



Interactive, online support increases broker productivity

Adobe technology helps financial institutions streamline processes, allowing brokers and advisors more face time with clients

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When it comes to financial management, there's no substitute for face time. In fact, personal service drives profitability for many brokers. As a result, financial institutions are motivated to increase the amount of time brokers have to meet with clients—either in person, on the phone, or through the Web. And there's only one way to do that: by decreasing time spent on low-value tasks.

Due to the increasing demands of financial reporting, brokers today are drowning in paperwork. In fact, despite the benefits of technology and automation, many firms find that brokers are spending more time on paper processing, often at the expense of client relationships. According to one large financial firm, company advisors were spending 70% of their time on processing tasks and only 30% on delivering advice and service to their clients.

Meanwhile, success in the ever competitive world of financial management hinges on the opposite scenario. Ask brokers, and they'll tell you that strong customer relationships are the key to long-term success and profitability. In the past, this was achieved through an in-person relationship between broker and customer, usually sitting across a desk from one another. However, as more customers use alternate channels, such as the Web, call centers, and mobile devices, to research financial information and conduct transactions, financial services institutions must find new ways to achieve their ultimate goal: creating loyal and committed customers.

The three Ds: Diversification, differentiation, and demographics

Today's financial market is complicated, and the pressure to diversify portfolios is enormous. As providers diversify into new territory, new sales and business models put the squeeze on those charged with selling and distributing new products. Meanwhile, industry data shows that competitive differentiation between products continues to decline. Who feels the strain? Brokers, advisors, and agents who compose the key distribution channels. Faced with mounting pressures, brokers must focus on gaining a competitive advantage.

Broker steps to success

- **Differentiating to gain the competitive edge**—Offering a unique package of products and services is the only way to rise above the competition
- **Providing personalized service**—Individualized attention is the ultimate differentiator
- **Creating good value**—Customers see value as a key driver of decisions
- **Focusing on growth**—Improving profitability while increasing efficiency
- **Demonstrating diversification**—Expanding market share with diversified holdings
- **Utilizing demographics**—Improving the customer experience through personalized services

From the firm's standpoint, there are two levels of customers to keep happy: the client and the broker. After all, long-term stability is threatened by staff turnover and account transfers. Industry-wide data shows that as the cost of distribution goes up and processing times increase, advisor loyalty and satisfaction decrease. Firms must work harder to find and keep top advisors and help them achieve success within the company structure.

Today's solution is surprisingly simple: State-of-the art, interactive processes create a user-friendly portal that brokers can use to manage client needs and documentation in a few easy steps. Time savings makes brokers happy, increased profits and personalization make clients happy, and a growing client base makes the company happy.

The problem: Too much process, too little personalization

There's a reason many people turn to a broker to help them navigate the choppy waters of today's financial markets. Making investment decisions is not a simple task for the individual investor, particularly in today's volatile economy. Customers look to an advisor for individual, personalized service that takes their unique situation into account so they can build and preserve their financial future; brokers are uniquely positioned to provide the personal attention that ensures customer satisfaction. This relationship plays an important role in maintaining customer loyalty. In a recent survey of U.S. consumers conducted by IBM Corporation^{*}, more than half said they wouldn't switch to a faceless agent, such as a website or call center, even if doing so could save them a considerable amount of money. More than half said personalized advice was the most important service provided by their advisor and that quality of service was the main factor in choosing an advisor.

Finding the time to establish and develop such relationships has become increasingly difficult for most brokers and advisors. Instead, they find the bulk of their time spent on the less satisfying tasks of carrying out transactions and complying with legal obligations. The result is harried, unhappy brokers, dissatisfied customers, and lost sales.

The high price of processing delays

For financial services firms, being behind the times comes with a high price tag. Brokers feel enormous pressure to stay current on new offerings and policies, which requires them to dedicate more time to researching new products and comparing them to existing options. Brokers also spend an increasing amount of time dealing with the compliance issues generated by the ever-increasing range of new products, each with its own set of rules and regulations. In a June 2007 survey conducted for the financial services industry, nearly 13% of financial advisors reported they were losing at least one full day of production each week due to compliance issues and paperwork. In addition, 39% of respondents described themselves as troubled by the amount of paperwork required to meet compliance standards.

