

REBOOTING WEALTH MANAGEMENT

CONNECT WITH YOUR CLIENTS
IN A WHOLE NEW WAY

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THE COMING CLIENT WEALTH TRANSFER IS A MASSIVE OPPORTUNITY

Over the next 50 years, more than \$41 trillion in assets will be transferred from one generation to another.¹ The non-profit Center on Wealth and Philanthropy sets the bar even higher--\$58.1 trillion by 2061.² Whatever the final figure, the generational shift of wealth represents an extraordinary opportunity for financial advisors.

But this wealth transfer isn't without its challenges for advisors: PwC studies have shown asset attrition rates of more than 50% in intergenerational transfers of wealth, suggesting surviving spouses, and Generation X and Generation Y heirs don't necessarily want to work with the same financial advisor.³ New agile competitors are emerging. Further, the position of wealth managers is being undermined by disruptive technologies, and the shortcomings of existing technology and legacy siloes within their own organizations. Key challenges wealth management firms face include:

- Shifting expectations of Gen X and Gen Y heirs.
- Financial advisors lack the tools to keep pace with their competitors' innovation.
- Disconnect between financial advisors and clients.
- Attracting and retaining advisor talent.
- Regulatory, compliance and customer service tasks are taking away from time with clients.

To stay competitive, wealth managers and their firms must invest to improve technology, processes and strategies.

“Surviving spouses, Generation X and Generation Y heirs don't necessarily want to work with the same advisor.”³

THE SHIFTING EXPECTATIONS OF GEN X AND GEN Y HEIRS

In the age of Uber™, Apple™ and Facebook™, clients expect more from their service providers, including their banks and those who look after their investments. This is especially true for members of Gen X, those born from 1960 to the early 1980s, and Gen Y millennials, those born from about 1980 to the early 2000s, who may inherit their parents' wealth.



Gen X and Gen Y clients expect their financial advisors to:

KNOW ME

Understand my hopes, fears and dreams.

Know them in a real way

Wealth managers need to consider their hopes for the future, their dreams and their fears, particularly concerning health issues.

TEAM EFFORT

Answer my financial inquiries as a team.

Help them as a team

Financial services providers must coordinate and use the full resources of their organization as a team and their extended service networks to help them achieve client goals.

MAKE IT EFFORTLESS

Create intuitive, omni-channel experiences.

Make their journey effortless and frictionless

Advisors need to make the process of wealth management intuitive, stripping away hassles and delivering strong customer service.

GUIDE ME

Coordinate resources and my trusted sources of info.

Advise them and guide them

Wealth managers must earn clients' trust with relevant insights and advice at each stage of their financial journeys.

MAKE IT MATTER

Personalize solutions to my goals.

Make it matter

Advisors should offer personalized solutions oriented toward the clients' goals, not just financial products.

FINANCIAL ADVISORS ARE OFTEN BLOCKED FROM SEIZING THE DAY

Many financial advisors are unable to take advantage of the opportunity of the coming generational wealth transfer because of technological shortcomings within their respective organizations. They continue to operate under an old framework, with structures and practices that rely on paper-based processes that restrict and localize information. Those procedures are now out of sync with a digital world, where information flows quickly and freely across organizations and teams.

Because many wealth managers are often chained to their desks, problems they face include:

Not knowing their customer

Advisors need to build deeper, more meaningful relationships across an entire family wealth ecosystem. Clients are smarter and have greater access to information than ever before. A Cogent Research study found that 44% of Gen X-ers and 70% of Gen Y-ers use social media specifically for personal finance and investment purposes.⁴ But they don't just use social media; they appear to trust their networks for advice. Of wealthy investors who increasingly use social media, 70% have either changed or altered their relationship with an investment provider or reallocated actual investments because of something they read on social media.⁵

Declining productivity

Financial advisors find that their days are consumed by back office reconciliation and compliance tasks that take them away from time with their clients. A frequent complaint among financial advisors is that there are too many manual processes, and too much time spent aggregating reports and focusing on administrative and compliance tasks.⁶

