



How Digital Wealth Platforms Can Help Financial Professionals with Client Onboarding

As in many other industries, wealth management is going through a rapid evolution, with technology continuing to redefine efficiencies and improve outcomes. The limitations of legacy vendors and processes are being left behind and the wealth management industry is moving forward faster with a new class of cloud-based enterprise management solutions.

A number of digital wealth platforms, such as turnkey asset management programs, or TAMPs for short, facilitate client portfolio management and client onboarding, among other important functions. In this white paper, we will focus on the evolution of the digital wealth platform, introduce TAMPs, and discuss how digital client onboarding is revolutionizing the wealth management space.

The Evolution of Digital Wealth Management Platforms

Digital wealth management platforms continue to improve and pivot toward automation and simplification of tasks, while improving outcomes for financial professionals and their clients. These platforms originated as fairly simple desktop tools which provided helpful information for the financial professional. After evolving to the internet and becoming more "real-time," the number of features continued to increase, making it easier for both financial professionals and clients to obtain measurable value from the experience. Of late, we have quickly transitioned from relatively basic digital wealth platforms to cloud-based solutions with robust capability, onboarding tools, and other additive features, many of which are now also available in a simplified mobile app user experience providing access financial information 24/7.

When TAMPs first debuted, they were initially designed to handle basic portfolio management functions, such as selecting stock managers or mutual fund-of-fund solutions based on limited criteria. It is best to think of the initial TAMPs as alternatives to the financial professional spending his or her limited time attempting to choose the perfect investments based on each client's nuanced investing goals and matching it with the desired level of portfolio diversification. It simply does not make sense to spend hour after hour performing in-depth research on behalf of a single client when the TAMP can do a more effective and accurate job in far less time for many clients at once.

Traditionally, financial professionals at the time would sell the popular funds or those that performed well and meet with clients for yearly reviews followed by subsequent investment alterations. With many advisors lacking a credentialed, experienced, impartial fiduciary investment management team to lean on for investment research and portfolio management advice, financial professionals welcomed the arrival of sophisticated digital wealth platforms, like TAMPs. With the advent of the TAMP, advisors who did not have time to manage every single client's portfolio in a hands-on manner and still provide specific, tailored advice for each financial situation, now had a way to do so successfully. That marked a true win-win for both the financial professional and the investment management client.

As time progressed, digital wealth platforms like TAMPs became more complex and sophisticated, enhancing capabilities for selecting optimal investments, including ETFs, separately managed accounts (SMAs), and other investment vehicles, often in a unified managed account (UMA) format. Today's TAMPs also perform ongoing monitoring of client investments, making strategic alterations based on input from a financial professional, the client's idiosyncratic preferences and desires, and their short- and long-term financial goals. Even more importantly, modern digital wealth platforms provide a high level of privacy and security for financial professionals and their clients to communicate, share information, and track and monitor investments through robust encryption and multi-factor authentication. Additionally, robust TAMPs allow financial advisors to spend less time tracking down information for or from each client, since all pertinent data can now be viewed on a single pane of glass.

What is a TAMP?

TAMPs empower financial professionals to perform client intake and client asset management functions with maximum efficiency. These programs make it much easier to scale client asset management functions without having to negotiate pricing and minimums with individual investment managers, worry about evaluation of custodian capability, or select individual software tools for every component of client portfolio management. TAMP users can leverage digital wealth management solutions to dramatically improve client retention and satisfaction.



An effective TAMP provider should offer financial professionals a streamlined platform that unifies their entire enterprise across many functions. TAMPs allow investment advisors to consolidate and simplify investment management functions, providing the financial professional with more time to focus on managing clients and perform other revenue-generating activities. Financial advisors who utilize to a full-service TAMP are guided through various ways to determine an optimal client asset allocation and complementary mix of investment vehicles. An effective TAMP also helps evaluate risk, research potential investments, and rebalance portfolios.