"In our work with financial advisors and brokers or dealers, we have found more and more people struggling to keep up with the amount of paperwork they must complete on a regular basis," says Katherine Vessenes, author of the *2007 Financial Advisor Compliance and Legal Concerns Survey*. "No wonder advisors are spending so much time dealing with compliance issues. Of course, if they are dealing with compliance, they are not meeting with a client—which means it is going to eat into production, sales, and the bottom line."

The increasing amount of automation used by many financial services companies can be more of a hindrance than a help if systems are not designed properly for maximum efficiency. Surveys show that information overload has a direct negative effect on broker productivity. For example, brokers may have to learn numerous systems to process different kinds of orders and transactions. Also, many current systems don't do a good job of displaying customer information, and without a comprehensive and intuitive interface, selling becomes difficult. The result? Lost selling opportunities, frustrated brokers, and dissatisfied customers.

^{*}Survey of 1,000 U.S. consumers commissioned by IBM Corporation, released May 21, 2007, cited in the company press release located at www-03.ibm.com/press/us/en/pressrelease/21583.wss.

“The Adobe solution enables us to generate reliable, quality customer documents that our consultants can display and print out on demand, regardless of the layout, application, or printer they are using.”

Sylvain Capgen,
Project manager,
Credit Lyonnais

Top hurdles facing brokers

- **Paper forms**—Retyping information from paper forms inevitably introduces inaccuracies; studies show that nearly one quarter of hard-copy forms are returned because they are not in good order (NIGO). Mistakes and omitted information prevent or slow processing.
- **Inefficient data input**—Using multiple forms requires that important data be rekeyed multiple times, an unnecessary inefficiency that also offers more opportunity for error. According to one recent study, data entry errors cost the U.S. financial services industry \$1 billion a year.
- **Delays in transaction processing**—Every error or piece of missing or incomplete data brings transaction processing to a halt. Once the error is corrected, forms must be resubmitted, leading to further delays.
- **Compliance errors**—Nothing is more frustrating for brokers than being told that the correct certification is not in place to allow them to sell a particular product.
- **Poor display of product information**—When clients and brokers aren’t looking at identical data, charts, graphs, and other displays, the result is poor communication and wasted time. Brokers must take extra time to present and explain product information to clients. Otherwise customer frustration may lead to lost sales.
- **Inaccessible customer information**—Not knowing key facts about clients’ personal situations and investment goals presents a significant barrier to cross-selling and upselling.

The firm’s perspective: Rules and more rules

It’s easy to understand why financial services firms that responded to a recent Adobe survey rated authentication and compliance as their top customer acquisition–related issue. The regulatory environment is changing rapidly across the world, and financial services firms must keep up with the new regulatory amendments and reporting requirements. At the same time, to attract and retain new customers, firms need to maintain the tradition of a personalized, intimate customer experience.

Even as back-end processes become more complex, customers expect their user experience to become more seamless. Sign-up procedures need to be simple and painless, while behind the scenes, firms will screen customer identity and secure data from fraud.

Top hurdles facing firms

- **Document and data retention**—Many broker systems don’t support straight-through processing. Staff must type and retype customer information. Misplaced data equals lost time.
- **Compliance**—Firms must comply with increasingly complex regulations regarding process security, transparency, and accountability. To do so cost-effectively, firms must leverage their compliance investment for operational efficiency and effectiveness.
- **Broker training and education**—Firms need to get brokers up-to-date quickly on new products, services, and mandates.
- **Certification tracking**—Broker certifications to sell products must be kept up-to-date. When brokers can’t sell asked-for products, the bottom line suffers.
- **Risk management**—As financial markets become less stable and the regulatory environment becomes more complex, firms must cope with increasingly complex risk management procedures and corporate governance mandates.
- **Broker loyalty**—Frustration with time lost to paperwork and processes and decreasing rates of return can leave brokers as dissatisfied as their customers. Broker turnover pulls down the bottom line due to retraining and rebuilding costs.

