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Magazine

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needs roles-based
data

ACCELERATE

Build a high-
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SIMPLIFY

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CONTENT
FOR WEALTH
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LEADERS**

GROW

Engage (and win!)
the next-gen client

Action!
Magazine

Action!

Actionable content for wealth management leaders

REVENUE
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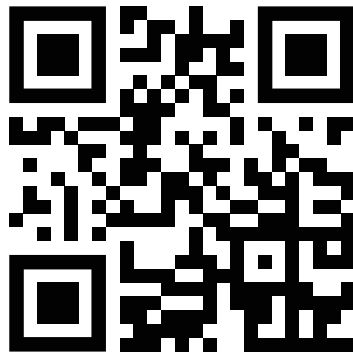
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Editor's Note



SULEMAN DIN

One well-known industry observer recently told me right now is both “the scariest and most exciting time to be alive.”

If you consider the rapid technological advances we’ve witnessed in the past year, you

can certainly acknowledge the promise that AI offers to transform financial planning. You can also agree with the disruptive potential of the Great Wealth Transfer as it picks up and client expectations evolve, challenging how advisory firms do business today.

The teams at AdvisorEngine and Nitrogen are clear-headed about the forces for change at work in wealth management, and that’s reflected in the content we’ve put together for this supplement in your hands right now.

- Key takeaways on these topics straight from industry leaders – Nitrogen CEO Dan Zitting and AdvisorEngine CEO Rich Cancro – that can help you understand these trends and how you can shape your response to them in a practical way.
- Personalized service and more meaningful communication are now deemed essentials to demonstrating your firm’s value to clients, and we’re sharing a variety of strategies that can help your firm boost its client engagement.
- Data is fundamental to running any modern wealth

management practice or technology. We’ve gathered expert tips on how to get a handle on your data and tailor it to support specific roles within your firm.

- An in-depth look at how advisors are using automation to handle client management, such as keeping track of recurring workflows, with CRM tools available to them in their wealth management platforms.
- A step-by-step marketing plan for financial advisors who want to attract next-gen clients, including helpful roadmaps to solve common problems and a sidebar with insights into next-gen client thinking.
- The competition for talent in wealth management remains fierce. Once you begin recruiting, how do you ensure you build a high-performing team? We’ve got a feature with several suggestions.
- RIA insights from the Nitrogen 2024 Firm Growth Survey

I’m elated to share this collaboration of thought leadership with you. Let’s get stuff done!

Best,

A handwritten signature in black ink, appearing to read 'Suleman Din'.

Suleman Din

Exploring the critical trends impacting RIA growth

What is the pressing issue and industry trend on the minds of wealth management leaders right now? The advancement of AI? The Great Wealth Transfer? The changing demographics of clients and advisors?

How about all of the above? Nitrogen CEO Dan Zitting and AdvisorEngine CEO Rich Cancro sat down to cover these topics in a conversation that explores the forces at work behind the evolution of the modern RIA practice.



WHAT WOULD YOU TELL ADVISORS HESITANT TO INVEST IN WEALTH MANAGEMENT TECHNOLOGY?

RICH CANCRO: Many advisors make the mistake of seeing technology as purely an expense versus a growth engine for their business. It's critical that they change their lens to view that technology as a key enabler for growth. I'd argue instead of just onboarding the most expensive person, another advisor, think about how technology can help your business scale.

We've studied this issue at AdvisorEngine too — 89% of advisors believe providing clients with a high quality digital experience is a competitive advantage, but only a minority have advanced their plans past a development stage. There's an interest, but the execution gap is wide.

DAN ZITTING: The most important asset to an advisor's business is the trust they create with clients, and a well-thought-out technology strategy and digitally enabled client experience are critical to maximizing the growth of that trust asset. This is even more true with younger investors, who make that trust decision before ever actually speaking to the advisor based on the practice's digital presence and experience.

Our Advisor Growth Survey backs this up — the firms using technology grow at an exponentially higher rate than the firms slow to adopt technology across their operations. It is important to use tech for automation and streamlining operations, but that is secondary to benefiting what truly matters — building relationships and providing value to clients.

WHAT AREAS OF TECHNOLOGY DO YOU THINK FIRMS SHOULD BE INVESTING IN OR INCREASING THEIR INVESTMENT IN OVER THE NEXT YEAR?

DAN ZITTING: Focus on technologies that improve client experience, data analytics, and automation. First, client experience platforms that

“Personalization is table stakes for attracting new clients in today’s market... Generic, one-size-fits-all approaches are no longer effective.”

Dan Zitting, Nitrogen CEO

offer seamless digital engagement and personalized communication are critical. Once a client, trust will waiver without personalized attention and service that can only be achieved through a world-class on-going digital experience. Secondly, data analytics tools are essential for firms to better understand their client base and deliver customized advice and solutions. Finally, automation tools, especially for low-value-add activities that do not touch the client experience, can significantly reduce costs and free up advisors to spend more time with clients.

RICH CANCRO: Advisory firms should take a 50,000-foot view and ask, are we investing enough resources in cybersecurity so we can sleep well at night? When a firm does this, they will see they can do more. I know it can be challenging to understand cybersecurity when hackers manage to break into even the largest, most sophisticated organizations, but RIAs have a responsibility to ensure their client’s data is protected.

Workflows is another area where RIAs can invest more. I find it surprising, if not shocking, how many firms still do key processes manually. It should be obvious that advisory firm staff spending hours validating potential trades with a spreadsheet or reviewing a flat PDF report is time spent away from the most valuable aspect of their business, which is serving existing clients or helping advisors with their prospects.

WHAT DO YOU THINK WILL IMPACT AND FURTHER ACCELERATE GROWTH IN THE INDUSTRY OVER THE NEXT FEW YEARS?

RICH CANCRO: The wealth transfer, which is already happening now, not in a decade from now, will have the largest impact by far. Baby Boomers in the United States alone are expected to transfer \$68 trillion in assets to their heirs. We’re already witnessing some interesting trends coming out of this shift. Women are expected to inherit 70% of the wealth that will be transferred as a first step in the process. I’m not sure firms are prepared for this demographic transformation in their clientele. The

second step in the process is the transfer to the next generation(s), who are demanding delightful tech experiences supported by human advisors, not robo-advisors — what’s old is new again.

