline workflows
8. Delineating and extending firm-directed communications
9. Getting social media advertising support

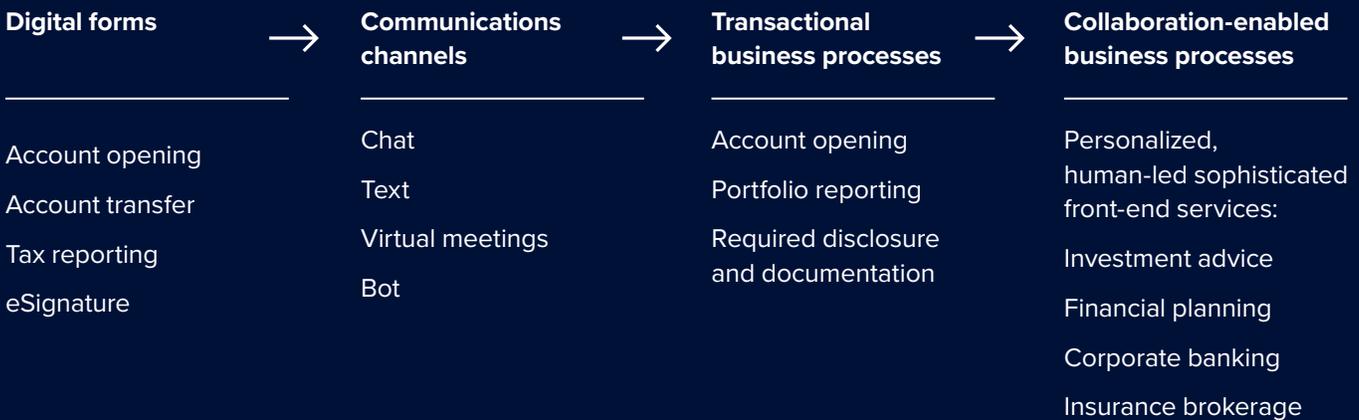
Unified communications

The power of the cloud

Investment firms that move to a cloud-based unified communications platform with open APIs can deliver a superior investor experience, enable collaboration-based engagements, and scale the advisor's ability to handle more investors and assets.

The digital transformation journey has now moved beyond digitizing simple transactions. We have arrived at the development of digital-assist techniques that help advisors expand their collaborative engagements, interleave channels of outreach, and set up redirects to self-service options. All of which expands the capacity and productivity, offering higher value and more convenience to the investor.

The digital transformation journey in investment advisory and asset management



The unified platform approach also offers a powerful long-term ability to digitally assist the advisor. A variety of analytics are supported by the platform. Additionally, you are able to integrate proprietary systems with the platform's open APIs.

The last mile

Measurable benefits

Superior investor experience

With a unified communications strategy and workflows in place, the firm can increase the number of digital touchpoints supported with frictionless service, helping the advisor put the clients' needs first. Some of the advisor's lower-value workload can be offloaded, freeing up the advisor to handle more high-value tasks and optimize the use of firm-directed and advisor-initiated communications. For example, outbound texting responses can be automatically visible to the advisor, captured for compliance, and integrated into planned client touchpoints.

Collaboration-based engagements

Better-orchestrated communications workflows strengthen the advisor-client relationship and the reputation of the firm and result in an improved customer experience. With a unified communications platform, clients can engage with their investment manager through their channel(s) of choice. Improved communications workflows can also improve practice efficiency, expand client services, and attract new business.

Scaling up

Advisors can spend more time on client prospecting, handle a larger client base, and communicate through more channels, using a client's preferred channel, with the integration of messaging, video, and voice content into CRM, compliance, and portfolio systems. A unified communications platform provides the infrastructure to help advisors shift productive time from generic client servicing tasks to higher value activities.

Regulatory compliance

A unified communications platform provides an easy point of compliance and surveillance to meet regulations with a firm-wide standard, compliance monitoring of all channels across text messages, video conferences, and phones. This simplifies the advisor's responsibility to meet regulatory communication compliance rules for surveillance and retention of solicitations, recommendations, and trades.

Strengthen security

Personal information and financial data breaches are very costly and can cause long-lasting reputational damage. Outdated communications systems can be especially vulnerable to cyberattacks.

Providing a reliable cloud-based infrastructure, protected against cyberattacks, and evidencing proof through audited certifications is required.



Reliant, compliant, and profitable

RingCentral's easy-to-use app for text messaging, video, and phone empowers advisors to see a large uptick in asset acquisition by mastering virtual meetings and building trusted relationships. RingCentral's solutions enable collaborative workflows that can improve practice efficiency, expand client services, and attract the next generation of investors.

A trusted advisor's multi-channel communications solution

- Deploy compliant configurations by region, branch, or advisor type.
- Streamline workflows by integrating surrounding applications.
- Digitally assist your advisors: monetize the insights delivered in context-rich media.
- Simplify and consolidate the communications infrastructure.
- Save time and errors by auto-logging activity.

Secure and proven communications solutions

Through seven separate layers of security and encryption, numerous certifications, and a proven secure and reliable infrastructure, RingCentral achieves 99.999% reliability backed with a service level agreement.

- Reliable and secure: 99.999% uptime service level agreement
- Third-party certifications and audits: ISO 27001, ISO 27017, ISO 27018, HITRUST CSF Certified, C5, SOC 2, SOC 3, SSAE18, McAfee CloudTrust Program

Improve cost and technical efficiency

Cloud-based communications solutions eliminate the hardware maintenance and repair costs of premises-based solutions. A cloud-based unified communications platform lets you access all the capabilities and configuration options you need, immediately. And updates happen seamlessly, without using company resources.

About RingCentral

RingCentral, Inc. (NYSE: RNG) is a leading provider of business cloud communications and contact center solutions based on its powerful Message Video Phone™ (MVP™) platform. RingCentral offers three key products in its portfolio including RingCentral Office®, a unified communications as a service (UCaaS) platform including team messaging, video meetings, and a cloud phone system; Glip®, the company's free video meetings solution with team messaging that enables Smart Video Meetings™; and RingCentral Contact Center™ solutions. RingCentral's open platform integrates with leading third-party business applications and enables you to easily customize business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world.

To learn more or schedule a demonstration of RingCentral capabilities, please visit ringcentral.com/financial-services or call 855-774-2510.