



IT DIAGNOSTIC

A SIX-STEP PROCESS FOR IMPROVING YOUR FIRM'S TECHNOLOGY VALUE CONTRIBUTION

LEVERAGING TECHNOLOGY FOR PROFITABLE GROWTH

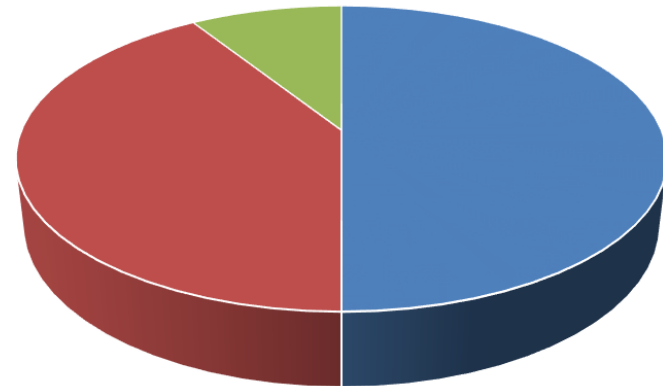




TOP TIER FIRMS LEVERAGE TECHNOLOGY FOR PROFITABLE GROWTH

- Innovative firms have a **profit per staff** of \$51,923 vs. \$35,509 at other firms.
- Top tier firms **don't just spend a higher percentage of their budget** on technology – they tend to focus on optimizing what they all ready have (e.g. leveraging clearing firm resources, BD tools, and/or custodial offerings effectively).

InvestmentNews:
Technology Spending Outlook



- 50% will increase spending
- 41% will keep spending the same
- 9% will decrease spending

Source: InvestmentNews: 2013 Advisor Technology Study

Benchmarking your technology spend vs. the industry and your competition provides useful insights

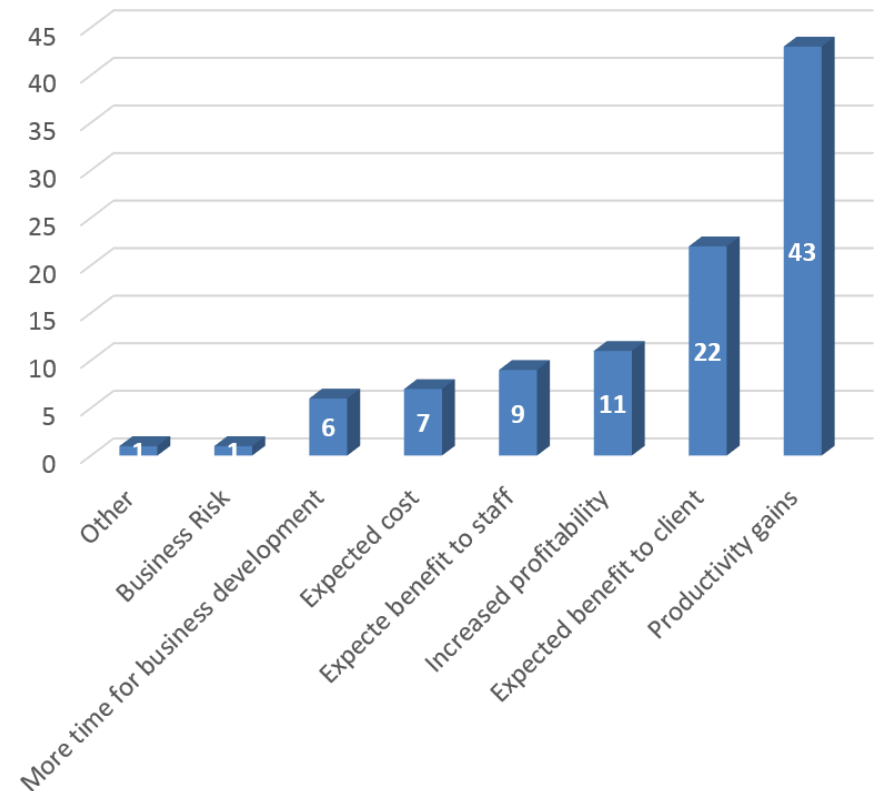


THE PRODUCTIVITY CONNECTION

- **Revenue, assets and profits** of Top Performers – on both a per employee and per-professional basis – were **three to five times greater** than all other firms.
- Top performers are using **cloud computing** and **mobile devices** to access core work technology