It’s an opportunity for firms to truly embrace technology and change. If a firm remains status quo and does not make a fulsome effort toward securing the next generation of clients, it’s estimated they will experience a 56% reduction in client assets due to client attrition, according to AdvisorEngine analysis. This analysis also shows that advisors who evolve how they approach and serve clients can expect to reap up to a 76% increase in assets.

DAN ZITTING: Several factors will likely accelerate growth in the industry over the next few years. First, the ongoing digital transformation will continue to reshape how financial advice is delivered. Firms that leverage technology to enhance client engagement and provide a more personalized service will differentiate themselves in a crowded market. Second, the integration of AI and the data sources all firms accumulate will unlock new capabilities in client segmentation, predictive analytics, and investment management. Lastly, demographic shifts, particularly the transfer of wealth to younger generations, will drive a need for more digital and dynamic client experiences. All three of these (expectations of digital experiences, AI, and demographic changes) will transform the point at which trust is earned and thus firms will have to adopt tech innovation to be in a position for significant growth.

HOW IMPORTANT DO YOU THINK PERSONALIZATION IS FOR ATTRACTING NEW CLIENTS?

DAN ZITTING: Personalization is table stakes for attracting new clients in today’s market. Clients expect their unique needs, goals, and preferences to be understood and reflected in the advice they receive of course, but actually even before they ever talk to the advisor the first time. Generic, one-size-fits-all approaches are no longer effective.

Leveraging technology to gather insights about clients, from their financial behavior to their communication preferences, allows advisors to digitally deliver an engaging online experience for prospects as well as more tailored and relevant advice once a client. Firms that invest in

“I’d argue that instead of just onboarding the most expensive person, another advisor, think about how technology can help your business scale.”

Rich Cancro, AdvisorEngine CEO

technologies and strategies that enhance personalization will see higher rates of client acquisition and retention.

RICH CANCRO: Clients are used to personalized service thanks to the Amazons and Apples of the world. So with any effort to attract new clients, I think the challenge is that you have to understand them based on learning from their interactions with you. Having a

CRM embedded as part of your wealth management platform is crucial to learning from these interactions and ultimately delivering. It’s key to how you effectively scale your business without compromising the quality of service you provide.

DO YOU THINK FIRMS ARE EFFECTIVELY USING DATA?

RICH CANCRO: We definitely see room for improvement in how firms organize and take advantage of their data. We believe it should be ubiquitous — providing insights and also momentum for action in your firm. The biggest challenge firms have with data though is getting it clean. When your firm’s data is clean, you can achieve more scale, more consistency, better delivery of service, more intelligent client interactions, and overall better business productivity. No single tool is going to do that for you; this is only achieved through a platform centralizing and connecting all of your practice.

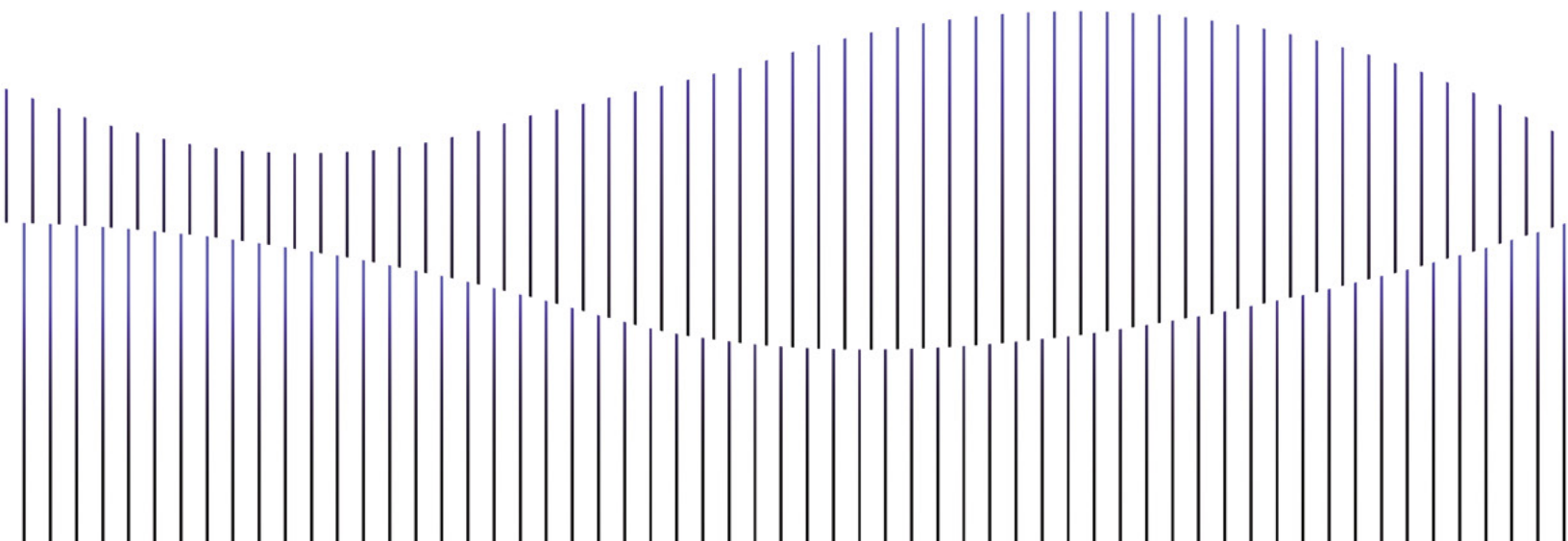
DAN ZITTING: While many firms have access to a wealth of client data, not all are effectively using it to its full potential. The key lies in securely leveraging data analytics and visualization tools to turn raw data into actionable insights that can drive decision-making and strategy. Advisors need to use client data to identify trends, understand client behavior, and provide more tailored and proactive advice. Firms that invest in the right data tools and foster a culture of data-driven decision-making will be better positioned to understand their clients’ needs, anticipate market shifts, and ultimately enhance their service offerings.

HOW ARE FIRMS CURRENTLY USING ARTIFICIAL INTELLIGENCE?

DAN ZITTING: We're seeing that firms are beginning to explore various applications of artificial intelligence, but we're still in the early stages of adoption. Currently, AI is primarily used for tasks like content generation and client service enhancements, like chatbots and virtual assistants. Some forward-thinking firms are starting to explore AI-driven analytics to gain deeper insights into client behavior and preferences, which helps in crafting more personalized financial plans. It's why we created Nitrogen AI. It was the first to market in this space, and recent updates have set a new benchmark for AI-driven tools in wealth management. Our latest update has outperformed leading AI models like Gemini, Claude, and Bing, while scoring 120 on the Mensa IQ test.

