

What Can Web Portals Do for Me?

Best practices from advisers successfully using client-facing web portals

by Carly Schulaka

A few years ago, financial adviser Jim Koch was experiencing what he calls the “chaos of two”—two children under age 5, two out-of-state parents in assisted living, two aging pets that needed a lot of attention, and two people (he and his wife) running their own businesses.

“I had to be mobile and flexible,” says Koch, principal and founder of Koch Capital Management in Alamo, California. His personal life drove his need to incorporate technology into his financial planning practice. As a result, his clients benefit from the operational cost savings he can pass through to them as well as more targeted solutions to their financial needs.

One example of the technology Koch employs is client-facing web portals. The term is commonly used to describe customized and secure web pages on which clients can view all types of real-time financial information and often get copies of important documents.

Client-facing web portals have been around for several years, and the technology is readily available through various types of software you likely already use (see sidebar for details). FPA’s 2012 *Adviser Technology Use & Benefits* survey of technology use among financial advisers found that just one-quarter of advisers are offering client-facing web portals, and among those who offer them, just 17 percent report that “most” of their clients actually use them. If operational efficiencies and

increased client satisfaction can be achieved by incorporating web portals, why aren’t more planners successfully using them?

Whether you want to offer web portals to your clients, or already do and are looking for strategies to help clients embrace them, the two case studies offered here provide best practices for realizing operational efficiencies and cost savings while providing value to your clients.

Platform over Product

Koch wanted to be able to answer client questions quickly from anywhere. He also wanted to reduce operating expenses and avoid dependence on what can be expensive technology products, so he turned to Google Apps.

What’s offered: Koch provides clients two levels of web portal technology. He uses Google spreadsheets to create a virtual financial dashboard, what he calls a “mobile planner,” for each client. It consolidates third-party reports and commonly requested data, including aggregated portfolio balances, lifetime balance sheets, and cash-flow analyses into a single, virtual display container that he securely emails to clients.

His full-service, discretionary account clients also have access to more robust web portals created using Google Sites. The portals are primarily used as a platform to organize client data, but also as a content delivery tool

to virtually share reports and data with those clients comfortable working over the Internet.

ROI: “Overall I’m very happy with the ROI from using web-based technologies in my practice, but the gain is more from increased practice efficiency than from client satisfaction in my case,” says Koch.

Best Practices

Have expertise on staff. To make a platform environment like Google Apps work in your practice, you should have at least one individual on staff who is competent handling content management and platform tweaks on a daily basis, Koch recommends.

“If you are not into technology, then hire a Gen X or Gen Y person who is,” he says. “Most young planners are already comfortable with social media, email, and everything Internet; they can handle the content management functions of a Google or Microsoft web-hosting solution with little or no training. I also recommend getting that individual paired up with your compliance attorney, making sure those two can function together.”

Focus on the content. Koch created the early prototypes of his Google Apps-based mobile planner and web portal, then off-loaded the ongoing creation and maintenance to his web design firm, JVF Consulting, freeing him up to concentrate on the content (the reports and specific data that populate

Web Portal Resources and Vendors

A multitude of vendors, from cloud-based storage providers to document management software solutions, provide web portal functionality. If you're looking for a new vendor or platform, consider these options:

Document management software with built-in client portal/vault features:

- CNG-Safe from Cabinet NG
- Docupace
- eFileCabinet
- Morningstar Office
- NetDocuments
- Solution 360° from Interactive Advisory Software

Portfolio management software that integrates with client portal/vault tools*:

- Advent Portfolio Exchange (APX)
- Advisors Assistant

- Albridge Wealth Reporting
- AssetBook
- BlueSky from Black Diamond Performance Reporting
- Orion Advisor Services
- PortfolioCenter from Schwab

Financial planning software that integrates with client portal/vault tools*:

- AdvisorVision
- eMoney 360Pro
- Finance Logix
- Money Tree Silver
- Money Tree Total Planning Suite (including Easy Money, Golden Years, and Strategic Solutions)
- MoneyGuidePro
- NaviPlan Select
- Profiles Professional
- WealthStation from SunGard

Also ...

