

Enhancing Client Trust During Turbulent Times

4 STEPS TO HELP WEALTH FIRMS EXCEL IN ANY POLITICAL OR REGULATORY LANDSCAPE

When the Department of Labor's Fiduciary Rule rolled out in April 2016, many financial advisors began changing the way they do business. Some of the adjustments were minor. Others were more substantial. They all pointed, however, to a fundamental shift in the areas of financial and insurance advice. But with a new political landscape at play after the 2016 U.S. presidential election, now even more changes may be looming on the horizon. As the industry begins to discuss the impact of the election – such as a potential reversal of the regulation – one key question remains. Where can advisors turn to determine how to properly communicate with their clients during this time of change?

Today's productivity technology can help streamline an advisor's practice – but not all customer relationship management (CRM) tools are created equal. The right platform should help wealth, insurance and other financial professionals meet applicable fiduciary standards while offering a range of customized client solutions. A personalized, complete view of all financial and household information equips advisors to consider their clients' best interests and make recommendations that enhance their trust. This could be key given today's evolving political and regulatory environment. To help you adapt, this white paper will discuss *four steps* you can take to enhance client trust and excel during turbulent times.



STEP 1: UNDERSTAND WHAT THE FIDUCIARY RULE MIGHT MEAN FOR YOU

The April 2016 Fiduciary Rule requires advisors to act as fiduciaries when providing advice on IRAs and 401(k)s – including distributions and rollovers.

This fiduciary requirement differs from the industry standard of the past, where brokers and insurance advisors were not held by law to the same fiduciary standards as registered investment advisors (RIAs). Essentially, the Rule aims to bridge the gap between financial services professionals and consumers by fostering conduct standards and basing compliance around investment type rather than license or job title.

At the foundation of the Fiduciary Rule lies the best interest standard. Under this standard, advisors must act in the clients' best interests when providing investment or retirement advice. This means considering the client's investment objectives, risk tolerance, financial circumstances and needs in order to provide the personalized advice each client deserves. As such, anyone giving investment advice must also disclose potential conflicts of interest to plan participants. If brokers and advisors fail to disclose these conflicts, they may be subject to non-compliance penalties and investor lawsuits. Such consequences could extend to the broker or advisor's firm.

But now, after a flurry of activity regarding advice models, the time and cost of compliance and the technology to support that advice, many wonder: Is all of this about to change yet again?

Given that nothing is certain in the wake of the new political landscape, what exactly will it take for advisors to address changing regulations while simultaneously meeting clients' best interests and operating a productive and growing book of business?



STEP 2: LEARN HOW TO OPERATE EFFECTIVELY IN ANY REGULATORY OR POLITICAL ENVIRONMENT

First and foremost, advisors need to be prepared to address regulatory standards not just in the aftermath of the latest election but in *any regulatory or political environment*. To operate effectively, financial professionals need to proactively review their strategic plans going forward while considering the flexible technology solutions that can adapt to the ever-changing regulatory landscape.

The benefits of leveraging technology in any regulatory environment include:

- **REDUCED COSTS:** Technology can help keep regulatory expenses down; an efficient and auditable engagement layer, for example, can reduce the expense of compliance reporting and conflicts of interest disclosure tracking.



- **LOWER RISK OF NONCOMPLIANCE AND LITIGATION:** The right platform can also support an advisor's fiduciary position by documenting all client interactions and supporting a prudent process. This, in turn, can help reduce the risk of compliance-related citations and ensure client needs are met.
- **MORE EFFECTIVE MARKETING:** With the right platform in place, advisors can nurture leads until they're ready and automatically take action at the right time. And with a deeper understanding of client needs, advisors can also ensure they're acting in the clients' best interests and communicating transparently. Finally, advisors can gauge their marketing campaigns' effectiveness and constantly fine-tune their strategy to deliver relevant content to clients.
- **MORE CUSTOMIZED RECOMMENDATIONS:** With easy access to comprehensive client details such as other investments, relationship networks and short- and long-term financial goals, advisors can make better recommendations that are suited for the client specifically and the household in general. This puts the client first by fostering their sense of trust and longevity – and possibly, in turn, increasing their referral potential.



STEP 3: CHOOSE AND IMPLEMENT A SEAMLESS CRM SOLUTION

Solutions like [Salesforce Financial Services Cloud](#) combined with Salesforce Shield can help advisors make their clients' interests central to everything they do. Salesforce's tools – which capture client interactions, drive workflows to support a prudent process, and leverage repeatable and visible collaboration across the entire firm – can help advisors effectively address fiduciary requirements so they can spend more time on client relationships.

Financial Services Cloud with Salesforce Shield also protects client data privacy in a number of ways. For instance, firms can have access to platform encryption of data, event monitoring and field audit trails to more stringently protect client information and track client interactions. Platform encryption retains crucial application functions (e.g., search, workflow, validation) while keeping sensitive information from the wrong eyes.

By storing all information in one centralized location for anytime, anywhere access, advisors can better prioritize client engagements and make informed advisory

decisions based on the most recent data. Tracking client information such as financial goal progress and household changes can also help move deals along much more quickly, further strengthening client relationships.

In order to succeed in an ever-changing regulatory landscape, advisors must adopt the proper technology – a platform that enhances compliance and provides visibility into client interactions while also empowering advisors to work smarter.

Today's clients expect tailored advice, proactive insights and goal-based planning – all delivered on demand. And leveraging Salesforce's solutions can empower advisors to deliver *personalized advice at scale*.



STEP 4: PREPARE FOR FUTURE CHALLENGES AND CHANGES

Once an advisory firm determines their CRM of choice, they have cleared the biggest hurdle and are ready to meet the challenges ahead. Some seasoned professionals may want to hold onto their current mode of operation, but what worked yesterday may not work amidst the regulatory and political changes taking place today – and tomorrow.

In the world of financial services, few things are more important than trust. Your clients need to know that they can rely on you for personalized advice despite a changing environment outside of your office. From understanding the impact of the Fiduciary Rule to implementing an effective technology solution that allows for repeatable and visible collaboration – each step is key to ensuring that your clients' best interests are front and center. Incorporating a suite of smart, comprehensive tools can help advisors stay compliant with ongoing industry regulations while keeping investment recommendations as transparent as possible.

We are currently in the midst of political and regulatory change, but despite the uncertainty, advisors who are ready to take the next step will want to consider Salesforce Financial Services Cloud as a solution. This technology can allow financial services firms to capture client interactions and deliver more personalized advice at scale - regardless of which regulations are repealed in the aftermath of the election and which are left to stand. Smart firms aren't waiting. They're taking the steps now to lock in customer trust and plan for regulatory compliance well into the future.

Watch the [Financial Services Cloud Demo](#) to learn more.