However, as AI technology matures, we expect to see its usage expand into areas like predictive analytics, automated compliance checks, and even more advanced client engagement strategies. It is our belief that the firms that embrace AI and integrate it into their core processes will lead the charge in shaping the future of the industry.

RICH CANCRO: I'm super excited to see how AI is evolving, there's a ton of potential from how firms grow and interact with prospects to super efficient compliance monitoring and related workflows. I'd caution firms to make sure any AI tool they're considering can be integrated into their platform and can deliver on their promise of scale and efficiency. Also, I'd suggest that if you're looking to take advantage of AI tools, a good area to focus on is optimizing your operations.



Eight Effective strategies to increase client engagement



CRAIG CLARK

Chief Marketing Officer, Nitrogen

Personalization doesn't mean "basic" tactics like using an email platform to auto-generate first names.

The path to hyper-growth begins with understanding how to increase client engagement. To that end, identify how many of these eight types of client engagement your firm is (or isn't) already using – and then implement any tactics that you aren't effectively doing already.

1 Timely communication

Look first at how often you're communicating with your clients as a whole. This doesn't mean how many review meetings you hold each year, but rather, the totality of communication. If you aren't communicating timely, relevant information to clients at least monthly, then this is the first place to start when attempting to increase client engagement.

2 Regular meetings

Your actual meeting cadence will vary depending on the services you offer, the complexity of the clients you work with, and what's occurring in the world that's impacting investments. However, it's generally accepted that personal meetings with most clients should occur 2-3 times per year – and annually, at the bare minimum.

3 Managing expectations through risk

Getting clients engaged in their investment performance, especially if they are naturally delegators, can be a balancing act. One of the most effective ways to manage expectations is by helping clients to understand their personal level of risk tolerance and then using that knowledge as a

recurring conversation point to build trust in both an advisor and the agreed-upon plan.

4 Personalizing the client experience

There is constant talk about personalization within the financial advice profession, and research about client preferences backs up the need to build communication plans that are as highly targeted as possible. Personalization doesn't mean "basic" tactics like using an email platform to auto-generate first names. Instead, clients want their advisors to anticipate what's important to them and engage with them about those personal situations.

5 Being empathetic

Empathy is a critical element in building trust and connection with clients, and advisors who master the implementation of a holistic, empathetic approach to client relationships give themselves a pathway to long-term engagement and retention success. Empathy is not just about active listening; it's also about the actions taken after a client has indicated what they need and how you can help them. Follow-through is the most important part of cultivating relationships.

6 Financial education

Financial education not only draws prospects to a firm, it helps to retain clients over time with relevant information. That principle can be seen best in the Great Wealth Transfer taking place as assets change hands from older to younger generations. By putting a focus on engaging with the next generation through education, advisors can attempt to keep more of the estimated 70% of wealth that leaves a firm after one generation.

7 Targeted campaigns to niche groups

Often, advisors think of targeting marketing campaigns only as a way to reach new prospects. However, targeted marketing campaigns to internal groups – like different segments of clients – are just as important to the growth and longevity of a firm as attracting new business.

8 Expand the services you offer

As a firm offers more services, it gives itself additional opportunities to engage with and talk to its current clients. For example: If you're a firm that began with investment management and financial planning, adding tax planning can be a way to increase the value offered to the people you serve and even gain additional wallet share.

Automate Your Client Engagement

Implementing an effective client engagement strategy is one thing, but even the most organized teams can quickly become overwhelmed by the communication needed to constantly stay in front of news, trends, and the personal, everyday concerns of clients. Overall firms that are growing slowly have less automated client communication than hyper-growth firms. But more importantly, they are roughly 1.5x more likely to have no automation set up at all.

Automation is essential because it helps to free up time for advisors to develop their soft skills. In an industry like wealth management, where most advisors are expecting to be involved in business development and the prospecting process, automation can lead to more one-on-one personal interactions with clients and the time needed to follow up with prospective clients too.

When it comes to hyper-growth firms, 25 to 50% of communications are automated. When that much manual work is taken out of an advisor's hands, a tremendous amount of free time is created to push toward revenue-generating activities instead.



Why Your
Wealth
Management
Practice
Needs
Roles-Based
Data



BERNICE NAPACH

Developing a comprehensive strategy that aligns with your organization's goals.

Collecting and analyzing the right kinds of data can make a huge difference in the growth of your RIA firm, but many firms lack a clear data strategy.

The quality of their data may be questionable, their data sources overlapping and too few or too many people in the organization may have access to the data they need to fulfill their role in the firm.

“Having a data strategy is one of those processes you absolutely have to have to scale,” says Craig Iskowitz, a business and technology strategy expert and founder and CEO of the Ezra Group. Iskowitz was one of several panelists participating in a recent discussion of roles-based data strategy hosted by AdvisorEngine.

A well-designed data strategy is more important now than ever given the growing use of artificial intelligence and other new technologies.

Whether it's managing client investment performance expectations, matching client needs with advisor expertise or developing a process to scale, data can play a crucial role, but only if the relevant data gets to the right person in the organization.

“Folks in your firm should know who to ask about how you store data, access data and get the most out of the data,” says Justin Boatman, chief product officer at Nitrogen.

A CEO, for example, will want cost-to-serve metrics and other productivity benchmarks, while the head of client services will be more focused on response times and client retention rates, says Grant Speer, product manager at AdvisorEngine.

There are three major steps RIAs need to take to develop a data-centered practice with a roles-based data strategy: take stock of their current strategy, if they have one; build a plan to develop a meaningful and workable strategy; then execute it.

“What gets measured, gets managed,” Speer said.
“Data is the lifeblood for the whole picture.”



DEVELOP A DATA STRATEGY

First, RIAs need to be clear about the key objectives of their firm so that they can develop a data strategy that can help them achieve those goals. Then they need to ask about how they're handling the data they collect. Where are they getting the data from? What systems are feeding it? Is the same data coming from multiple sources?

The answers will help assess the quality of their data, which is "one of the biggest roadblocks" to an RIA's growth, said Iskowitz. "Insights to support critical initiatives rely on data. If your data isn't clean, if it isn't well organized, those initiatives are going to not go as well."

Who is in charge of the data and who has access to the data are two other important considerations for RIAs.

