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The "Why" and "How" of Advisor Practice Management Automation

When I entered the life insurance business in 1975, the IBM Selectric typewriter was one of the most advanced office automation products available. Since then the rate of technological advancement has accelerated each year. Today, information technology has reshaped the way business gets done. Yet, in the area of advisor practice management, the opportunities to increase productivity remain huge.

At the risk of telling you what you already know, I thought I'd share a few ideas regarding *why* you should seek to automate more parts of your practice, and probably more importantly, exactly *how* you might get this done.

Why Automate?

Information is valuable. Data is not. Organizing data turns it into information

"If I could just get organized, I could make a lot more money." This used to be one of my laments when I sold life insurance and I've heard this often from other agents since then. You have lots of data on your clients and prospects, but it doesn't become useful *information* until it's presented in way you can act on it.

A few examples: these are calendar "alerts" that might appear on your day view calendar:

- Term policyholders that are within 60 days of their 10th, 15th, and 20th year policy anniversary dates

- Clients with IRAs within 60 days of turning age 70

- "A" clients turning age 40, 50, 60 or 70 in the next 60 days. (Decade birthdays are emotional "life events"—an excellent time to visit and bond with your clients)

These are just a few simple examples of converting data into information. There are many more, but they all create new opportunities that help you service and strengthen your relationship with your clients and make more money.

Systematizing key processes allows you to run faster, reduce head count, miss fewer opportunities and enjoy greater peace of mind.

Systematizing most business processes benefit from computer automation.

A few examples:

- Hard copy documents must be moved from desk to desk and can't be shared, but a digital image of the same documents can be multi-tasked, and collaborated upon regardless of location. Your "information infrastructure" should enable easy controlled sharing of information with your clients, staff and other advisors that are part of your team (e.g., attorneys, CPAs).

- Many offices still have multiple 4-drawer filing cabinets containing client files. Converting those hard copy files to a system that stores the images can eliminate those file cabinets and save you enough space to add another employee workstation. Moreover, you and your staff can actually retrieve that information by pressing a few keys whenever desired.

- Workflow processes involving task delegation, hand-offs, and confirmation of follow-through become consistent, faster, repeatable and measurable using computer systems. Without these systems, you can "hit the wall" where further improvements in productivity become very difficult.

The value of automation increases with the value of your time and opportunities

Compare the cost of automation to the value of your time and opportunities. If your average client transaction generates $10,000 of revenue, a system that helps you find more opportunities or saves you time is very valuable. Or put another way, the absence of such a system may be costing you many thousands a month.

BEST PRACTICES

How to Get It Done

Remember that "the clubs don't play themselves"

The company I work for develops software especially designed for insurance agents and investment advisors. And though we believe our software is the best of its kind, it still needs to be driven by you and your staff. Depending upon your degree of computer savvy, you can get greater or lesser value from any software. But to be sure, you can't get the highest value out of a software application by just "plugging it in" any more than a new golfer can buy state-of-the-art clubs and expect a low score. You need to know how to swing the clubs.

Think like a businessman—hire a pro

Your operation may be substantial enough to already employ a full time technology specialist who understands your business. If so, you appreciate the critical role information technology plays in your operation. But another way to get great results is to simply hire a business/technology consultant who knows your business and knows how to get the most from the technology available to you. If your time is precious and your opportunities large, leveraging a consultant (even if you are already tech savvy), will likely pay big dividends.

A good consultant can:

- Increase the value of your software investment in orders of magnitude. You may spend $10,000 on software, but they'll make it generate $100,000 of revenue.

- Improve the quality of your life. Yes, many of the process enhancements, management reports, and other capabilities they can bring will do this for you.

- Help you identify the right applications and providers to support your business. You choose the best life and investment products for your clients—right? Consultants can do the same for you when it comes to business technology.

If you haven't done so already, consider making a business/technology consultant part of your team.

Seek software solutions that have the following 4 traits:

1. **A strong user base among your industry peers**

    This not only validates product suitability to your own practice, but helps ensure that you'll receive ongoing enhancements to the system and good support. Without a critical mass of users, providers can't justify good product enhancements and deliver strong service offerings.

2. **Out-of-the-box interfaces to other leading applications**

    Two reasons:

    - It adds considerable value to your system to have data that flows to other applications (e.g., from contact manager to Excel, Outlook, Word, planning application, forms, Treo, Blackberry, etc.).

    - The presence of interfaces to other leading applications is a strong indication they have a good application for a couple reasons:

        – Third party application providers are eager to build interfaces to other applications that are widely used and first rate. The presence of an interface represents a vote of confidence from that other application provider.

        – Developing and maintaining interfaces to third party applications is expensive. Seeing interfaces means the application provider is strong and committed enough to invest in developing and maintaining interfaces to 3rd party applications.

3. **A strong and sustainable business**

    Don't just look at the software application—look at the vendor behind it. If the software provider has financial problems or allows its product to slowly die from the market (this is miserable because they won't tell you it's happening), you'll pay a heavy price by having to convert your data, then learn and implement a new system. Look beyond the product offering alone to the vendor that is supporting it.

4. **A Web based system**

    The financial services world is moving to the Web. At our company, Web version sales exceed Windows desktop sales by over 10 to 1, and for good reason. A Web based system inherits the benefits of: anytime, anyplace data access; business virtualization; collaboration and data sharing; improved data security; and much more. It is the platform of choice for advanced business capabilities, many of which will not be possible using desktop systems.

I think most advisors are already keenly aware of the benefits of leveraging computer technology in their practice. Hopefully, I've shared some perspectives that will help crystallize your own thoughts on how to improve your business results. You are the best in the business and the right application of technology can certainly play a role in helping you move your practice to the next level.

ABOUT THE AUTHOR

Dale Okuno began his career as an agent with Transamerica Occidental Life in 1975. He later qualified for his company's top production club and earned life membership in the Million Dollar Round Table. After seven years of selling, Mr. Okuno became a general agent and took over his father's agency in 1982. In 1984 his agency received the company's prestigious President's Cup Award.

In an effort to increase his agency's marketing power and to streamline office operations, Mr. Okuno initiated the development of Client Data System, a practice management software solution specifically designed for life insurance agents, managers, and investment advisors. Today, E-Z Data's Windows desktop and Web based SmartOffice® systems provide CRM solutions to over 100,000 financial advisor users.

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