Source: InvestmentNews: 2013 Advisor Technology Study

Technology Investments:
Top Considerations for Firms



Top performing firms make increasing their productivity the primary goal of technology investments

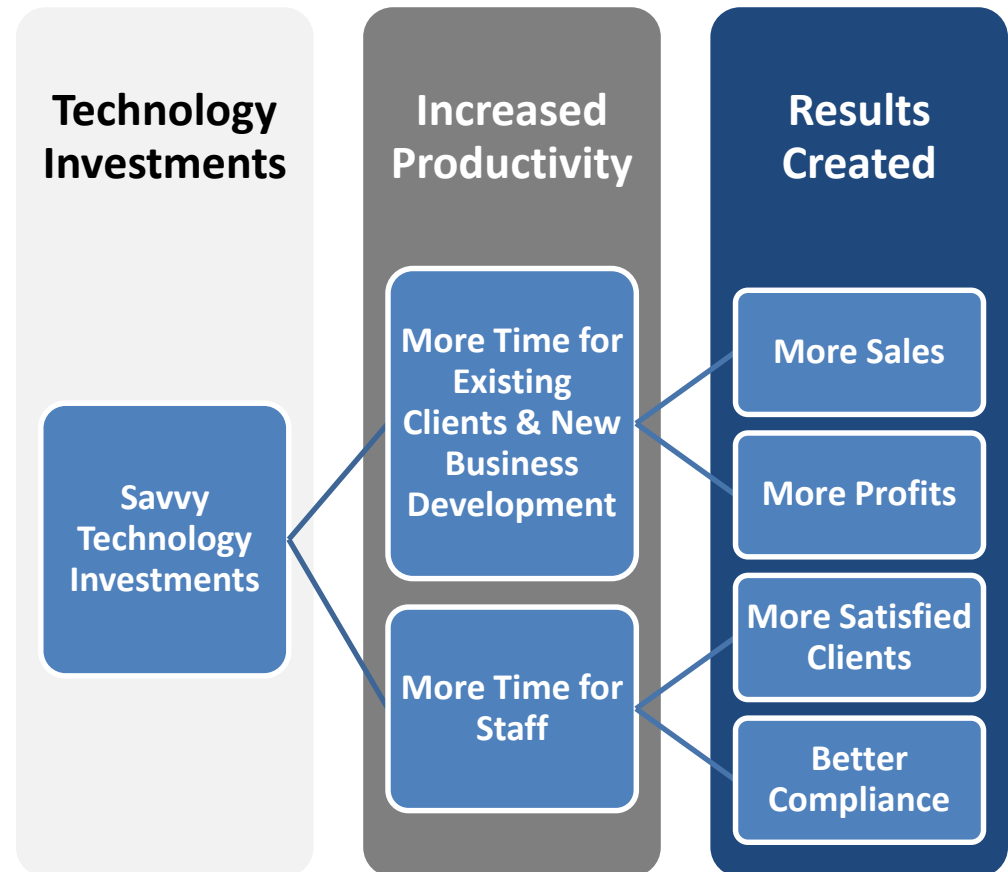


PRODUCTIVITY CREATES LEVERAGE IN ALL OTHER BENEFIT CATEGORIES

Creating productivity leverages existing investments in staff in order to create or amplify other benefits (e.g. profits)

Potential IT Benefits:

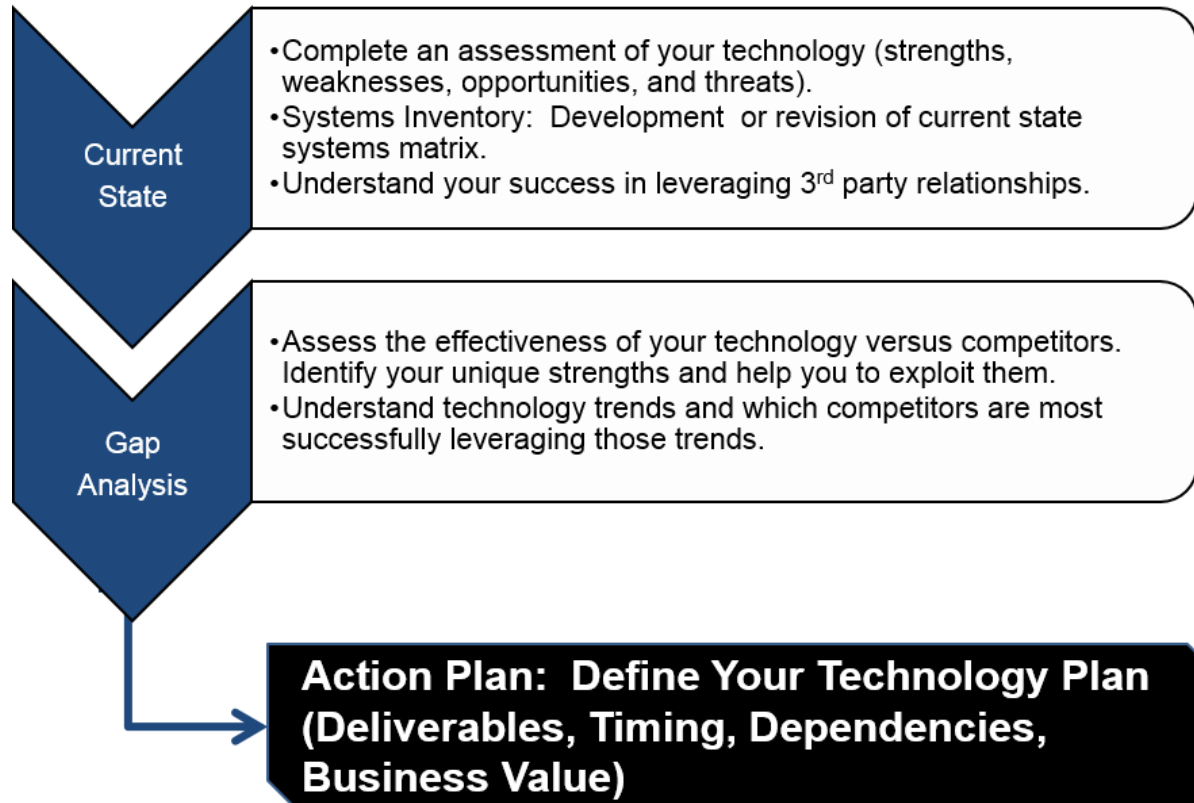
- Productivity
 - Increased # of Hours Available for Client Service
 - Increased # of Hours for Business Development
- Client Satisfaction
- Improved Compliance and Risk Management
- Improved Competitiveness
- Return on Investment / Increased Profitability





IT DIAGNOSTIC: GET AN ACCURATE PICTURE OF YOUR IT COMPETITIVENESS

The IT DIAGNOSTIC PROCESS



OUTCOMES

- **Systems / Data / Vendor Diagram**
- **IT Spending Analysis**
- **Competitive Benchmarking**
- **IT Strengths, Weaknesses, Opportunities, Threats**
- **Quick Hits: 90 Day IT Action Plan**

An IT Diagnostic: Benchmarking Your Technology Spending, IT Competitiveness, Productivity, and ROI



CRM: BEST PRACTICES

- Mantras: Improved Productivity, Better Client Service, Measured Marketing, Increased Sales
- Commitment:
 - To clean data from the start
 - Measurement and iterative improvement
- Keep it Simple
 - Leverage group tasks lists that results in better service to clients – track what is and what isn't done
 - Segment clients: Follow Pareto's Law (the 80 / 20 rule)
- Integrate / Leverage:
 - Mobile / cloud: access to important client info 24x7
 - Imaging / document management
- Automate and measure marketing activity – What is / isn't working?
- Pipeline management: Expect increased sales
 - Set goals (i.e. "wins").
 - Routinely review sales results as a group. Encourage competition.