The goal: Less paperwork, more personalized service

The need is clear: Companies must heed the brokers’ call to free them from the demands of paperwork and back-end processes so they can focus on customer relationships. This will not only improve operational efficiency, but it will also fulfill every firm’s need to attract and retain top-tier talent. Offering a dynamic and efficient automated solution is one of the best ways a firm can support the success of individual brokers and avoid talent drain.

But to do this right requires the right tools. Some automated solutions are cumbersome and counterintuitive, causing more problems than they solve. The right solution requires an automated, online platform carefully designed to allow seamless straight-through processing, training modules, and back-end compliance checks so that transactions can be executed in a few simple steps.

Flexibility and personalization are also key. Brokers want to be able to customize what they see onscreen to reflect their top daily priorities; they want a web-based hub where they can do their work and process information. At the same time, the firm needs one central hub to process and store information while tracking compliance and regulatory information.

Adobe solutions for broker productivity

Adobe worked with financial institutions and their brokers and advisors to determine what was most needed in an online account management solution—and how to offer it in one efficient package. Incorporating suggestions from brokers and advisors around the world, Adobe created a solution based on a single interface for multiple, disparate data streams, which gives brokers a consolidated view of all customer, product, and market information in real time.

Brokers begin by accessing a rich Internet application (RIA) via their browser. The RIA enables them to create a flexible, customizable portal for all the information and materials they need to run their business. The RIA functions as one point of access with multiple modules for customer data, commissions, and company information where brokers can find all the forms and marketing materials they need to open and maintain accounts. Training modules are available to educate advisors and customers about each new product, policy, or procedure. The solution is built around three central principles:

- **Interactive process management**—Automated data capture and straight-through processing make implementing customer requests efficient and accurate. A portal can be easily customized so brokers receive only the research feeds they want. A unique comparison engine enables brokers and clients to narrow down mutual fund options based on return, risk level, and more, without page refreshes. The application integrates video, real-time data, and chat for comprehensive interactivity. Guided selling and data visualization tools enable brokers to tailor communications and make personalized recommendations.
- **Consolidating customer information**—With all customer data stored in one place and easily accessible, the solution lessens the time brokers must spend searching for customer data and executing basic processes. With dynamic document generation, brokers can easily create personalized customer correspondence, product offers, and documents of record for archival and compliance needs. Brokers can also customize a consolidated record of commissions. In the past, it was difficult to see commissions because brokers had to dig through multiple spreadsheets to keep track of them. All-in-one information access enables brokers to sort data and information according to key client parameters, making it easy to analyze the pros and cons of each alternative and to personalize recommendations.
- **Built-in training for new products and services**—Brokers can keep their certifications to sell products up-to-date through eLearning classes on their portal. Automatic tracking means compliance procedures for each product are initiated at the point that a product is selected. This keeps staff and brokers up-to-date without overwhelming them with information about products outside their selling area. These capabilities can also be used to teach customers about new products and services. For example, investment advisors at the retirement planning firm TIAA-CREF created online educational modules to teach clients about various investment topics. Training modules are easy for managers to track and for brokers and customers to use.

How it works

A broker could easily display the pros and cons of a particular mutual fund to a customer if both were looking at the same real-time market data, along with a complete view of the customer's asset allocation and investment goals. Instead of switching from one spreadsheet to another, the broker and client could toggle between multiple views of the client's account holdings. At the same time, the broker could see the client's personal data, making it easy, for example, to add a child recently born—which would then trigger an offer to open a 529 college savings account.

