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# Enterprise-Wide Benefits of Automated Client Onboarding

Wealth management firms are facing increasing pressure to reduce costs and increase sales while improving customer service levels. With this pressure comes a new interest in automating processes like client onboarding to build revenue, reduce costs, and strengthen client relationships. Firms also spend time and money managing manual, labor intensive asset transfers and ensuring life-long client data accuracy through annual or "as required" updates. A comprehensive client onboarding system can automate these processes too. As a result, the automation of front-office client onboarding and account maintenance processes are key initiatives at many firms and the advantages of such automation reach many core areas of the firm.

Replacing your paper-based, first generation client onboarding process with a flexible, web-based platform with integrated e-signature capabilities and digital workflow, management can offer substantial benefits across your entire organization. These benefits include greater operational efficiency, improved client service, and reduced costs. Your client onboarding

solution can also be used to automate asset transfers and account updates, extending the benefits of automation past the point of account opening.

A best-in-class client onboarding automation project should offer you all the following improvements:

- Accelerated account opens

- Accelerated account updates and asset transfers

- Reduced time spent on administrative duty

- Elimination of manual, error prone processes

- Reduced cost per account open

- Reduced abandonment rates

- Increased compliance and mitigated risk

- Decreased Not In Good Order (NIGO) scores

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- Improved security and document management practices

- Secure e-signing of documents anywhere

Selecting the correct onboarding solution means considering the needs of the organization as a whole. To examine the business case for the acquisition of an automated client onboarding platform, we will therefore look at the advantages of client onboarding across three core areas of the firm - sales, operations, and compliance.

## SALES: AUTOMATING THE SALES CYCLE

At the heart of every successful wealth management firm is the sales team. Wealth management account executives are focused on selling products and ensuring high customer satisfaction levels. All client management systems must align with these objectives. An automated client onboarding process can help meet sales and service goals by increasing efficiency and revenue opportunities. To do so, your client onboarding system must offer a real-time platform that optimizes your account opening and update processes and provides new sales opportunities while reducing account abandonment.

### Optimizing Client Onboarding
For wealth management firms, onboarding a new client has traditionally been a paper-based process starting in a branch office or at the client's home. Hard copy forms were completed manually, routed through an approval process, and then returned to a designated processing center for approval and entry into the system by operations staff. This process was time-consuming, error-prone, and costly. Significant training was required to ensure the right forms were correctly completed for each account type and product. Client satisfaction was reduced by delays in processing and by duplicate data entry requirements.

Additionally, errors on the New Account Application Form (NAAF) were common. Incomplete or illegible responses and typos sometimes required additional client visits to correct them, further slowing the approval process, decreasing client satisfaction, and contributing to account abandonment rates.

A comprehensive client onboarding solution can streamline data gathering, form completion and approval by enabling account executives and assistants to answer questionnaires directly in the system. Automated data verification and calculated fields should also be part of your solution, as they reduce errors and NIGO scores. As well, data entry can be minimized by the ability to import existing client data and suggested default values. This ensures that the account executive can focus on building a relationship with his or her client, knowing that the system will ensure all necessary information is inputted correctly.

Ideally, a client onboarding solution should also include support for multiple channels, so your firm can empower clients to complete the account opening process online, should you elect to move in that direction. With the increasing use of mobile devices for financial management, selecting a client onboarding solution which offers support for mobile account opening can also save you headaches down the line. With a mobile solution with integrated e-signatures, advisors can onboard high net worth clients any time, anywhere, improving the client experience by bringing onboarding to their home or place of work.

### Reducing Account Abandonment Rates
As you might expect, account abandonment rates increase as account opening times and the number of required steps increase. By decreasing the number of mandatory interactions with the client and enabling real-time integration with back-office systems, you can enable accounts to be opened and funded quickly and accurately, reducing account abandonment rates.

### Easing Account Updates
Annual Know Your Client (KYC) forms should be updated for all clients. This is a painful but unavoidable part of doing business in the wealth management space. But you can lessen the burden on your staff and clients by selecting a client onboarding solution which assists with this task by automatically producing branded paperwork to simplify the process. As well, you may choose to empower clients to update certain profile data directly online (for example: email, address changes). Facilitating this process for clients is not only more cost-effective, but can also increase client satisfaction.

## Improving Advisor Transitions

When new advisors join the firm, your client onboarding solution should help them keep existing client relationships by quickly transferring their existing client assets into the account opening process. Importing spreadsheet data and automatically generating partially completed applications can help prevent attrition by keeping clients informed during the transition process and facilitating the transfer of their assets to your firm. Wealth management firms often compete for top advisors; why not make your advisor transition process an attractive part of your offer?

## Increasing Cross-Sell and Up-Sell Opportunities

A client onboarding solution can help you gather and use client profile data more effectively. You can capture the data needed to suggest potential cross-sell and up-sell opportunities as part of the account open process and leverage it later to increase sales. By doing this, you make your client onboarding solution part of your client retention and revenue maximization strategies long after the initial account opening process is complete.