"Even if you have different leaders playing different roles with different kinds of data that they bring to the table, it makes sense to have a single point of ownership at an RIA," said fellow panelist Justin Boatman, chief product officer at Nitrogen. "Folks in your firm should know who to ask about how you store data, access data and get the most out of the data."

That person could be the chief compliance officer, the head of operations or the head of technology, Boatman said. "If you aren't sure who it should be, maybe it's best to ask who calls the shots with your technology systems."

UNDERSTAND INSIGHTS NEED

Once an RIA has carefully reviewed how it collects, uses and oversees its data and checks for any shortfalls, it's time to develop a comprehensive data strategy that aligns with the organization's goals.

First, understand what insights your firm needs, which derives from the kind of firm you're running, and how your business is structured, said Iskowitz. Then set priorities, making sure you have the necessary data to support those critically important areas first. Don't forget to include structured (CRM) and unstructured data (emails, texts, meeting notes).

"If you're an emerging or smaller firm, make sure you're just taking ad-

“Folks in your firm should know who to ask about how you store data, access data and get the most out of the data.”

Justin Boatman, chief product officer, Nitrogen

vantage of what technology you're already using and what those firms can offer you," Boatman said. "If you're in-between and you're scaling, don't be afraid to ask for help."

"You want to make sure you're feeding the system, the platform, the technology you're utilizing to run your business with the highest quality data," said AdvisorEngine's Speer.

The data an RIA collects can be used to measure how well your firm's operations stack up against its goals, and to assess what parts of the business are working and what parts aren't; what clients are most profitable; and which advisors are the best and the worst performers.

It's helpful to break down the data into the individual role level metrics for each category of staff: advisors, client service staffers and operations personnel, etc. to gauge their performance.

"What gets measured, gets managed," Speer said. "Data is the lifeblood for the whole picture."

GET EMPLOYEES ONBOARD

Once an RIA has built a data plan, it's time to execute, though perhaps not all at once. If clearly defined processes haven't been set up already, the data strategy will likely evolve in phases, according to Iskowitz.

Optimizing a data strategy requires buy-in by a firm's leadership, budgeting for the strategy, and employee training and communication, said Iskowitz. "If you don't explain to your employees, your advisors or admins or staff why you're doing this and why it's valuable, they may not be on board, and you need them to be on board," Iskowitz said.

A governance framework and data quality controls should also be established, he added.

Finally, feedback at every level across the organization is crucial. RIAs need to know they're looking at the proper metrics, tracking them and really understanding where this effort is paying off and if it's truly impacting the bottom line at the firm, team, department or other level," Speer said.

Data strategy, Speer added, is "a living, breathing thing that needs attention, feedback at every level to really make it meaningful within the organization."

Data Strategy Steps

- 1 Make sure you have clarity about the key objectives of your firm
- 2 Review your current data situation: where is the data coming from, what systems are
- 3 Feeding it? Is there duplication of data from multiple sources?
- 4 Assign a data leader and establish if access is granted to all or through a gatekeeper
- 5 Establish a process for data quality review and measurement
- 6 Determine what insights your firm needs
- 7 Customize your firm's data for consumption by key roles and users so that it's manageable and relevant
- 8 Add technology that simplifies viewing data insights
- 9 Solicit genuine feedback about your data strategy and act on it
- 10 Set aside time to regularly review data among your firm's stakeholders
- 11 Build workflows around automation driven by data from the entire client lifecycle
- 12 Enable a 'platform mentality' at your firm

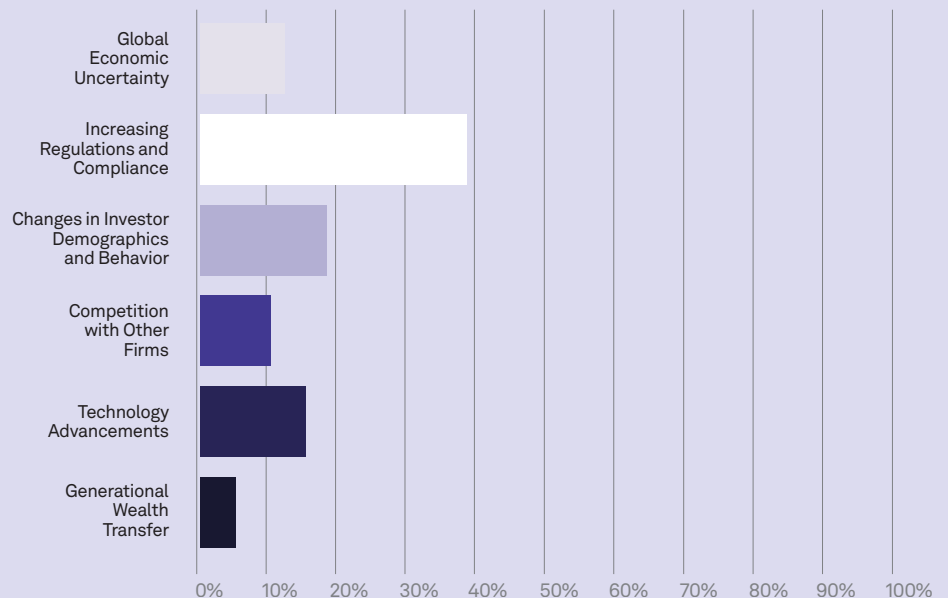
KEY INSIGHTS

Nitrogen 2024 Firm Growth Survey

Nitrogen surveyed over 1,300 wealth management professionals in its latest industry survey to get a sense of how the industry defines growth, how it measures it, and what strategies are working for firms (and what's not). Here are four insights from this year's survey that are certainly worth considering.