Spending too little time on the complete family wealth ecosystem

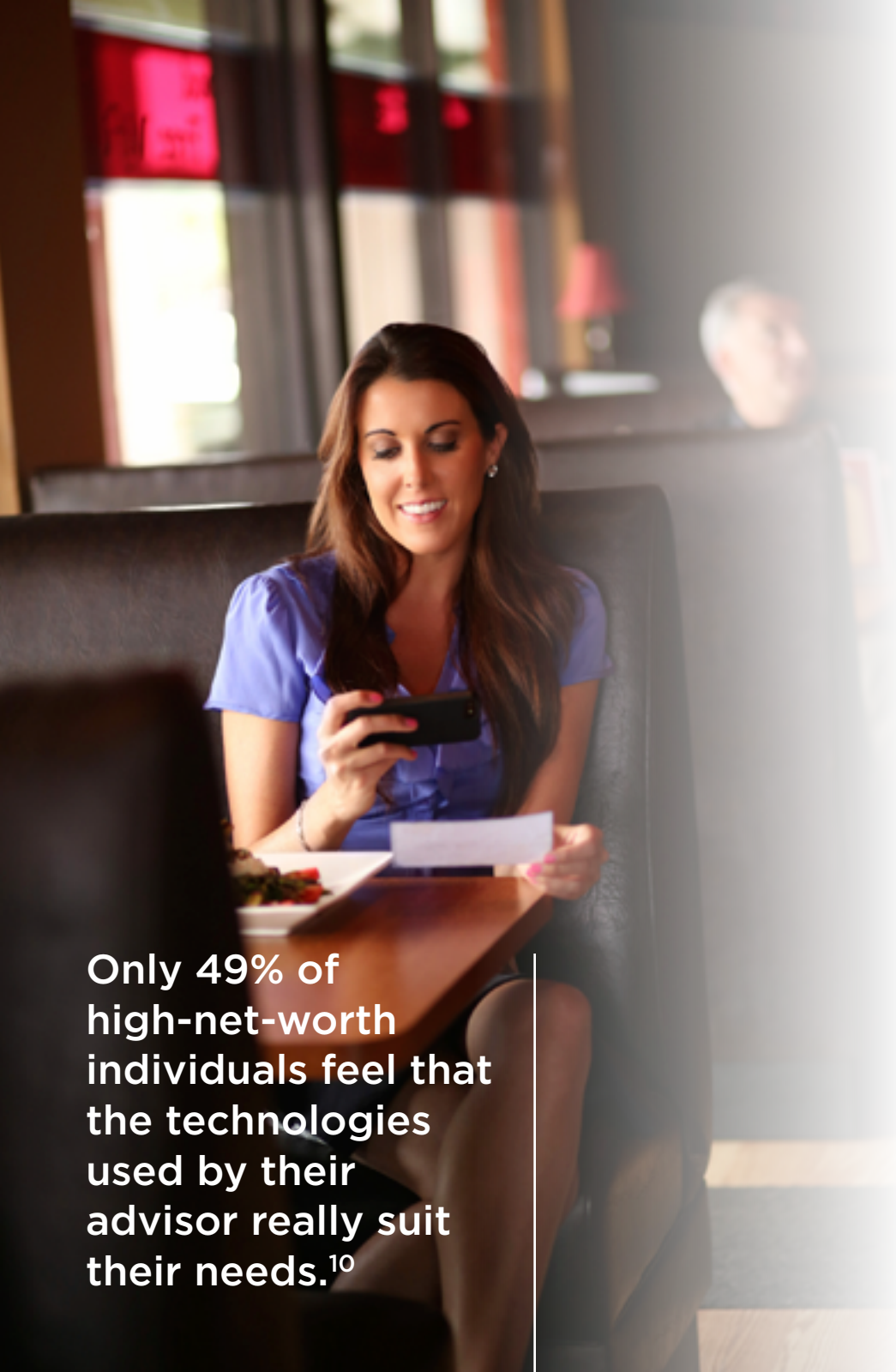
Too often, financial advisors with limited time focus on the patriarch of a family, ignoring potential surviving spouses, next generation heirs and foundations.