About Adobe LiveCycle ES (Enterprise Suite) software

- Streamlines and automates business processes to help people interact with information more effectively
- Enables brokers to create engaging online applications that make processing client requests more efficient and accurate
- Features dynamic document generation to help brokerage firms create more personalized customer communications

About Adobe Acrobat® Connect™ Professional

- Helps institutions create, deploy, and modify highly engaging online training modules
- Offers easy and fast online training, giving managers and brokers the ability to stay on top of new products and services
- Enables managers to easily develop and update training modules, ensuring that information offered to the brokers is always current and correct

Opening a new 529 account can be a tedious process, requiring the broker to input a great deal of information. There may be as many as seven different forms to complete, and brokers must be well informed about which ones are required and how to fill them out correctly. One mistake, and the whole process gets kicked back to the starting line. Because there are usually not a lot of commissions on this type of account, this is time spent without a motivating rate of return.

Now imagine that both the broker and client are able to look at the exact same interface—even when the parties are in different locations—to discuss financial options while accessing real-time market information. Using Adobe tools, a few simple prompts generate the correct forms for this particular product, which the technology has narrowed down from the hundreds of different forms available. The application converts the forms to a dynamic, user-friendly interface that makes it simple to type information into the correct fields.

Online help pops up if the user has a question or enters incorrect information. Correcting information the instant it is entered incorrectly eliminates virtually all NIGO errors the moment they happen. Most valuable of all, the RIA is engineered to pull data from all data streams across product lines, so fields are prefilled with client information that was previously entered for other accounts and products. As the client and broker fill in new data, it is entered into all the forms at once—eliminating the need to fill in the same information again and again.

Brokers comfortable with using digital signatures can have their systems configured so the RIA generates an offer to sign the forms digitally, which allows the data to be submitted electronically. This increasingly popular feature eliminates the need to print pages, wait for mail service, and then wait for data to be re-input on the other end once it is received. If, however, the broker is among the 20% who still prefer paper forms, the RIA allows a real-time transition to PDF, giving anyone the ability to easily apply wet signatures.

Both processes include the benefits of automation, so that even when a wet signature is required, the customer can still enter all necessary information online. When the PDF form is generated for printing and mailing, it contains a 2D barcode with all the captured data. Upon receiving the form in the mail or via fax, the recipient scans the barcode, and the data enters the back-end system—error-free. Offering both options enables brokers to customize their portal. Brokers can also offer their clients the option of conducting their business transactions in the way they are most comfortable. This type of flexibility helps brokers maintain their focus on personalized service and increases customer and broker loyalty.

A broker and client can select an investment product using Adobe's interactive interface. Still looking at the same online view, they are empowered to discuss the pros and cons of various 529 plans with the broker using drag-and-drop technology to demonstrate possible scenarios. With more than 700 million deployments of Adobe® Reader® software and the popularity of the Adobe Flash® Player, advisors can have confidence that their customers will be able to engage in the collaborative process and complete transactions successfully.

Once the client has selected specific investment products, the certification process begins. The dynamic features of Adobe's solution operate invisibly so the process looks simple to both advisor and client, while behind the scenes, rules are applied to reduce the risk for both the broker and the firm.

Security is also taken care of behind the scenes, with state-of-the-art security procedures, such as encryption and the Secure Sockets Layer (SSL) communication protocol. With constant media reports of the unauthorized release of consumer financial data, consumers are understandably concerned about online security. Brokers can reassure clients that Adobe solutions use the highest level of encryption and authentication to protect their financial data and personal identities.

Once all selections have been made and the forms are filled out, the Adobe solution generates a personalized welcome packet as a PDF file or printed document that contains all the customer's account information and disclosures. "We always look to offer brokers services that they cannot get elsewhere," says Allen Levine, webmaster of Business Loan Express (BLX). "With our system

built around Adobe LiveCycle®, brokers can instantly generate quality, branded product sheets. This strengthens our broker relationships and improves how clients perceive broker services.”

The dynamic features of the RIA can also generate cross-market selling opportunities, which the broker can personalize into marketing materials for inclusion in this packet. This makes Adobe solutions ideally suited to support customer follow-up because brokers can tailor their portals to generate reminders for future selling opportunities. The result is a broker-client relationship built on service and advice rather than on transactions.

