

A photograph of a large concrete bridge spanning a valley filled with thick fog. The bridge has multiple lanes and is supported by tall, angled concrete pillars. The scene is captured in a warm, golden light, possibly at sunrise or sunset. A large, semi-transparent white triangle is overlaid on the right side of the image, pointing towards the top right corner.

Bridging the Tech Gap

How CRM Technologies
Attract and Retain New Clients

THOUGHT LEADERSHIP

With 40% of financial advisors hesitant to adopt technology, investing in CRM and other platforms can help overcome that gap and connect firms to potential younger clients.

Getting financial advisors to adopt new technologies is an uphill battle. For example, a study published by analyst firm Arizent¹ found that 40% of advisors do not use technology for lead generation.

Similarly, a 2019 report from LPL Financial² noted that while 70% of new business comes from referrals, 81% of consumers will research online first using technology tools that are comfortable to them.

Advisors who struggle with adopting technology are putting themselves at a disadvantage at a time when younger generations—those who are most comfortable using a wide range of tech tools and applications—are in line to inherit trillions in the next few decades. A July 2023 study from FINRA³ showed that Gen Z—born between 1997 and 2012—view their parents and financial professionals as trusted sources. At the same time, this group also leverages social media and internet searches as the main drivers of their decision-making process.

However, there are technology options available to advisors and their firms that are easy to adopt and utilize and can help them connect with new generations of potential clients to help grow their practice. One powerful tool is customer relationship management software, or CRM.

By deploying a CRM platform and taking advantage of various features, advisors can improve the onboarding process, collect more robust data about clients' needs, and create a personalized experience for clients and potential clients.

Wealth management is all about building and maintaining strong relationships with clients. Investing in and deploying a CRM platform allows advisors to:

- Use technology to connect to a younger generation of potential clients expected to inherit their parents' wealth and need advice to ensure their money grows with their needs.
- Create technology solutions that benefit the firm and clients by streamlining processes and shoring up back-office operations.
- Develop new ways to invest in future growth by mining client data that offers insight into their needs.
- Track interactions, preferences, and personal details of clients to deliver personalized services, understand their financial goals, and offer tailored investment advice.

Younger generations are becoming a wealth base

The Arizent report suggests that advisors' low adoption of advanced CRM technology is due to their lack of priority for younger clients when it comes to client acquisition. The report says this is especially true for small and mid-sized firms—those between \$100 million and \$999.9 million—that reported attracting younger clients with lower total assets was a critical or high priority only 30% of the time.

It's more cost-efficient, however, to go after a mass-affluent client with investable assets of more than \$500,000 and help them increase their assets than it is trying to market to an affluent client with \$1 million, according to a 2023 Financial Planning article.⁴

CRM solutions can meet younger prospects and clients where they are now—when they are starting to accumulate assets—while lowering the cost of advice. At this stage, a younger prospect may need help solving a problem swiftly, or they may be ready to talk to an advisor who can create a large,

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comprehensive plan as they move to middle age. Whatever their needs, a robust CRM platform can remove these potential client pain points and help to begin building a relationship, according to Financial Advisor.⁵

CRM tools benefit advisors and clients alike

Getting those clients early in their investment path is critical, and the way to target this younger generation is with CRM tools.

Advances in CRM platforms offer a two-fold benefit: These tools make the advisor's life easier by streamlining inefficient processes and simplifying back-office routines. At the same time, the best CRM technologies enhance the client experience.

CRM data, for example, can flag clients and prospects who are approaching age 50. The platform will alert the advisor to reach out to those clients through email with tailored messaging and other content related to life-event activities, such as catch-up contributions to their retirement plans. CRM solutions can also create scripts for phone calls, Microsoft PowerPoint presentations, and other content.

SaaS technology can amplify and meaningfully increase human connection by enriching discussions with prospects and clients. Campaign management applications easily streamline mass client communications to ensure the right messaging is going to the right clients.

According to Financial Advisor, texting is also key to improved client service, as many people prefer texts over phone calls, emails, or social media.

An investment in future growth

Even in an uncertain economic environment, investing in a specialized financial-services CRM is a sustainable value, says a June 2023 report from consulting firm Forrester.⁶

Industry-specific CRM platforms expedite transitions to the cloud, allowing firms to

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concentrate their technology spending on creating a unique brand. In the financial services industry, advanced CRM tools help firms engage, attract, acquire, and retain customers, decrease risk, and ensure compliance for advisors.

Forrester noted that the best CRM solutions will enable firms to deliver personalized experiences to customers, offer efficient customer onboarding, provide robust customer service, and improve marketing effectiveness.

The best-in-breed back-office CRM solutions will include packaged workflows, data models, and extensions to core systems to help manage customer experience, marketing, sales, and service.

One reason advisors may hesitate to invest in new technology is that they do not want to spend the time learning how to use it properly. When selecting a technology partner, choose one who can offer a mix of products and services and provide training for them accordingly. This will allow your associates to receive a consolidated training experience while dealing with high demand workloads in order to more effectively learn their new tools.

Research firm Cerulli Associates⁷ found the time invested in adopting new tech pays dividends. That same 2023 study noted that 90% of advisors report technology is generally effective at helping them achieve a wide range of business objectives, and advisors who use technology more heavily than those who do not are more effective at achieving key business objectives.