Source: Strategy Basecamp, 2014

A CRM Diagnostic helps to create increased sales, improved management reporting, and increase client satisfaction



CRM: LEADING VENDORS

INDEPENDENT BDs

Vendor	Market Share
Redtail	29%
Ebix / EZ-Data	14%
Salesforce	11%
Proprietary	9%
Grendel Online	5%

Source: InvestmentNews, 2013

FINANCIAL ADVISORS

Vendor	Market Share
Redtail	40%
Junxure	19%
Salesforce	10%
Microsoft Dynamics	5%
Grendel Online	4%
None	14%

Source: InvestmentNews, 2013

- Salesforce and Redtail are gaining market share
- Salesforce is rated most flexible. It is being heavily promoted by Schwab and TD Ameritrade.
- Redtail is rated as having the most wealth management industry functionality



DOCUMENT MANAGEMENT: BEST PRACTICES

- Be Compliant – Ensure WORM storage - Write Once, Read Many
- Maintain an Audit Trail – leverage audit logging functionality in software such as Redtail Imaging
- Design a system / process that works with “how your firm” works
- Primary Goal: Find any document you need to serve a client in seconds
- Know what documents you’ll need to access “outside your office” – Leverage the cloud / mobile
- Buy the right scanner – test the speed and quality (i.e. can your support staff keep up).
- Define a process that addresses scanning of historical documents – consider “line in the sand” and “sun setting” guidelines (what will / won’t we scan)
- Understand how 3rd party applications (e.g. eMoney, etc.) will be integrated.

Source: Strategy Basecamp, 2014

Our industry is document intensive and spends countless hours looking for and exchanging documents



DOCUMENT MANAGEMENT: LEADING VENDORS

INDEPENDENT BDs

Vendor	Market Share
Redtail Imaging	24%
Proprietary	17%
Laserfiche	14%
Docupace	7%
Albridge	6%

Source: InvestmentNews, 2012

FINANCIAL ADVISORS

Vendor	Market Share
LaserApp(*)	24%
BD / Proprietary	17%
Redtail Imaging	13%
Laserfiche	6%
Worldox	6%
None	33%