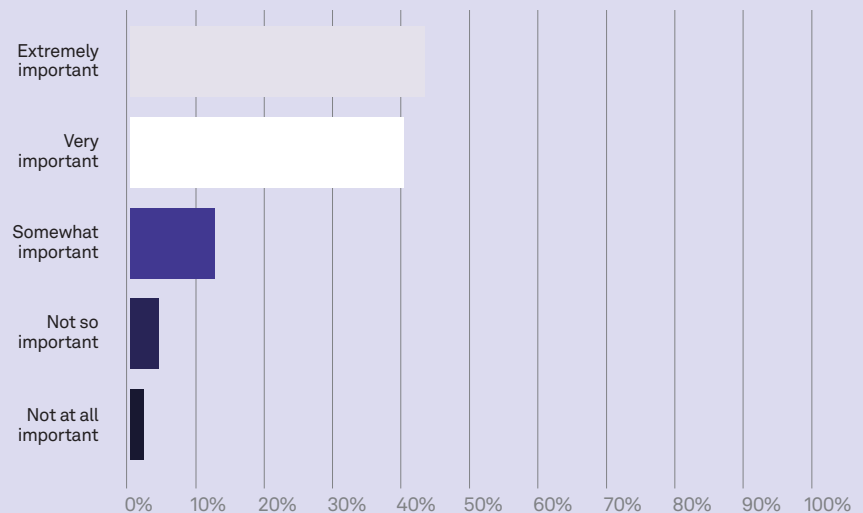
THE BIGGEST CHALLENGE FACING ADVISORS IN THE NEXT FIVE YEARS

Advisors are very concerned about increased regulatory scrutiny; so much so that they listed it as the top stumbling block to growth over the next five years. The Nitrogen survey notes that many firms find it “a struggle to manage the burgeoning demands of compliance tasks,” something that is expected to become even more complex with the introduction of AI tools into daily practice.

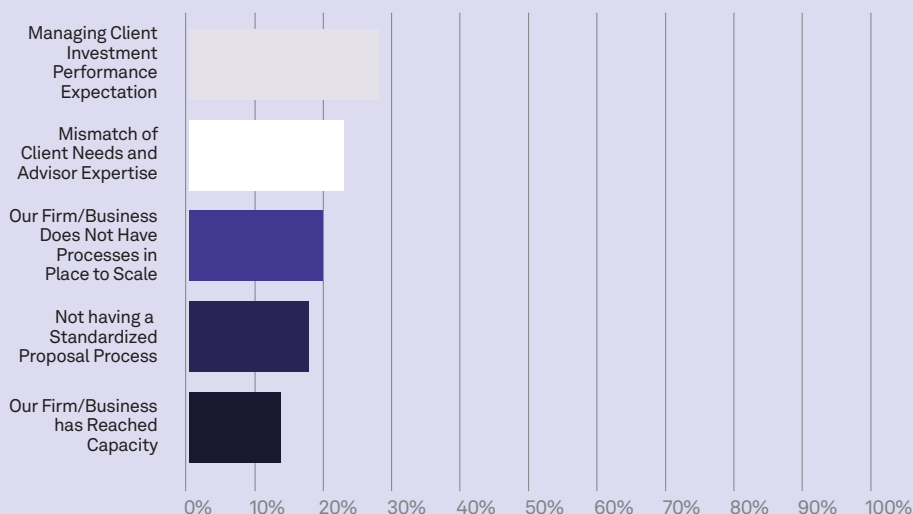


HOW IMPORTANT IS IT TO BE PREPARED FOR THE GENERATIONAL WEALTH TRANSFER

Interestingly the survey captured a dichotomy between concerns about the generational transfer of wealth and a desire to prepare for that transition. Only a small percentage of firms thought the expected transfer of \$68 trillion in assets from Baby Boomers to their heirs in the U.S. alone represents a growth challenge in the next five years. But the majority of those surveyed said it was at least “very important” if not urgent to be prepared for that shift.



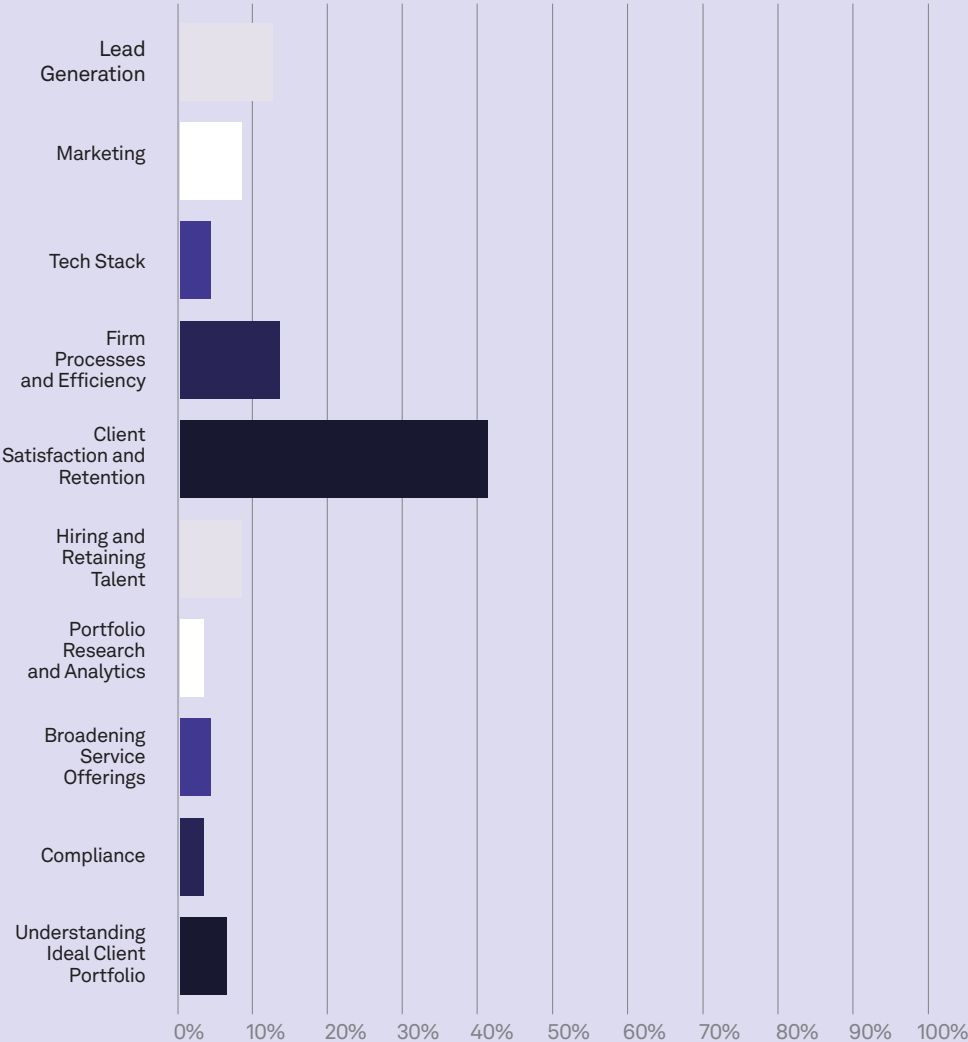
THE SINGLE BIGGEST BARRIER TO LANDING A NEW CLIENT



The industry has embraced the idea that clients are seeking out a holistic approach to planning their financial futures. But the majority of wealth management professionals surveyed by Nitrogen said performance still is the deciding factor when it comes to winning new business. The survey did find that not having standard processes in place, such as for client onboarding or portfolio management, can hinder firm growth too by risking inconsistent client experiences.