In particular, having a CRM is one of the most frequently cited technologies that

positively impacts advisor productivity, according to 70% of advisors surveyed. Additionally, 44% of those advisors say having a CRM has a positive impact on the client experience as well.

CRM and the bottom line

In the next several years, more people will need financial advice, whether because of generational wealth transfers or because the growth of workplace retirement savings programs means more people will have access to wealth. Either way, individual advisors will likely see an increase in their workload.

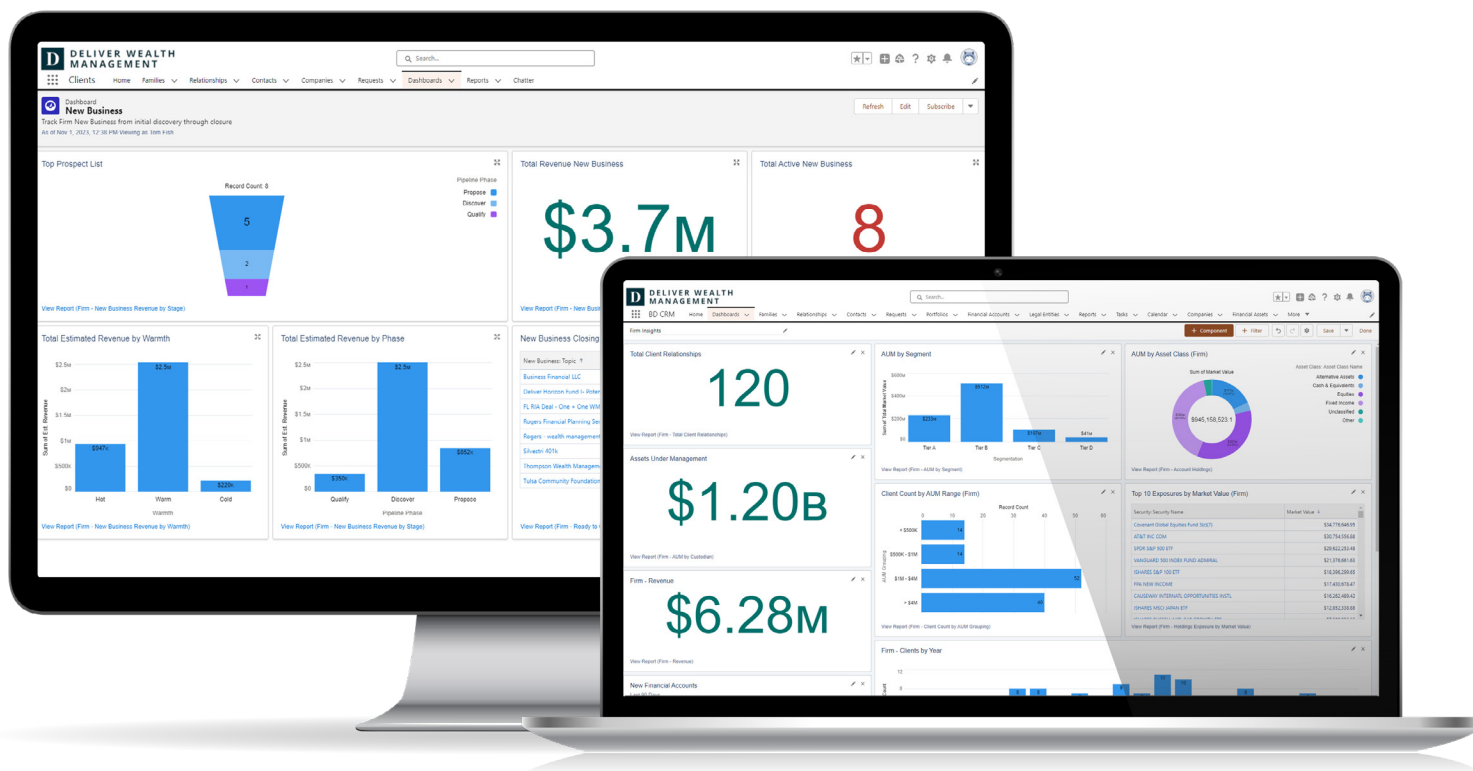
By deploying and investing in CRM technologies, advisors can:

- Reach a younger generation of potential clients
- Improve firm operations and streamline processes
- Mine data and gain significant insights into clients' needs

1. [Unleashing automation: Attracting the next generation of investors](#)
2. [The 5 Pillars of Digital Marketing for Financial Advisors](#)
3. [Gen Z Investors: A Look at the Attitudes and Behaviors of the Youngest Investors](#)
4. [5 takeaways from Arizent research on using tech to win next-gen clients](#)
5. [Tech Gets Personal](#)
6. [Introducing The Financial Services CRM Landscape, Q2 2023](#)
7. [The Challenges and Opportunities of Wealth Management Technology](#)

SS&C CRM Solutions

Empowering advisors with tailored, comprehensive CRM solutions to address the nuances and preferences of any tech stack or client profile.



FOR MORE INFORMATION

Advisors interested in learning more about attracting next-generation clients using a robust CRM can do that with a purpose-built enterprise platform. If you have questions about this paper or want to learn how SS&C CRM solutions can support your unique wealth management business, call 1-800-727-0605 or email info@advent.com.

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