

DELIVERING MORE MEANINGFUL CLIENT REPORTS



How to demonstrate advisor value and build trust through better communication

For many advisors, developing reports means running numbers. They spend their time pulling data from disparate databases, adding a little bit from the accounting system here or an update from performance returns there. Then they have to format the document just to make it presentable. When advisors are stuck in this manual mindset, reporting is a major drain on time and the end result is not meaningful.

At the same time, today's HNW and UHNW clients are increasingly looking beyond the numbers. They want reports that provide real insight and track against their goals. They want to understand how their advisor's strategy is affecting their investment performance. They want to know if they're making the right decisions – about their investments, their strategies and their advisor.

To provide this next-level value to clients, savvy advisors are changing their approach to reports. By streamlining historically manual processes like data aggregation, these advisors can provide more thoughtful, effective and impressive reports that their clients actually want to read.

MOVING BEYOND THE MANUAL MINDSET

Many advisory firms are investing in reporting systems that streamline report generation. In fact, 45 percent of firms surveyed for the latest CEB (now Gartner Financial Services) Technology Report indicated they will adopt Client Reporting Systems in 2018. A further 38 percent will update the systems they currently have in place in 2018. Leading advisors at these firms now spend less time aggregating data, and more time improving the quality of the finished product. After all, every report is a crucial client touch point.

Modern reporting tools allow advisors to compile branded, client-tailored reports that often also include insights and firm-wide updates and information that could apply to multiple clients. What's more, they can aggregate data from multiple systems and sources – even held-away assets.

The most advanced systems can detect gaps in reporting data and import it from systems like CRM or financial planning applications without needing an advisor to manually identify it.

Effective client reports should also show investors that their advisor is actively working for them. Unlike client tools like an online portal, which is accessed by the investor, tailored reports are advisor-driven and don't require the investor to do anything to get them. They demonstrate to investors that their wealth is in good hands and their advisors are adding value.

With that in mind, here's a closer look at five ways advisors can demonstrate and amplify their value to investors with client reporting.

1. GIVE THEM ONLY WHAT THEY NEED

First and foremost, an effective report should illuminate performance at a glance. Market research firm DALBAR states that most investors need a holistic view of concepts like account allocation, investment objective and performance to get a meaningful understanding of their financial standing. Knowledge of every holding and transaction often isn't necessary. "In fact, the clarity of a client reporting package is largely defined by the effectiveness of its summary sections," according to an InvestEdge client reporting evaluation conducted by DALBAR.

As affluence grows and portfolios become even more complex with alternatives, international holdings and complex strategies, clarity remains king. For most investors, a one-page report with a detailed summary and some revealing insights are actually more valuable than more detail. For accounts that warrant a closer look, advisors can supplement the snapshot with additional information.

2. SAVE INVESTORS FROM THEMSELVES

One crucial way advisors add value is by helping clients stay focused on the long term and avoid rash decisions. Providing a quarterly one-pager can put a client at ease and keep them informed without encouraging action for action's sake.

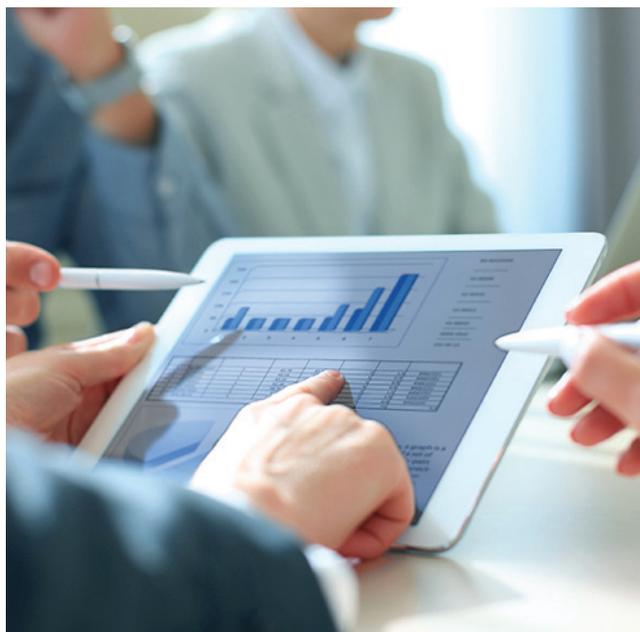
More frequent performance reporting may prompt investors to make unnecessary changes, though market events or life events may certainly warrant adjustments. For investors who want a more complete picture of their portfolio, advisors can supplement quarterly performance reports with targeted information on a monthly basis.

3. BREAK DOWN INSIGHTS FOR INDIVIDUAL FAMILY MEMBERS

Even a one-page snapshot may provide more detail than individual family members need. While the matriarch or patriarch will almost certainly benefit from an overview of their portfolio in aggregate, other family members will gain more value from reports tailored to areas of the family's wealth that impact them. A family member who isn't involved in the family finances but is the beneficiary of a trust, for example, may only want information on that specific account.

“The clarity of a client reporting package is largely defined by the effectiveness of its summary sections.”

Again, advisors should focus on making the report understandable and relevant to that particular family member. When done right, these specific reports simplify communication for the head of the family and further ingrain an advisor into a family's financial life.



4. WOW CLIENTS WITH REPORT PRESENTATION

According to CEB's 2016 Digital Client Experience Survey, 72 percent of clients consider their advisor's access to industry-leading tools and technology either very or extremely important. Reports are an excellent way to showcase that access. That means creating presentations that look and feel branded and personalized to every client. When delivering reports via a client portal, much of this branding can be automated. This creates a powerful result – clients can access information when it's convenient to them, and the report contains tailored, up-to-date information.

Reports developed for in-person meetings can include metrics up to the current day, even if that data isn't fully audited. This assumes advisors are talking through the report and providing context. After all, while a report should be able to stand alone as a take-home for the client, it should primarily be used as a tool to facilitate big picture conversations about long-term goals, including services the investor may need in the future.

5. PROVIDE CONTEXT FOR THE NUMBERS

On their own, numbers don't always provide a complete picture. It's up to the advisor to provide important context on several fronts:

- **Performance** – a report should illuminate how a portfolio is performing in relation to the overall market or specific sectors.
- **Planning** – a report should validate how investment decisions correlate to financial planning activities, such as tax strategies.
- **Goals** – a report should reflect any shifts in investor goals or long-term strategies, and the impact of those shifts.

REPORTS SHOULD TELL A STORY

Everyone knows that a report should tell an investor's story. But too many advisors overlook a clear opportunity to tell their own story.

By using the latest technologies to aggregate report metrics, advisors can instead focus on bringing those numbers to life through the branding, organization, analysis and context. In this way, advisors can better demonstrate they are executing a consistent and effective strategy on behalf of their client – and continually remind investors of the unique value they provide.

All of InvestEdge's cutting-edge solutions empower today's wealth management professional to become a **Bionic Advisor**, satisfying current clients and bringing a new generation of investors on board. As a trusted partner, we deliver innovative thinking and proven technologies so leading advisors can stay competitive and grow their business.



CLIENT REPORTING

InvestEdge's client reporting solutions create a true competitive advantage by making it easier and less expensive to create outstanding presentations and reports that elevate an advisor's value at a glance. It's why we were named **Best Portfolio Reporting Solution** at the 2017 WealthManagement.com awards.

Reveal insightful and actionable reports tailored to a client's needs. This patented technology saves advisor time with data gathering, report creation and assembly while also allowing them to configure what reports clients and their families can access. If you would like more information about our award-winning reporting solution or would like to schedule a live demo, please contact Chris Ollendike at 610-747-0123 ext 132.

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