**Using Technology to Standardize Client Service**

By David L. Lawrence

Most advisors use some form of categorizing clients in an effort to identify service levels, etc. However, many of those same advisors often exceed or, worse, ignore those guidelines for providing service to clients. If those financial practitioners took the time to analyze the costs and revenue consequences of non-standardized client service, they might realize that they are hurting themselves and their practice, from a net profitability standpoint. Fortunately, there are tools to help them deliver those service standards that are both efficient and maintain consistency with the potential for higher profits.

One key to delivering consistently high quality service geared to match the type of client and their needs might be to develop and use a relatively simple categorization of clients. On a recent visit to a financial advisory practice, I was introduced to a financial advisor’s system of client categories that had 19 different levels of service. Given such variables as Assets Under Management breakpoints, whether or not the client was also a financial planning client, whether or not the client was using insurance products or any of a number of other variables, 19 different service levels is simply too much, not only for the advisor’s staff to keep track of, but for clients to have a clear understanding of what they are entitled to. While it is important to keep track of these variables, it is not necessary to account for all of them in developing distinctly different levels of client service.

Simple is often better, especially in determining service levels. A financial advisor’s staff will find it much easier to understand and apply a simpler system and clients will appreciate the clarity. Many firms use a color-coding system consisting of perhaps 5 colors (i.e. platinum, gold, silver, bronze, etc.) with each representing a service category. Most client relationship management softwares have the ability to add such categories to the client record. In practices where it is important to differentiate assets under management (AUM) clients from Financial Planning clients (FP), adding an ‘A’ or ‘FP’ to the end of the color category name would most likely suffice.

But, what about those firms who have combinations of fee-based services? For this, the firm may wish to create a hybrid fee structure and then create a fee numbering system that could be added to a CRM database as a keyword or User-Defined Field (UDF or Custom Field). An example of this is below:



Many firms that might use this type of hybrid fee schedule would probably not need all fifteen categories. And, the example above assumes that both financial planning and asset management services are provided.

Once the service fee structure is determined, it is necessary to decide on a service level structure. For this, financial advisory firms have several different variables that can come into play. For instance, consider the following example:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Service Level** | **Meeting schedule** | **Report frequency** | **Online tools** | **Communications** |
| Platinum | unlimited times/yr | Quarterly | Advanced Access to client Lockbox | 20 touches |
| Gold | Up to 4 times/yr | Quarterly | Advanced Access to client Lockbox | 15 touches |
| Silver | Up to 3 times/yr | Semi-Annual | Basic Access to client Lockbox | 10 touches |
| Bronze | Up to 2 times/yr | Annual | Basic Access to client Lockbox | 5 touches |
| Copper | Once per year | Annual | No access | 2 touches |

With the service schedule example above, the amount and type of services provided are tied to the profitability of the client. The concept is to gear services to provide the highest level of service and communication to the clients who deliver the highest revenue amounts to the firm. Granted, that not all platinum clients (for instance) may want to meet 4 or more times a year. But, it is important that they know they could. And, keying the type and amount of work that is associated with the service level makes the task of determining client profitability that much easier.

Client touches could include a number of items, such as birthday cards, anniversary cards, Thanksgiving cards, Milestone cards, ‘how you’re doing’ phone calls, client appreciation events and much more. With these types of touches, the financial advisor may be able to create workflows in their CRM software to coordinate with the service levels. Then, by using search functions in the software, they can identify those clients who would be eligible for the associated workflow and bulk-assign it when necessary. Redtail Technology ([www.redtailtechnology.com](http://www.redtailtechnology.com)), Junxure ([www.junxure.com](http://www.junxure.com)), Protracker ([www.protracker.com](http://www.protracker.com)), Advisors Assistant ([www.climark.com](http://www.climark.com)), Interactive Advisory Software ([www.iassoftware.com](http://www.iassoftware.com)) and most other CRM softwares are more than capable of handling this with existing tools. If you are using a version of Salesforce ([www.salesforce.com](http://www.salesforce.com)), you may be required to add-on a workflow component, depending on the version of Salesforce you are using.

With respect to Redtail and Junxure (for example), it is possible to create pre-formatted search lists (using Boolean search characteristics), so that each time you click on the list it creates an up-to-date list of clients, even if new clients have been added since the last time the list was used. This is a big efficiency boost and saves time for an advisor’s staff in preparing a list.

There are also stand-alone softwares available for workflow management, if your CRM software does not happen to have such a tool already included. One such solution is called Integrify (<http://www.integrify.com/>). Integrify is a cloud-based solution that offers easy access and use and comes with a 30-day free trial. Another interesting choice is from the makers of QuickBooks. Intuit Quickbase ([http://quickbase.intuit.com](http://quickbase.intuit.com/)) offers easy setup, customizable reports, and an included mobile access solution and also offers a 30-day free trial. For the more technology-minded user, ProcessMaker (<http://www.processmaker.com/>) offers an open-source solution for workflow and business process management. There are tons of others, but these three might be a good start for searching.

Having a workflow management option inside of an advisor’s CRM software, though, is still preferred as it makes the task of tying those workflows to client records so much easier and more efficient.

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