THE MOST IMPORTANT FACTOR IN FIRM GROWTH

Ensuring your clients remain happy clients is the biggest contributor to firm growth, according to the majority of those surveyed. Essential to that is frequent communication, several industry studies have found. Among those surveyed by Nitrogen, 42% said they were in touch with clients on a monthly or weekly basis. But 10% “only communicate annually, and another 10% say they limit communications outside of regular meetings to sporadic instances or when clients call.”





CHARLES PAIKERT

If client assets are the heart of an advisory firm, client service management is the nerve center.

“Advisors need client service to be as efficient as possible, and in the digital age they have the tools to do that,” says Mike Byrnes, owner of Byrnes Consulting and a featured speaker on practice management at RIA conferences.

When it comes to interacting with clients, no tool is more important than Client Relationship Management (CRM) software. When used properly, CRMs help RIAs efficiently scale such critical tasks as inputting and analyzing client data, onboarding, managing client communications and scheduling client meetings and portfolio reviews.

Advisors should take advantage of their CRM’s workflow templates to help declutter client management, says Patrick Arnold, AdvisorEngine’s product head. The AdvisorEngine CRM, for example, features a “service monitor” function that helps advisors perform and complete tasks efficiently step-by-step, providing key information along the way.

How efficient advisors are using CRM to declutter their client management

“The service monitor automates each touch point and keeps track of recurring workflows,” Arnold explains. “The software can create alerts for services such as financial plan reviews and make sure advisors are aware of a client’s specific needs, such as when to take an RMD (Required Minimum Distribution).”

Advisors should also use CRM software to look for bottlenecks in client service, Brynes says. “You can identify where work flows are getting stuck and change responsibilities accordingly.”

CUSTODIANS PROVIDE ANOTHER INDISPENSABLE CLIENT MANAGEMENT HUB

“The custodian platform is where everything happens,” says Nicholas Zaccour, director of family office services for Coastal Bridge Advisors in Westport, Connecticut. “That’s where the data is and that’s where bottlenecks can happen. You’re only as good as the efficiency of your custodian.”

When evaluating which custodian to use, focus on the service team, Zaccour says. “They should be responsive, knowledgeable and able to teach you how to do stuff so you won’t have to bug them. For peak efficiency, the less you have to call them the better.”

SURVEYS CAN ALSO IMPROVE CLIENT SERVICE PROFICIENCY

“We make sure to survey all our clients after client meetings,” says Eric Swensen, chief practice officer for San Francisco Bay Area-based Adero Partners. “We ask them about the meeting, how they would like to meet and how often they want to meet. We are also constantly asking our advisors what their hassles and frustrations are when interacting with clients so we can identify and solve problems.”

“The service monitor automates each touch point and keeps track of recurring workflows.”

Patrick Arnold
head of product, AdvisorEngine



FOR SCHEDULING AND PREPARING FOR CLIENT MEETINGS, THE CALENDLY APP HAS BECOME EXTREMELY POPULAR

“The client is able to schedule the meeting at their convenience and we’re able to have a process where we can prepare for the meetings ten days before,” Swenson says.

Many wealth management CRM providers, including AdvisorEngine, are integrating Calendly into their software. “The workflow starts once the meeting is scheduled, and everything that needs to be done is automated and accounted”, says Arnold.

Creating client service calendars also makes scheduling more efficient and transparent while also demonstrating ongoing advisor value. These calendars provide advisors more flexibility in determining what services to list and when to complete them, while also helping to manage client expectations.

Another time-saving client management tool taking the financial advisory industry by storm are note-taking/action item apps powered by artificial intelligence.

Software in these apps transcribe and summarize meeting notes with clients and then feed action items into CRM applications for implementation.

“It’s a massive scaling proposition,” Josh Brown, CEO of Ritholtz Wealth Management, said at a panel discussion on AI earlier this summer at the Museum of American Finance.

Note-taking/action item apps from companies like Jump, Zocks, Grain and Finmate AI have become the most popular “use case” in artificial intelligence among financial advisors to date, according to Brown.

When AI note-taking/action item apps are integrated into CRMs, “the service game will change dramatically,” Zaccour says. That day is not far off,

according to Arnold, who says AdvisorEngine is currently in discussions with third-party note-taking app vendors.

More prosaically, Swenson recommends giving clients an email address for the team they’re working with instead of an individual advisor. “It really helps prevent action items from falling through the cracks if one advisor happens to miss an email,” he says.

On the other hand, advisors shouldn’t forget about the benefits of personalized customer service.

Byrnes recommends sending personal video emails as a way to make sure clients remember upcoming meetings and to humanize the advisor.

“You’re showing interest in the client personally, exhibiting empathy – and getting their attention,” he says. “Whatever you’re trying to communicate, it increases your chances of success.”

“The client is able to schedule the meeting at their convenience and we’re able to have a process where we can prepare for the meetings ten days before.”



How
financial
advisors
can engage
the next
generation
of clients



TINA POWELL

THE 2024 OLYMPICS OFFERED A VALUABLE LESSON IN THE POWER OF AUTHENTIC ENGAGEMENT. SNOOP DOGG'S ICONIC COMMENTARY CAPTIVATED A DIVERSE AUDIENCE, DEMONSTRATING THE IMPORTANCE OF RELATABILITY AND CONNECTION IN MARKETING.

The games also reinforced how different generations consume content. While older generations relied primarily on traditional television broadcasts, younger generations turned to live-streaming platforms and social media for real-time updates and behind-the-scenes content.

Just as NBC tailored its strategy to different demographics, advisors must adapt their approach to cater to the specific needs and preferences of each generation. By understanding the unique behaviors and communication styles of clients, advisors can build stronger relationships and deliver exceptional service. This is not a new concept but one that presents new considerations for serving the next-gen client base.

Let's take a closer look at next-gen clients and strategies to capture and maintain their attention.