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DISCONNECT BETWEEN FINANCIAL ADVISORS AND CLIENTS

Underinvestment in the client experience has been one of the many casualties of the financial crisis and wealth-management firms have had to invest heavily in technology to comply with new regulations. The chief executive officer of a global wealth manager expressed dismay over the situation. "Much of the industry's spend over the past few years has been prioritized due to mandatory upgrades to existing infrastructure to address regulatory changes. Going forward, the industry has to address the chronic underspend in technologies and generate substantial benefits for clients, as well as front office effectiveness."⁷



Only 49% of high-net-worth individuals feel that the technologies used by their advisor really suit their needs.¹⁰

Additionally, digital divide, archaic systems and siloed lines of business have all contributed to the growing gap between advisors and clients.

Navigating the digital divide

The adoption of mobile devices has been rapid at every level of affluence. According to a Nielsen study, 171.5 million people in the United States⁸—about two-thirds of all mobile-phone subscribers—own a smartphone. And 760 million tablets are expected to be in use globally by 2016 (one-third of these will be purchased by businesses).⁹ Yet only 49% of high net worth individuals feel that the technologies used by their advisors really suit their needs.¹⁰ Currently, 40% of asset managers are not actively involved in social media, other than hosting a website.¹¹ The shift in client demographics, the increasing adoption of mobile devices and the demand by clients for efficiency, transparency and convenience make mobile solutions a must. Clients will increasingly seek out those wealth managers who have the capability of interacting with them virtually in real time. Companies will need to invest in mobile technology and improve the client and advisor experience beyond regulation.

Archaic systems and technology debt

Older technology is the legacy of many wealth-management firms, much of it stemming from multiple mergers and acquisitions. Systems have been cobbled together, often in inefficient and complex ways, in order to avoid the technology cost of a complete overhaul.

Lines of business are disconnected and operate in silos

The organizational structures of many financial services organizations have hampered their efforts at becoming truly client-centered. Too often, the structure of the firms promotes isolated product silos rather than solutions for customers that flow across the enterprise and match the diverse needs of wealthy individuals and families across a lifetime.

BRAIN DRAIN AND THINNING RANKS

Many wealth-management firms are feeling the pressure as talent leaves the industry and aging advisors retire.

Brain drain.

Since the financial crisis, demand for wealth management and other banking jobs has declined. Attracting and retaining talent are second and third on the list of the top 10 people risks.¹²

Aging advisors.

Of the 315,000 advisors working in the U.S., only 4% are younger than 30, and the average age of a financial advisor in the U.S. is more than 50.¹³ Thirty-two percent of all financial advisors are 50 to 59 years old, a quarter of advisors are 40 to 49, while 18% are 30 to 39.¹⁴

Significant attrition.

As the current generations of financial advisors age out, the need for fresh talent grows. Of the banks and wealth managers surveyed, 71%¹⁵ recognize they must do a better job attracting and retaining top talent—critical since the Bureau of Labor Statistics estimates that financial services will be one of the fastest-growing sectors in the economy, with more than 96,000 projected job openings between 2012 and 2022.¹⁶

Aligning new talent.

Equally important, talent must be aligned with client segments and demographics across the family wealth ecosystem.

A photograph of a middle-aged man with short, light-colored hair, wearing a dark blue suit, a light blue shirt, and a blue patterned tie. He is smiling slightly and has his arms crossed. He is wearing a watch on his left wrist. The background is blurred, suggesting an outdoor setting.

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SALESFORCE CUSTOMER SUCCESS REBOOTING WEALTH MANAGEMENT



BACKGROUND

United Capital Financial Advisers is one of the fastest-growing wealth management firms in the country, with 400 employees serving more than 12,000 clients.

THE PROBLEM

Rapid growth had its share of challenges. A series of acquisitions of like-minded local advisory practices quickly exposed the limitations of United Capital's homegrown CRM solution. After an in-depth search, Salesforce was selected as the central technology platform for its "flexible standardization" across acquisitions, making the on-boarding process, data migration, communication between offices and systems integration easier.