- AdvisorVault from Advisor Products
- Grendel Online (first and foremost an online CRM solution with document management, client portal, and account aggregation modules built on top of it)
- Google Apps (including Google Sites and spreadsheets)
- Laserfiche (relies on its value-added resellers to provide client portals)
- Wealth Portal™ from Fusion Advisor

Source: *The FPA-ActiFi Adviser Technology Series* (www.FPAnet.org/AdviserTechnologySeries) and individual FPA members.

* Check with vendors for integration partners.

the portals) and serving clients.

"I've also outsourced most of my social media marketing functions like Blogspot, YouTube, Google+, LinkedIn, and Twitter to my marketing firm, Wealth Management Marketing," says Koch. "They maintain the infrastructure and messaging, and I focus on the content."

Think beyond reporting efficiencies. Printed reports will always be important for some clients, but your practice could still benefit from web portal technology. "Given the increasing competition in our industry, if web portal technology can be used elsewhere in your practice to improve practice efficiency, then look for your ROI there," says Koch.

Introduce web portals slowly. "The more you can introduce the web portal to clients in small bits, the better," says Koch. He admits initially making the

mistake of sending clients too much information, trying to explain how the web portal technology works and why it's beneficial to them. He quickly learned that incrementally introducing clients to technology is a better method. When a client inquires about something—portfolio balance, cash flow, etc.—he tries to answer succinctly via email, providing links back to the client's virtual dashboard for more details. That gets clients used to accessing their virtual dashboards and incrementally introduces all the data and reports found there.

For his full-time clients who have access to the more robust web portals, Koch says it's easier and less intimidating to clients if he guides them through the web portal using a screen-sharing technology such as LogMeIn's Join.me tool.

Koch predicts that Google+ Hang-

outs, Google's relatively new multi-user video chats, will eventually be the key to successful client adoption of technology.

"With Google+ Hangouts, you get a much more personal connection via the live video feed and real-time content sharing," he says. "Once Google improves its Hangouts feature to support real-time sharing of Google Docs—and not just YouTube videos—then I believe it will give Skype and GoToMeetings serious competition."

Maximize Your Time

When Thomas Balcom, CFP®, CAIA, left his prior firm about two years ago to start his own practice, he searched for a technology solution that would encompass CRM, reporting, and portfolio management with a web portal. Because he didn't want the potential hassle of maintaining a server

and needed to accommodate a pretty hefty travel schedule, he also wanted a cloud-based solution. He and his partner at 1650 Wealth Management in Boca Raton, Florida, ultimately decided on Morningstar Office.

What's offered: Balcom uses the web portal technology offered through Morningstar Office as a repository for reports. Clients can typically access client agreements, investment adviser agreements, investment policy statements, and quarterly reports via their web portals. Some portals also access wills or trust documents. What you won't find are documents containing sensitive client information, such as addresses or Social Security numbers.

ROI: For Balcom, the office efficiencies created by using web portals include expedited report generation. A few days after the quarter ends, reports are available for clients to view through their portals. Each time a new report is posted, an email is automatically sent to the client. This frees up Balcom to do more of what he's passionate about—portfolio management and working with clients.

Best Practices

Be prepared to help with passwords. For Balcom, the only drawback to using web portals is clients forgetting their passwords. When clients get an email that a new report is posted on their portal, some forget their passwords and call. Then Balcom or someone on his staff gets in touch with Morningstar to look it up.

Stick to reports. If you have a market commentary or other message you want to send directly to clients, then send it direct, recommends Balcom. "Don't put something like that on the web portal; it just creates an extra step for the clients. Don't make them have to go to a website and log in to read your market commentary. We send commentaries

directly to clients, but use the portal for reporting."

Be flexible. Most of Balcom's clients under age 60 are comfortable logging on to the Internet to access reports and quarterly statements. However, some older clients still receive mailed reports, per their preference. Know that no matter how you introduce the technology, some clients simply don't want to use it. That's okay. Be flexible and accommodating.

Just like any technology adopted by your practice, client-facing web

portals should help you maximize your and your staff's time while creating a positive experience for your clients.

As Balcom says, "Would you rather spend time feeding the printer, collating, and stuffing envelopes, or would you rather use that time to meet clients face-to-face?"



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