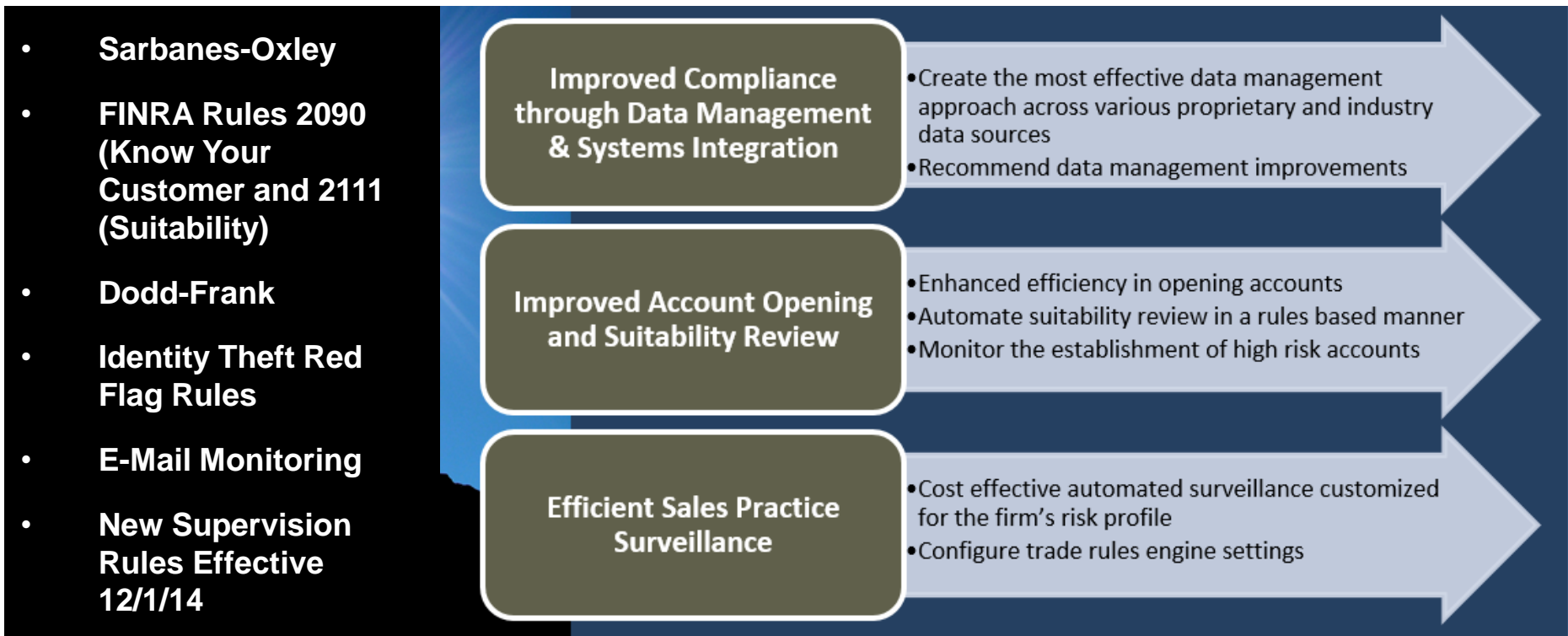
Source: InvestmentNews, 2013

- (*) Not all view LaserApp as a true document management solution.



COMPLIANCE: THE INTERSECTION OF RISK MANAGEMENT AND TECHNOLOGY

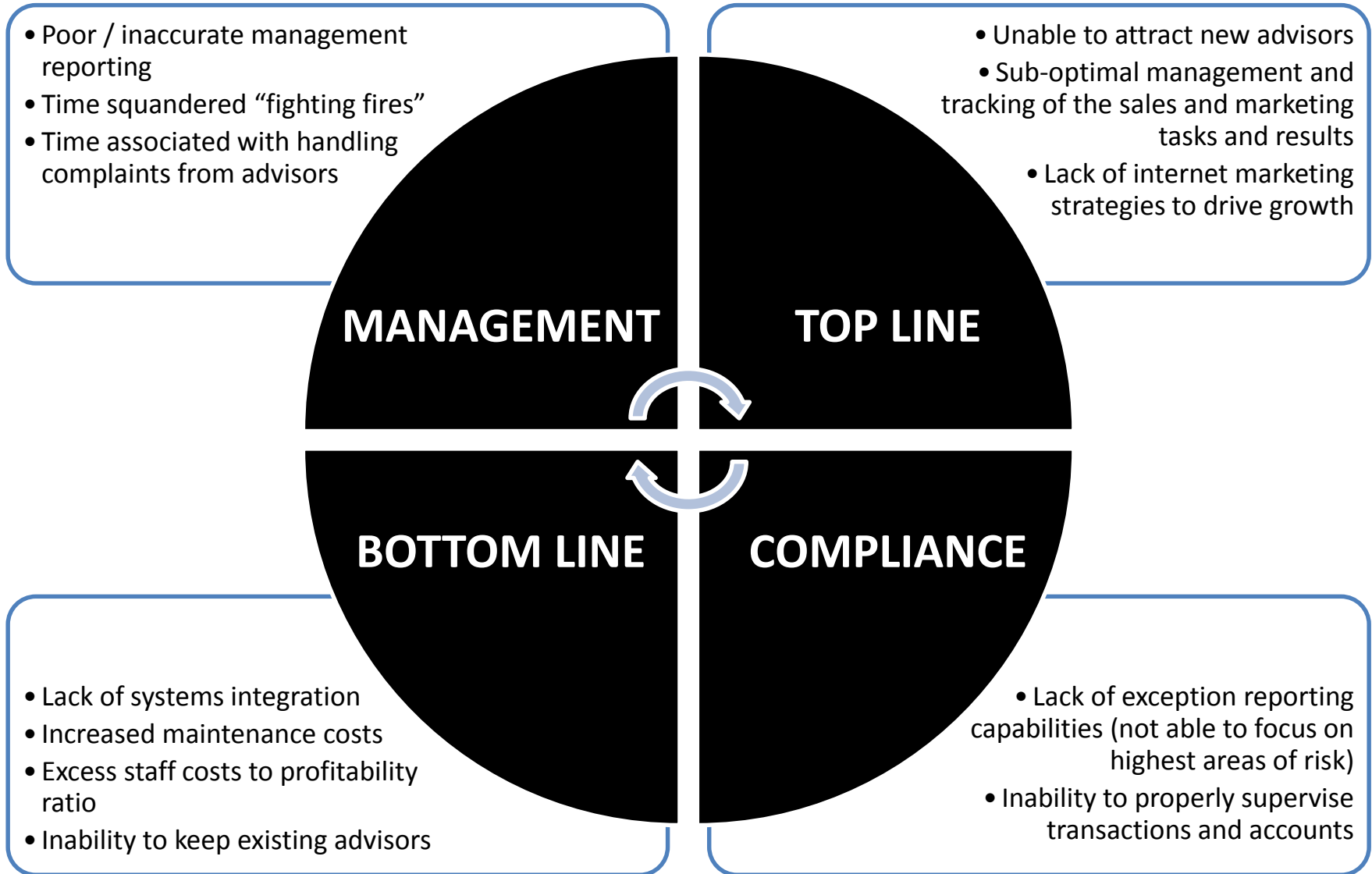
Top performers invest in technology to automate the increased burden of more regulation