Why it works

- Customer information, product information, processes, and training modules are accessed through a single, easy-to-use interface.
- Automated processes speed transactions, increase efficiency, and eliminate manual errors.
- The ubiquity of Adobe Reader and Flash Player gives brokers confidence that customers can engage in successful transactions.
- Tailored, personalized customer communications create customer loyalty.
- Straight-through processing enables more personalized and secure communications.
- Easy creation of training modules quickly updates staff on new products and services.
- Training modules and certification protections ease compliance and risk management.

“With our system built around Adobe LiveCycle, brokers can instantly generate quality, branded product sheets. This strengthens our broker relationships and improves how clients perceive broker services.”

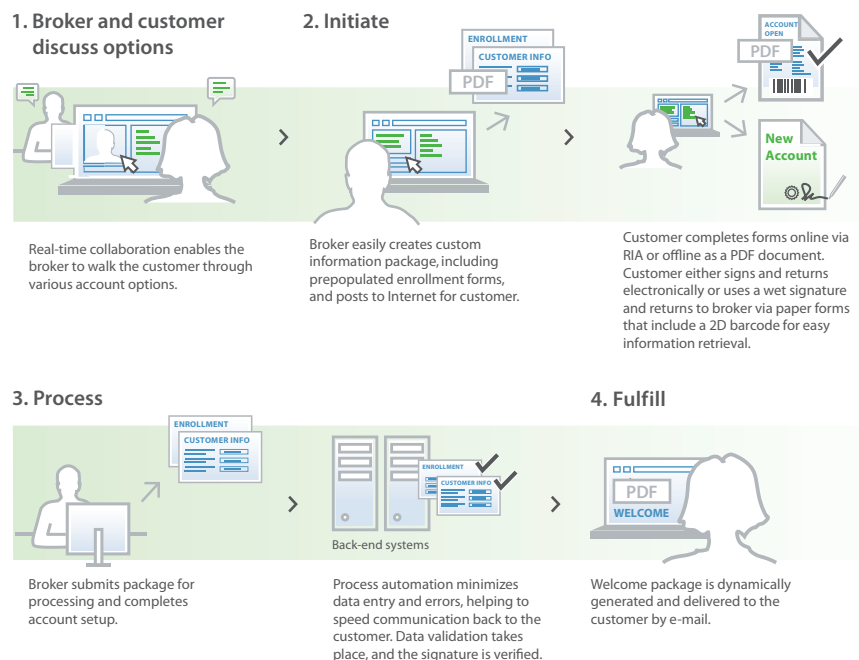
Allen Levine,
Webmaster,
Business Loan Express (BLX)

The result: Happy clients, less harried brokers, and accurate documentation

There are many ways to measure success, but perhaps the two most important gains are saving time and cutting costs. Satisfied users of Adobe’s solutions can cite both. Farmers Home Mutual reduced the company’s administration costs by more than half a million dollars annually by implementing Adobe’s online system to generate and process all client enrollment paperwork. The web-based system also eliminated the delays associated with mailing materials, which cut up to ten days from the processing time of each transaction and resulted in a total time savings of 70%, according to the company.

Open Access Limited (OAL), a Canadian provider of group retirement and pension plans, used Adobe solutions to cope with its client base increasing from 8,000 to 27,000 following an acquisition and merger. With the help of Adobe’s enterprise solution, the company succeeded in producing 27,000 account statements in just 12 hours, down from an estimated

Broker activity: Account opening



two weeks. “We can handle more work, without big jumps in administrative costs,” says Sean Dalley, OAL’s vice president of information technology. “With Adobe server software, we’re more responsive to customers, and our ability to generate richly formatted custom documents has improved tenfold.”

The bottom line

It’s no secret that personal attention is the key to customer satisfaction. With Adobe solutions, firms can increase broker productivity while delivering the highest quality service to customers. Automated tools make it easy for brokers to stay up-to-date on the latest products and services, while streamlining processes and increasing efficiency company-wide. Adobe solutions help brokers focus on building and nurturing customer relationships without sacrificing speed or quality. The result: happier customers, increased selling opportunities, and more productive, loyal brokers.

