



Develop Business/Practice Management

5 Reasons to Switch to an Industry-Specific Contact Manager

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Still using Outlook, ACT, or GoldMine? More FAs are discovering that generic contact management programs lack the impact of software designed especially for the financial services industry.

Back in the mid-'90s, wealth advisor Greg Friedman became frustrated with the off-the-shelf programs available for contact management. While these programs could track prospecting activities and store client information, they were designed for sales professionals, not those working in financial services.

"None of the programs I tried worked for the broader vision of my business," the Novato, Calif.-based advisor explains, adding that he was looking for a way to systematize all of his business activities along the lines of Michael Gerber's classic book, [E-Myth Revisited](#). "Act and GoldMine are great for systematizing your prospecting," says Friedman. "But I was also looking to provide a consistent, high level of service to my clients and follow a more sophisticated [wealth management](#) model."

Getting specific

So Friedman hired a programmer to create what eventually became [Junxure](#), a client and workflow management product designed specifically for advisors. Friedman marketed the software through Schwab before spinning off on his own several years ago. Junxure-I (the "I" is for independent) is one of a growing number of industry-specific CRM products that financial advisors say are making a big difference in their productivity and practice management. Other programs that FAs like and use include:

- [Advisor's Ally](#). PC-based practice management software for fee-based advisors. Includes trade, holdings and cash balance information, as well as notepads and schedules of calls, meetings, and actions. Retains clients investment objectives, income, net worth, account numbers, and portfolio holdings. **Cost:** \$395 (basic).
- [NationBuilder](#). Web-based CRM application compatible with Albridge Solutions to enable client information downloads. Offers e-mail, calendar, campaign management, and dashboard to track performance. **Cost:** \$95 user/month (team pricing available).
- [Pareto Systems](#). Web-based CRM system created in 2000 by Duncan MacPherson and David Miller. Tracks and assigns accountability to staff members. Facilitates client segmentation and consistent contact. **Cost:** \$1,250, plus \$995 annual maintenance.
- [Practice Builder](#). PC-based CRM system with automated marketing and financial planning tools, practice management aids, and resource library of letters and templates. Created by Financial Planning Consultants. **Cost:** \$1,495 (advisor and staff).
- [ProTracker](#). PC-based client relationship and practice management system. Automated required minimum distribution calculations and withdrawal tracking. **Cost:** \$900, plus \$300 annual maintenance fee.

- [Redtail](#). Web-based CRM subscription service. Tracks client profile information including allocation model preferences, risk tolerance, estimated net worth, banking information, and health information. Integrates with LaserApp and MoneyGuide Pro. **Cost:** \$65 month (up to 15 users).
- [Upswing](#). Web-based CRM application developed to allow independent financial advisors to share contacts and files among team members, manage schedules, and track business processes. **Cost:** \$35 per user per month.

Financial planner Joel Bruckenstein, CFP, publisher of [Virtual Office News](#), says that in the last five years or so, the quality and number of these industry-specific programs has exploded along with the market for better contact software. "Advisors are getting smarter," he says. "As competition increases, the need to really 'know your client' and stay in contact has never been greater. Industry-specific software helps advisors do this, and is worth every penny."

Reasons to switch

If you're on the fence about whether to make the investment in industry-specific software, consider the following advantages:

1. **Cost savings.** The initial purchase price for ACT, Outlook, or GoldMine is comparatively cheap, and in some cases even free. But without extensive customization, the generic programs may not adapt well to your business. Furthermore, add-on or overlay programs that attempt to "semi-customize" a generic program can run \$200 or more per month for support, some advisors report. "When you get done investing your time or money, you really have not saved anything, and you may have something inferior to an industry-specific program that you can buy," Bruckenstein says.