Profitability manage regulatory change through the effective use of technology



RISKS / COSTS ASSOCIATED WITH INADEQUATE TECHNOLOGY CAPABILITIES





6 STEPS TO LEVERAGING TECHNOLOGY FOR PROFITABLE GROWTH

BENCHMARK

- STEP 1: Benchmark your IT spending vs. the industry and your competition.

CURRENT STATE

- STEP 2: Develop an accurate picture of your current state of systems, data, and integration.

SWOT ANALYSIS

- STEP 3: Understand your Strengths, Weaknesses, Opportunities and Threats and how they shape your actionable plan.

TOOLS / VENDORS

- STEP 4: Replace poor performing software tools with better ones. Focus on productivity generation.

HUMAN RESOURCES

- STEP 5: Leverage your greatest resource. Create enhanced productivity via the execution of a training plan tailored to your specific organizational needs (e.g. new tools such as Salesforce).

90-DAY ACTION PLAN

- STEP 6: Write out a 90-day plan of action to address key findings of your work that can be quickly implemented. Address longer-term deliverables in your Strategic Technology Plan.



SELECTED EXPERIENCE: CASE STUDIES

CASE STUDIES

IT Diagnostic and Strategic Technology Plan (Vendor Selection, System Integration, IT Roadmap, etc.). Provided a national independent BD/IA an assessment of their current technology offering. Provided a Gap Analysis comparing the firm to their competitors and also created a short term tactical action plan for the immediate six months. Managed the vendor selection and due diligence process. Focus involved integration of numerous systems across the new account establishment, forms population, document management, compliance / supervision, compensation, and performance reporting functions.

IT Diagnostic and Managed the Development of an Independent BD/IA (Vendor Selection, System Integration). Assisted in building the operations, technology, and compliance functions of a newly formed BD/IA. Worked closely with a diversity of vendors (new account establishment, financial planning, CRM, document management, etc.) and partners such as custodians, clearing organizations, and turn key asset management platforms.

Assisted a Newly Restructured BD/IA in Selecting Vendors for an Interactive, Online “Dashboard” of Tools and Resources for Advisors. Process involved reviewing various vendors’ products, services and clients. Arranged conference calls and demos for the firm’s stakeholders and provided recommendations customized to the firm’s budget and needs.

Managed the Vendor Selection and Implementation of a Compensation System at a National Independent BD. Worked with a large independent BD to perform due diligence on compensation system vendors and recommend a solution that best integrated with existing systems (such as new account establishment, performance reporting, existing proprietary data systems). Subsequently managed the customization and implementation of the new compensation system. Delivered the chosen solution on-time and below budget.

SELECTED ORGANIZATIONS SERVED

- National BD / IA with 400+ Reps / Advisors
- National BD / IA with 1,200+ Reps / Advisors
- National BD / IA with 7,500+ Reps / Advisors
- BD / IA offering Investment Banking Services
- Start Up National BD / IA
- Wirehouse / Insurance / Advisory Firm
- Multinational Bank with an Independent BD
- Multinational Insurance Firm with Multiple National Independent BDs / IAs
- National BD / IA with 1,000+ Reps / Advisors

Get Results

Strategy Basecamp is a consulting firm focused exclusively in the financial services industry. We partner with executives and managers to facilitate effective business planning and help you competitively leverage technology for profitable growth.

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