For Immediate Release
July 8, 2008

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# TECHNOLOGY STILL A PAIN POINT FOR ADVISORS

## -- Survey kicks off launch of new web site for wealth management professionals

Medfield, Massachusetts – To highlight the launch of AdvisorsTrustedAdvisor.com, (ATA), a new web-based resource for wealth management professionals, ATA officials are releasing survey results describing key concerns of wealth management business owners.

The survey confirmed the unanswered need in the advisor industry for more effective technology tools to help them run their business more efficiently. It was conducted in May, 2008 by ATA's parent company, The Collaborative (www.The-Collaborative.com), a business development firm focused on financial services and technology businesses, and Advisors Perspectives (www. advisorperspectives.com), a newsletter and database company specializing in wealth management-related issues.

Advisors were asked to identify the three biggest areas of pain out of 10 system areas provided, and then to answer questions about the level and quality of support from custodians. The top 3 areas cited as most problematic were document management, customer relationship management (CRM) and portfolio management.

The survey questions also asked about levels of satisfaction with custodial support. Respondents cited a broad spectrum of custodians with the most-cited being Fidelity, Pershing, Schwab and TDAmeritrade.

"An interesting disconnect in the survey results comes from the fact that while custodian support is rated highly *generally*, respondents didn't rate custodians as offering them support in these three most painful areas", says Mike Slemmer, Principal of The Collaborative. While custodians received high marks (27% saying "excellent" or "very good" and only 6% saying "very poor" or "terrible") for the general technology support and systems they provide, they are not meeting advisor's needs in the top three areas. Regardless of which 3 out of 10 areas were selected as number 1, 2 or 3 most challenging, 47% said their custodian does *not* offer support in that area, 35% said they did, and 18% didn't know.

The biggest unresolved areas of document management include the need to manage the paper explosion, with the paperwork required by custodians and regulators cited most often. Having a "straight-through" process with systems that "talk" to one-another and the lack of trained, experience staff to organize and coordinate documents are also cited as problems.

The biggest frustration with CRMs is the lack of integration with other systems – portfolio management, document management, planning, custody and especially email systems such as Outlook. Also cited was the dearth of CRMs tailored for wealth management and problems in defining processes for CRM usage and incentives to ensure usage. "The lack of advisor-specific CRM options and poor marketing by CRM vendors seem to be the reasons most respondents said they use an email product – Microsoft Outlook – as their primary CRM tool" said Slemmer.

Portfolio management was cited as the third most painful area with the lack of good trading tools and efficient rebalancing as a couple of specific pain points cited. Also cited was a lack of reporting flexibility and customization, and the inability to seamlessly include data from other custodians. Many pointed to this problem as a major obstacle to accurate performance measurement reporting.

Survey respondents were also asked to rank-order seven business issues they face as investment advisors. *New business development* was ranked as the top issue with *operations and technology* and *managing firm growth* as numbers two and three respectively.

"These results show that both vendors and custodians have substantial work in front of them to adequately serve investment advisors operations and technology needs. These challenges are both technological and in getting their message out" said Beverly Flaxington, founder of The Collaborative and co-founder of Advisors Trusted Advisor. "Another key finding is that the processes *around* these systems greatly impact the success of using them. This is a major reason why we developed Advisors Trusted Advisor, our practice management website and business."

For a more complete report on survey findings, visit The Collaborative's advisor-specific site, www.AdvisorsTrustedAdvisor.com.

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## About AdvisorsTrustedAdvisor.com

Advisors Trusted Advisor (www.AdvisorsTrustedAdvisor.com) addresses the growing need by registered investment advisors for unbiased advice and information to grow their business. It provides registered investment advisors and wealth managers the objective information they need to more effectively manage and grow their practices. It was created by Beverly Flaxington and Michael Slemmer, CFA, principals of The Collaborative, a Medfield MA-based business development firm that has provided management and marketing support to wealth management professionals for thirteen years.

## About The Collaborative

The Collaborative for Business Development (www.the-collaborative.com) assists financial services and related technology firms grow revenue and reduce organizational obstacles to success. With decades of real-world experience, The Collaborative has a long track record applying actionable, workable strategies and tactics to support financial advisors and other clients improve business practices and meet their objectives.

## About Advisor Perspectives

Advisor Perspectives (www.advisorperspectives.com) provides research and analysis to the financial advisory community with a free electronic newsletter containing articles and analysis focused on investment strategy. Advisor Perspectives analyzes data from a universe of approximately $50 billion of assets, representing investments managed by RIAs for HNW and UHNW accounts. Advisor Perspectives provides asset allocation, mutual fund usage, and other important statistics that this universe represents, as well as investment and economic analysis by industry experts.

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