"We wanted to change the client experience from a painstaking and opaque 'yellow pad' experience to a collaborative and transparent tablet experience," says Mike Capelle, Chief Strategy Officer.

THE SOLUTION

With help from Salesforce, the company developed a unique system for getting to know clients and how they think about money, so advisers can provide more personalized counseling and financial plans. Potential clients start by taking an online quiz, integrated with the Salesforce Platform, that helps identify their financial mindset. Using Salesforce Marketing Cloud, advisers get a single view of their customers' profiles so they can tailor communications that are more relevant and timely.

THE OUTCOME

"We started using Salesforce to manage workflows to help our advisers offer the right services to the right customers at the right time," says Gail Graham, United Capital's Chief Marketing Officer. "We want to provide the best possible customer experience, and build high levels of satisfaction and loyalty."

Employees from every office can access these comprehensive customer profiles anytime, anywhere, using the Salesforce1 Mobile App on their devices.

"We generate a complete financial Guidebook for every client," explains Graham. "What's important to them, where they are today, and what steps we recommend to get them on the right path. We measure progress against these goals at regular intervals. All of this is enabled through Salesforce."



CONCLUSION

The coming generational wealth transfer represents a watershed event for the wealth-management industry. To succeed in capitalizing on the opportunity, the industry will need to:

- Reimagine the client-advisor experience;
- Reinvent organizational processes and structures;
- Rebuild and reconstruct the technology and systems in harmony with the new digital, mobile and social world.

Reimagining the client-advisor experience

It is no longer sufficient to simply capture customer contact information. Instead, it is necessary for financial advisors to grasp their clients' aspirations and goals and to know their profiles in a holistic way that spans the family wealth ecosystem of spouses, children, and foundations. It is also critical to provide effective and effortless client service. It calls for wealth managers to rethink their role in the client-advisor experience and to become a coach and guide rather than just a vendor. And it requires engaging proactively with clients through product, mobile, social and other emerging technology platforms.

Reinventing the organizational processes and structures

It is critical to empower financial advisory teams to better focus on clients and their families. That means enabling them to manage relationships through the delivery of personalized proactive advice and service at scale across the generations of a family wealth ecosystem. This means breaking down organizational silos to create a culture of collaboration and teamwork.

Rebuilding and reconstructing technology and systems

To succeed, companies need to rebuild and reinvest in technology that connects clients and advisors in a new way. It means investing in a platform that offers:

- Mobility - with realtime access, anytime, anywhere
- Context - to maintain train of thought
- Knowledge - of the client and family wealth ecosystem
- Proactive - client engagement with relevant insights
- Collaboration - across teams and service providers

A cloud-based social-, mobile- and analytics-based business transformation is underway. Leveraging those technologies is critical to the success of wealth-management firms, especially as the wealth transfer that spans multiple generational cohorts goes into high gear. Customer relationship management solutions can help by offering a unified view of all client and prospect interactions, helping provide high-value services that build client loyalty.



Salesforce is a leader in enterprise-class cloud computing. Salesforce for Wealth Management will help you reimagine the client-advisor experience.

Learn more at <http://www.salesforce.finance>.



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SALESFORCE SOLUTIONS FOR YOUR INDUSTRY.

While every industry has its unique challenges, building stronger connections with customers and employees – and everyone that matters to your business – is vital for all industries today. Let us show you how Salesforce solutions can transform your business, and enable your entire organization to work together to engage with each other and with customers like never before.

[Learn more](#)



THE CUSTOMER SUCCESS PLATFORM

SALES SERVICE MARKETING COMMUNITY ANALYTICS APPS

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NOTES

1. Source: PwC, *The Connected Advisor: The Rise of Digital and Social Advice in Wealth Management*, August 2013
2. Source: *A Golden Age of Philanthropy Still Beckons: National Wealth Transfer Potential for Philanthropy Technical Report*, May, 2014
3. Source: PwC, *The Connected Advisor: The Rise of Digital and Social Advice in Wealth Management*, August 2013
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