GENERATIONAL MARKETING

Every generation has unique preferences, values, and communication styles. This approach, known as generational marketing, is essential for building strong relationships and driving growth.

For specific generational marketing tips, see Sidebar: Understanding the Next Generation of Investors. p.28

“Every generation has unique preferences, values, and communication styles. This approach, known as generational marketing, is essential for building strong relationships and driving growth.”

Consider the following questions throughout this article as we offer best practices for seeding future growth.

- **What is your approach to client service for a new generation?** Can you identify the specific demographics and preferences of your target audience?
- **What offerings do you provide?** Have you evaluated your current offerings and identified areas for improvement or expansion to better meet the needs of younger clients?
- **How can technology help?** Are you willing to explore digital tools and platforms that can streamline processes, enhance client engagement, and provide a personalized experience?

APPROACH: DON'T BE BLIND TO YOUR BLINDSPOTS

Many financial advisors are eager to serve the next generation but still need to improve. Despite their best intentions, a disconnect often exists between advisors' perceptions of their client engagement efforts and the actual experiences their clients are having.

This disconnect can be attributed to a lack of strategic planning and a failure to understand the unique needs and preferences of younger generations. Advisors may struggle to connect with their target audience without a clear roadmap and a focus on personalization.

OFFERINGS & TECHNOLOGY: THE POWER OF DIGITAL ENGAGEMENT

Effective client engagement also requires a strategic investment in digital offerings and platforms. While it may seem daunting, the benefits far outweigh the costs. To effectively engage with a new generation of clients, advisors must embrace digital tools and prioritize ensuring their online presence is modern, on-brand, and authentic. Plenty of ways exist to take advantage of these tools and capitalize on their impact compliantly.

For a list of common blind spots and effective solutions, see Figure 1: A Roadmap to Effective Client Engagement.

Consider how these offerings and technologies can be integrated into your next-gen client interactions:

OFFERINGS

Personalized Financial Planning

Develop tailored investment plans aligning with clients' goals and risk tolerance.

Educational Resources

Provide access to educational content, such as articles, videos, or webinars, to help clients make informed financial decisions.

Online Tools

Provide clients with online tools to track their investments, set financial goals, and analyze portfolio performance.

Sustainable Investing Options

Incorporate sustainable and socially responsible investment options to cater to the values of younger generations.

TECHNOLOGY

Emerging Platforms

Explore new forms of content on existing social media platforms, such as YouTube Shorts, Instagram Reels, and TikTok, to reach younger audiences and engage with them in a more informal and interactive way.

Client Portals

Provide clients with secure access to their account information, investment performance, and personalized recommendations via a mobile app.

Automated Communication

Use email marketing and text messaging to send personalized updates, alerts, and invitations to events.

Virtual Meetings

Offer virtual meetings to accommodate clients with busy schedules or those who prefer remote interactions.

Interactive Tools

Provide clients with tools to visualize their financial goals, track progress, and make informed decisions.

Educational Content

Create engaging or entertaining content, such as podcasts, videos, or webinars, to educate clients on financial topics and demonstrate your expertise in a way that connects and speaks to them directly.





THE JOURNEY: CREATING MEMORABLE EXPERIENCES

At the end of the day, it all comes down to building an intentional journey that has a positive outcome. Consider the entire client journey and strive to create a memorable experience with these key strategies:

- **Leverage data analytics to better understand clients' preferences, behaviors, and pain points.** This information can be used to personalize your communications and tailor your offerings to meet their specific needs. This can come in the form of an NPS survey that establishes a baseline to understand that online journey.
- **Consider every touchpoint in the client journey — from initial outreach to ongoing communication.** Ensure that each interaction is consistent, personalized, and valuable.
- **Be obsessed with creating value.** Focus on providing tangible value to your clients. This can involve offering educational resources, personalized advice, or innovative solutions to their financial challenges.
- **Track key metrics to assess the effectiveness of your client engagement efforts.** This can include client satisfaction ratings, referral rates, and return on investment. Use this data to identify areas for improvement and refine your strategy.

The most important thing is to understand where you are today and set a goal for where you want to be in the future. By focusing on the entire client journey and leveraging data-driven insights, you can create a memorable experience that fosters loyalty, drives referrals, and contributes to the long-term success of your practice.

Just as you do in your daily role as an advisor, it's all about building genuine relationships and providing exceptional value — regardless of the generation.

“The most important thing is to understand where you are today and set a goal for where you want to be in the future.”

FIGURE 1

A roadmap to effective client engagement

AREA	BLINDSPOT	RESOLUTION	PLATFORMS
Ideal Client Persona	Lack of clarity on the specific needs and preferences of target clients.	Conduct an in-depth analysis of your current clients in your CRM. Perform market research to identify specific demographics, psychographics, and behaviors of your target clients. Create detailed customer personas.	CRM Platforms like AdvisorEngine, HubSpot, and Salesforce.
Digital Presence	Outdated website, poor SEO, and limited content.	Modernize your website and optimize for search engines and mobile experience. Create engaging content regularly.	Google Analytics and Monster Insights.
Social Media	Inactive or poorly managed social media profiles.	Develop a consistent strategy, regularly post content, interact with followers, and consider paid advertising.	LinkedIn, Facebook, X, YouTube, Instagram, TikTok, and Reddit.
Marketing Strategy	Disconnected plan that doesn't align with business goals.	Create a comprehensive marketing strategy that outlines the target audience, messaging, and channels. Track KPIs and make data-driven adjustments.	HubSpot Marketing Hub and Google Dashboards.
Content Creation	Lack of engaging and relevant content.	Develop a content calendar, create high-quality content (e.g., blog posts, videos, infographics), and optimize for SEO.	Microsoft Excel, Google Sheets, and Monday.
Client Experience	Inconsistent or impersonal interactions.	Focus on personalization, build trust, and provide exceptional customer service. Utilize technology to streamline processes and enhance the client experience.	AdvisorEngine.
Analytics and Measurement	Lack of data-driven insights.	Track key performance indicators (KPIs), analyze data to identify trends, and make data-driven decisions.	Google Analytics, Website Performance Statistics.
Team Capabilities	Lack of in-house expertise or resources.	Consider outsourcing or hiring additional staff with the necessary skills.	Upwork, Fiverr, or marketing and growth agencies like Intention.ly
Budget Constraints	Limited financial resources.	Prioritize essential marketing activities and explore cost-effective strategies.	Microsoft Excel and Google Sheets.
Resistance to Change	Reluctance to adopt new technologies or strategies.	Foster a culture of innovation and encourage experimentation.	Slack.