Veteran planner David Schneider, CFP, with Raymond James in New York City, spent roughly \$1,500 attempting to customize his [Salesforce](#) contact management software several years ago. After that failed to produce the results he wanted, he spent another \$1,000 or so on [ACT4Advisors](#), an overlay program that he used for two years before stumbling upon the industry-specific [Practice Builder](#) suite software. Schneider believes he's finally found what he was looking for all these years. "Practice Builder is created for our business. It's a whole system for running a financial planning practice," he explains.

2. **The right focus.** Generic contact management tools are often created with a different client base in mind, or no particular client base in mind at all. This year, Dallas-based planner Greg Gardner, CFP, switched to Junxure from [GoldMine](#), spending about \$2,500 for the four users in his office. He made the move because GoldMine structures contacts as corporate clients; like many advisors, though, Gardner bases his business around families, not companies. "If I was in corporate sales, selling widgets to Fortune 500 companies, I suppose that would work," Gardner says. "But it didn't sync with my thought process as a planner."

Junxure better matches Gardner's business model because it is geared to managing a household with Mom and Dad as the primary contacts and the children tracked under the family name. "This is what financial planners do," he says. Other advisors report that their industry-specific software accommodates the fact that some clients have a home and a business, and has the flexibility to store multiple e-mail addresses.

3. **In-the-know free support.** When problems arise (and with software they always do), it's nice to know that the folks who built your software know your business and are continually making improvements to serve the financial professional audience. Pam Malara, a bank-based advisor in St. Francisville, La., who switched to Pareto Systems from ACT two years ago, says she has been impressed with the helpful customer support. "When I call to ask questions, they know who I am and ask how I'm doing. They don't waste any time getting up to speed on what I do for a living because they spend all day talking to financial advisors."

Alex Turnbow, vice president of sales and marketing for Upswing, says his customer service model is different in several regards from ACT, GoldMine, and other larger software providers. "Our customer support is always free—it's not based on the amount of calls like some other software companies. Additionally, in developing Upswing, we spent roughly two years asking independent advisors what their needs were in terms of CRM. Many technology firms have the mind-set, 'If you build the platform, they'll come to you.' We took just the opposite approach. We went to advisors first, and built Upswing around their specific needs. While the product is strong today, each day the application gets better and better because we're continuously adding features based on our advisors' feedback."

- 4. Practice management tools.** Whether it's helping you create [client service tiers](#) or assess your practice profitability, an industry-specific program can allow you to run your business more effectively. Malara is able to monitor the workflow of her two client associates and pull up a list of A-clients who each need a monthly call. Bruckenstein notes that team-friendly software is more important than ever. "If a client calls, anyone who picks up the phone needs to get at the information they need, provided they have permission to do so."

Schneider adds that Practice Builder gives him an entire practice management template. "The program creates checklists for me based on the client's objectives," he explains. "You can document every step of the planning process and the software covers every possible aspect of delivering a financial plan regardless of the plan software you're using." Schneider also likes the time-saving built-in templates, such as the:

- Annual plan review checklist
 - Annual review data-gathering agenda
 - Client fee schedule
 - Tips on building a media list
 - Qualified plan survey for prospecting new 401(k) business
- 5. Compliance support.** Compliance is probably the least favorite part of your job, but as many advisors point out, it has become more and more important to document the conversations you have with clients and to follow a consistent process. Malara recently discovered this when she had to [fire an uncooperative client](#). "Every interaction with this client had been documented, and I was easily able to pull up a report for my compliance officer. It was nice that everything was sitting right there. I didn't have to dig through files." Mark Terrett, operations manager for Financial Planning Consultants, maker of Practice Builder, adds that "as compliance has gotten tougher and tougher, it's more important to document everything you do and have a system that's compatible with industry practices."

Whether you opt for a Web-based version of an industry-specific program or go with standalone software, be sure to do a demo of the software and ask as many questions as you can that relate to your practice in particular. That's another nice thing about industry-specific software vendors. You're bound to get some helpful answers.

Senior Editor Nicole Coulter specializes in helping financial advisors manage their businesses more effectively. She has previously written about practice management issues for publications such as Registered Representative and Bank Investment Representative.

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