TAMPs ultimately simplify, expedite, and enhance the overarching efficiency of managing an investment client. These platforms are also favored as they provide investment advisors with direct access to helpful tech tools such as:

- Proposal generation
- Risk assessment
- Portfolio modeling
- Integrated billing
- Compliance surveillance
- Performance reporting
- Revenue analytics

A TAMP can be thought of as a digital marketplace in which financial professionals are the consumers, institutional investment strategists are the sellers of their particular expertise and experience, and investment advice, analytics, reporting, and trading capabilities are the “commodities.” If you work in the financial services field and perform any type of client account or investment management function, a TAMP may be a valuable solution for you. Not only do TAMPs allow you to research and build portfolios containing optimal investment strategies for your clients’ hard-earned money, full-service TAMPs also offer onboarding capabilities for those clients and allow you to create investment proposals tailored to each client’s preferences and goals.

TAMPs have been described as the future of the financial advice business, and their ability to onboard and manage clients, offices, and processes promises a digitally elegant solution. A unified digital wealth platform offers an unparalleled competitive edge over cobbled together systems, or worse: manual client onboarding methods. TAMPs are helping to revolutionize not only how financial advisors do business, but what kinds of financial service entities move into the investment management space. Aside from registered investment advisor (RIA), broker-dealer, and similar investment advisory firms, financial service firms of all types, like banks, insurance agencies, and CPA firms, are now leveraging TAMPs as they add financial advice and investment capabilities to their existing service offerings.

What is Digital Onboarding?

Digital onboarding tools are web-based, cloud-centric tools, often in the form of a mobile app, which allow a client to digitally review and sign account onboarding forms and open an investment account. Digital onboarding eliminates the use of paper, and the need for a run to the post office, a fax machine, or even a physical office to onboard new clients. The push toward digital onboarding is partially being driven by client desires for web-based services where in-person interactions are no longer necessary. The 2020-2021 COVID-19 pandemic and associated restrictions on social interactions accelerated this trend.

Some TAMPs offer digital onboarding tools for onboarding new client accounts. It simply does not make financial or logistical sense anymore to onboard clients manually through paper forms, monotonous data entry, or wet signatures during an in-person meeting or via “snail mail.” It is much more efficient in terms of time and money for both financial professionals and clients to employ digital onboarding tools.

[The Roubini ThoughtLab Wealth and Asset Management 2022 report states that nearly three-quarters of all wealth management firms will provide digital onboarding by 2022.](#) The push toward digital onboarding is being driven partially by client desires for web-based service in which in-person interactions or the use of traditional mail and courier services are unnecessary. Though some older, more “traditional” clients who are not active technology users might scoff at the idea of using such a platform, they will often convert to using a digital onboarding tool if you communicate the benefits of digital onboarding in language that addresses their specific concerns pertaining to the digital shift, as well as highlighting the ease of use. Financial professionals who have implemented digital solutions to onboard clients via a TAMP will likely feel the same way and will not want to go back. In fact, the ease of use may even increase demand



for further digital collaboration and the elimination of other manual processes previously in place on the part of both the client and the financial professional.

Not surprisingly, as with much of the rest of our economy, the Roubini report referenced above states the highest growth in digital onboarding is in the mobile app space. The moral of this story is a firm or company trying to provide a professional investment management experience, yet which does not provide individuals with the opportunity to become investment clients as in *minutes*—as opposed to days or weeks—through a digital onboarding process will lose *considerable* market share eventually.

How the *Right* Client Onboarding Solution Can Help

No two digital wealth platforms are exactly the same. The leading platforms are redefining the client experience by modernizing the account opening process with an intuitive, easy-to-use digital experience. Thanks to these innovations, it is now possible for financial professionals to onboard new clients in just a few minutes. The prospective client can download an app or access a mobile website, provide their email address to create an account, then gain access to financial tools and a secure channel for communicating with an experienced financial professional. To become an investment management client, the consumer simply expresses an interest in opening an account, receives a form to sign digitally or completes a form inside the app, provides necessary identity verification, and the account is opened. The ease of gathering the consumer's financial information along the way through a digital interface eliminates the need for back-and-forth conversations, missed connections, and waiting for physical documents to arrive. The paperless onboarding process is quick, simple, and less prone to error and omissions.