Understanding the next generation of investors

The Great Wealth Transfer, the generational shift in almost \$85 trillion in assets, presents a significant opportunity for financial advisors. As baby boomers pass their assets to younger generations, advisors who can effectively engage with these new clients will be well-positioned to capitalize on this trend.

The first step is to understand their unique preferences and behaviors. The generation set to inherit these assets is more digitally savvy, socially conscious, and values personalized experiences. While broad statistics (outlined below) can provide valuable insights, it's essential to conduct your own research to understand the specific preferences and needs of your target client base. This may involve surveying your existing clients or conducting market research to gather data on demographics, firmographics, psychographics, buying patterns, pain points, and goals.

The Growing Importance of Gen X

Often overlooked by financial advisors, this generation is emerging as a key demographic in the Great Wealth Transfer. Gen X is the least confident about their financial futures among all generations. This presents a unique opportunity for advisors to provide guidance and support, helping them increase their financial confidence.

The Rise of Gen Z

A diverse and tech-savvy generation, is also a growing market for financial advisors. This generation focuses on education and debt repayment, but many also save for retirement. As their spending power continues to grow, Gen Z will become an increasingly important segment for financial advisors to target.

The future is now: Seize the opportunity

Doing what you've always done won't translate to the next generation. The financial landscape is evolving, and so are the expectations of younger clients. To thrive, you need to be proactive, adaptable, and forward-thinking. Every interaction, every piece of advice, and every touchpoint is a chance to build trust and create value that resonates with your clients on a personal level.

Remember, success doesn't come from following the same old script. It comes from embracing new ideas, leveraging technology, and, most importantly, listening to the unique needs of your clients.



Building a High-Performing Team



JUSTIN BOATMAN

Chief product officer, Nitrogen

Create an environment that attracts, nurtures, and retains the kind of talent capable of driving your firm forward.

The success of your firm rests heavily on harnessing the collective expertise and diverse skill set of your team. Here are the areas that are interwoven and vital in crafting a high-performing, innovative, and resilient team that drives your firm to new heights of success.

RECRUITING STRATEGIES FOR TOP TALENT

Understand Your Requirements

Before you begin the recruitment process, have a clear understanding of the role you're filling and the skills it requires. Define the desired qualities, technical know-how, and experience level in your job description. This clarity will attract the right candidates and simplify the screening process.

Invest in Training

Sometimes, the best talent needs a little cultivation. Consider recruiting individuals with potential and providing them with training and development opportunities. This strategy often yields dedicated employees who

“The best talent needs a little cultivation. Consider recruiting individuals with potential and providing them with training and development opportunities.”

are grateful for the growth opportunity and fit well into the company culture.

Implement a Rigorous Interview Process

Quality over quantity should be the mantra for interviews. A thorough interview process helps you assess the candidate's skills, cultural fit, and potential for growth. Consider using a mix of interviews, assessments, and scenario-based tasks to gain a holistic view of the candidate's capabilities.

FOSTERING A CULTURE OF EXCELLENCE

Define What Excellence Means for Your Firm

Begin by establishing a clear vision of what excellence means in the context of your firm. It could be a commitment to providing superior client service, using cutting-edge technology to provide tailored financial solutions, or consistently achieving high returns for your clients. Ensure this vision aligns with your overall business strategy and goals.

Communicate the Vision

Once you've defined what excellence means for your firm, it's crucial to communicate this vision to all team members. This can be done through team meetings, internal communications, or an 'excellence charter' that outlines your expectations. Ensure that the vision of excellence is clear, compelling, and capable of inspiring your team.

Promote Teamwork and Collaboration

A culture of excellence thrives on teamwork and collaboration. Promote a work environment where team members can collaborate freely, learn from each other, and work together toward achieving common goals. Fostering a culture of excellence involves defining and communicating a clear vision of excellence, leading by example, creating a learning environment, encouraging initiative and innovation, rewarding excellent performance, fostering open communication, developing a feedback mechanism, and promoting teamwork. By cultivating such a culture, your wealth management firm can achieve higher growth, attract top talent, and provide superior service to your clients.

DEVELOPING LEADERS WITHIN YOUR ORGANIZATION

Identify Potential Leaders

Potential leaders can be identified through their performance, initiative, problem-solving abilities, and the respect they command among peers. Use performance reviews, feedback from managers and team members, and your own observations to spot these individuals. Remember, leadership potential isn't only displayed through current job performance, but also in the ability to perform at a higher level and manage complex tasks.

Provide Opportunities for Growth

Identified potential leaders should be given opportunities to grow and stretch their abilities. This could involve challenging assignments, leading projects, or managing a team. These experiences allow potential leaders to apply their skills, learn, and prove their readiness for larger responsibilities.

Implement a Leadership Development Program

A structured leadership development program is a powerful tool for cultivating leaders. Such programs could include training sessions, workshops, mentoring, and coaching. The focus should be on developing key leadership skills such as strategic thinking, communication, decision-making, team management, and emotional intelligence.

Remember, these strategies are not one-off efforts but ongoing commitments that demand consistency, engagement, and adaptability. As you weave these practices into the fabric of your organization, you'll create an environment that attracts, nurtures, and retains the kind of talent capable of driving your firm forward in the rapidly evolving landscape of wealth management. You'll stand well-positioned to offer outstanding value to your clients, sustain high growth, and maintain a robust competitive edge.



Additional Reading



Who: The A Method for Hiring
by Geoff Smart and Randy Street

This book provides a simple, practical method for hiring the right people based on a three-part formula: know what you need, find it through sourcing and selecting, and sell your company to the top talent.



Hire With Your Head: Using Performance-Based Hiring to Build Great Teams
by Lou Adler

This book provides a systematic process for hiring top talent and provides tips on how to attract the best candidates.



Topgrading: How Leading Companies Win by Hiring, Coaching, and Keeping the Best People
by Bradford D. Smart

Topgrading offers techniques for improving hiring processes to ensure that you only hire and retain 'A' players.

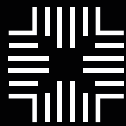


Hiring for Attitude
by Mark Murphy

The book reveals how leaders at financial services companies can hire great employees who are also great for their culture.

 AdvisorEngine

Your wealth management machine



Portfolio
Management



CRM



Digital
Onboarding



Client
Portal



Business
Intelligence

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