



# Data Integration and Technical Systems Efficiency

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Given the growing complexities of operating a financial practice, there never has been a better time (or better reason) to get your house (practice) in order. I invite you to consider the concept of tactical operational efficiency—how hardware, software, procedures, employees, and training all work in concert to produce greater output with less effort.

Tactical efficiency is one of two operational aspects of your practice. Strategic effectiveness is the other. Strategic effectiveness refers to effective leadership and task delegation and is crucial to business success. However, the other operational aspect, tactical efficiency, is just as important.

Tactical efficiency involves the smooth operational and procedural aspects of your practice. It includes the following: time efficiency, technical systems efficiency, operational and procedural efficiency, office space utilization efficiency, and practice recordkeeping. This article will focus on technical systems that can improve this efficiency.

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Technical systems efficiency is where your technical systems, such as computers, printers, telecommunications, software, etc., all work harmoniously, sharing information seamlessly and transparently. Many practitioners, however, work with a hodgepodge of equipment and software, purchased at different times without consideration to how well it all integrates. Often, this leads to substantial challenges in trying to get components to talk with each other. The first step to dealing with this compatibility problem would be to create an inventory of equipment and software. Then, determine to what extent these various items can be made to work together.

An example of this is the use of client relationship management

(CRM) software. Many practitioners use Microsoft Outlook as a main contact manager. However, Microsoft Outlook is not a true relational database. A relational database ties historical records with contact records and offers database searches based on a variety of flexible criteria. Reports often can be customized to fit the needs of the practice. Outlook does none of this. It is an excellent E-mail program with some contact record capabilities, but it's inadequate for a practice that needs a full relational database. Alternatives include Goldmine, Junxure-I, ProTracker, and ACT! for Advisors, all relational databases. Junxure I and ProTracker coordinate with Outlook so you still can use Outlook as a main E-mail portal. Goldmine is popular with financial practices that work with insurance products. Junxure is popular with financial planning and asset management firms, and ACT is popular with everyone else. The advantage of a program such as Junxure or ProTracker is that it is configured for use in a financial practice; Goldmine and ACT may require substantial customization.

Using a true relational database allows you to coordinate your other programs. It gives you quick access to information and allows you to easily move that information among programs so you enter it only once. On this score, Outlook offers export capabilities to Excel spreadsheets, and so do most relational database programs. Other programs, such as financial planning, portfolio management,

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### >> "DATA INTEGRATION" CONTINUED

illustration software, risk management software, asset allocation software, and Monte Carlo simulation software, however, also may accept comma-delimited format imports of client data. Your CRM program's ability to export in a comma-delimited format to Excel and then import that same data to another program creates enormous efficiency.

Some programs explicitly permit direct import of data. The developers of DbCams, for instance, made a real effort to open up their software to imports from a variety of sources. DbCams also permits exporting. Financial planning software, on the other hand, has been slow to accommodate imports. Software companies say this is to protect proprietary code. Some software providers, however, are allowing limited coordination of data with outside vendors. For example, NaviPlan Central now accepts client information and investment data from Albridge Solutions (formerly Statement One) and/or Streetscape.

Manufacturers are moving toward integrating software solutions into single packages, often offered on a Web-based platform. Software vendors combine financial planning, portfolio management, illustration, and client contact software into a single product that can

share information across a common database. Four examples of this type of software solution include the following:

**Thomson ONE Advisor** ([www.thomsonadvisor.com](http://www.thomsonadvisor.com)) ONE Advisor is billed as a complete wealth management solution for advisers that is designed to blend financial planning, comprehensive research, presentation, and asset allocation products into a suite of workflow tools and shared data.

**Client Marketing Systems Advisors Assistant** ([www.climark.com](http://www.climark.com)) Advisors Assistant is a comprehensive contact management system that also has add-on modules for portfolio management (these require downloads from other sources such as Schwab, TD Waterhouse, DST Fanmail, Pershing, Fidelity, Albridge, etc.), insurance management, commission tracking, remote access, paperless office, and form automation.

**Morningstar® Advisor Workstation<sup>SM</sup>** ([www.corporate.morningstar.com](http://www.corporate.morningstar.com)) Advisor Workstation<sup>SM</sup> is a Web-based software platform that integrates client and portfolio data with other desktop software. Available features include in-depth research and real-time delivery, robust and flexible client reports, portfolio management, goal-based planning, and asset allocation tools.

### **eMoney Advisor AdvisorPlatform** ([www.emoneyadvisor.com](http://www.emoneyadvisor.com))

According to eMoney's Web site, "eMoney's AdvisorPlatform provides financial advisers with a Web-based wealth-planning tool that offers an aggregated, comprehensive view of a client's financial portfolio, as well as features and functions that enable more complete planning and better servicing of a client's needs."

The advantage of these solutions is the seamless integration of data without the need to re-enter information. The drawback might be that a particular platform would be limited to pre-selected choices. If, for instance, your practice needed a more robust financial-planning tool, you presumably would not have the choice of selecting it inside the integrated platform. However, by carefully choosing the platform based on which choice best fits your practice's needs, you stand an excellent chance of increasing the efficiency of your practice.

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