The digital age is not about replacing humans with bots. It is about leveraging technology to enhance the quality of life. Therefore, while digital onboarding may be an important step in simplifying and accelerating the investment management process, financial professionals can and should continue to provide high-touch service through interactions that are personal and client-focused.

Choosing the Right Digital Wealth Platform

No two digital wealth platforms and no two client onboarding solutions are exactly the same. Choose the wrong platform and it will frustrate you and your support staff, and your clients may think less of you and your business over time. Do not lose sight of the fact that the TAMP solution you select will represent your business and the reputation of your financial professionals in the community and throughout the industry as a whole. Reputation risk in the investment management space is costly and sometimes impossible to reverse when it goes the wrong way. Choose the right platform, and it can literally revolutionize how you do business and your bandwidth for serving clients and growing your firm.

Perform your due diligence thoroughly and ensure you select the right platform on the first try. This will help maximize your client retention and improve client and advisor satisfaction. When selecting a TAMP, it is particularly important to focus on some specific questions.

- 1) How will the TAMP you are considering integrate with the rest of your tech stack?
- 2) Does it meet your digital security requirements now and into the future?
- 3) Will it be additive to the client experience or an unwelcome distraction?
- 4) Does the TAMP reduce the workload on your compliance team or make things more complex?
- 5) Can you perform all the functions of portfolio management in an effective manner?
- 6) Is every component you require for running an efficient practice integrated into the platform?
- 7) Are changes possible and what access do you have to the development team for suggesting improvements?
- 8) Is the TAMP customizable to your investment philosophy and approach as a firm?

When in doubt, create your own nuanced checklist that details everything you are looking for in a TAMP. Continue searching for the right TAMP until you find one that meets all or most of the criteria on your checklist. Aside from the possibility of losing valued clients by selecting an unsuitable TAMP partner, a messy or unsuccessful TAMP integration can also result in losing key staff members who helped drive your success to this point.

Communicating the Merits of TAMPs to Clients...and Your Staff

Some clients may hesitate to pay a financial professional for investment guidance after learning that professional employs the services of a TAMP in his or her practice. However, when all the benefits of using a TAMP are clearly



understood by the firm and the financial professional, articulating the benefits to a client becomes that much easier. A carefully selected, well-integrated TAMP should make it easier for you and the client in the account onboarding process, the selection and implementation of effective portfolio solutions, and the ongoing monitoring and updating of their investments over time. It should also make it simpler for the client to see and interact with their entire portfolio, giving them a better understanding of their overall financial picture. The less time the client's financial advisor and support staff members spends researching and analyzing potential investments, manually onboarding new accounts, and making nuanced adjustments to every investment, the more time he or she can spend interacting with and understanding clients, as well onboarding new clients.

While onboarding a slew of new clients quickly and accurately is an attractive capability for your staff, it is not necessarily a key selling point for a prospective client. However, for consumers considering a firm which uses a TAMP, the clear benefits are clear. Anytime advisors and staff do not have to spend significant time manually adding new clients to the system or attempting to rebalance each account individually, the benefits to a prospective client should be apparent. A firm culture that is not stressed by overbearing, repetitive, manual tasks is more attractive to the type of consumer seeking financial advice for a fee.

In the end, the effective identification and implementation of a suitable TAMP platform for your firm will prove beneficial to your current clients, new clients, financial professionals, and support staff. Solutions where all key stakeholders win tend to stand the test of time.

Integrated TAMP Solutions are a Logical, Important Progression for Wealth Managers

A well-matched TAMP solution delivered through a digital wealth platform will enable you and your team to better serve clients and operate more efficiently. This should lead to more business engagement opportunities and higher conversion rates in the long run, as well as a considerable boost in your bottom line and your culture.

To remain competitive with the rest of the industry, most small and medium-sized—and even some large—RIAs, broker-dealers, banks, or other advisory firms will likely implement a TAMP solution at some point. Your success will largely be determined by your ability to select and integrate the right digital wealth platform partner for your business. Being early to the game rather than late will improve your competitive advantage relative to your peers and better position you for growth and scale in the long run.