## OPERATIONS: REDUCE COSTS AND ENABLE FLEXIBILITY

Operational inefficiencies cost organizations money. Chief Operating Officers from leading wealth management firms are discovering the operational efficiencies associated with automating client onboarding. These advantages include the ability to process higher volumes of accounts and a drastically reduced cost per account open.

## Processing Higher Volumes

During peak seasons, representatives must be able to efficiently process the increased volume of new client account opens. Because the financial services market is somewhat cyclical in nature, your client onboarding solution needs to be flexible enough to manage fluctuating workloads.

Your client onboarding system can also help your representatives be more efficient year round. For example, when an existing client wishes to open an additional account, the system should leverage existing client profile data and require only additional account specific information to be entered. This will reduce duplicate data entry, freeing up your staff to process more accounts per capita.

## Reducing Costs

There are a number of ways in which a client onboarding automation system will reduce labor costs as well as paper costs, while increasing the number of completed account opens. Labor costs can be reduced because of increased client onboarding efficiency, as was discussed above. Many wealth management firms that have taken advantage of onboarding automation are able to re-assign personnel to other areas while still reducing account open times. This is because automating client onboarding enables new account approvals to occur in parallel with (or even ahead of) the physical paperwork. This electronic workflow in turn lets exceptions and errors be caught faster and dealt with more efficiently.

By automating their client onboarding, firms also report reducing account open paper consumption by up to 75% as a result of digital workflows, on-demand printing, e-signing of documents, and the elimination of multi-part carbon copy forms. Managing inventory of traditional forms is a costly process and increases waste when text changes are required.

Further cost savings can be recognized when a client onboarding solution is extended with a digital document archive. Using this system, paper documents are scanned, stored, and organized using barcodes – transforming a scattered, multi-facility paper trail into a centrally managed digital document archive. This allows for a significant reduction in hardcopy storage costs.

Mailing costs can also be significantly reduced if the system produces a personalized welcome kit consisting of all of the relevant forms relating to the client and the accounts.

The forms can then be signed immediately, reducing the need to print and mail hard copies to and from the client. Even better, when a firm combines a client onboarding system with a digital signature offering, they can deliver a completely digital workflow; virtually eliminating paper. A successful client onboarding

program not only offers benefits in terms of client relationship management, it also offers a variety of opportunities to reduce costs along the way.

## Providing an Eco-Friendly Alternative to a Paper-Based System

Many firms are actively pursuing environmentally friendly practices. A client onboarding automation system can play an important part in these green initiatives by radically reducing your carbon footprint. In addition to the cost savings associated with reducing paper consumption by up to 75%, the positive environmental impact can also be significant. Reducing paper usage will save trees, reduce energy consumption, lower greenhouse gases, and reduce waste. One ton of non-recycled copy paper, approximately 200,000 sheets, requires 24 trees and has the following environmental impact to produce:

- Wood Use - 3 tons

- Total Energy - 38 million BTU's

- Greenhouse Gases - 5,690 lbs CO2 equivalent

- Water - 19,075 gallons

- Solid Waste - 2,278 pounds

[1] *Environmental impact estimates were made using the Environmental Defense Fund Paper Calculator. For more information, visit http://www.papercalculator.org.*

## Flexible Client Onboarding Processes

Client onboarding is a dynamic process as new products, new regulations, and changes to the core business can force changes to the process. The Operations department at a wealth management firm can be seriously impacted by these changes. With a paper-based client onboarding process, changes require significant and long-lead training and communication plans, paper form inventory replacements, and potentially workflow and organizational restructuring. If you use a comprehensive automated client onboarding solution, you can ease changes throughout the entire client onboarding process. Updates can be rolled out simultaneously to the entire enterprise.

Some of the processes which often require changes include:

- Workflows including the approval process

- Business rules such as mandatory field change

- Form changes including new forms as well as alterations to existing forms

# Firms report a reduction in paper consumption by up to 75%

## Scalable Solution

A comprehensive client onboarding system needs to be scalable and configurable to simultaneously support multiple lines of business. This will permit cross-channel communication and data availability and reduce maintenance costs while allowing for firm growth.

Your onboarding solution should also offer:

- Support for multiple lines of business (e.g. discount brokerage, retail brokerage, institutional, and mutual funds business.) Each may require custom questionnaires, business rules, workflows, and forms

- Support for multiple languages with a single install

- In the case of clearing firms, the ability to customize the questionnaire, workflow, business rules, and forms for each correspondent

## COMPLIANCE: FACILITATE REGULATORY INITIATIVES AND REDUCE RISK

In North America's wealth management industry, meeting evolving compliance and regulatory requirements has become a top priority. A firm's reputation can depend on an effective compliance system and a set of solid internal policies and procedures. The administration of risk management programs to ensure financial institutions are in compliance with government anti-money laundering

and terrorist-financing regulatory programs is becoming increasingly important as well. Your client onboarding system should assist with these initiatives by delivering a comprehensive set of compliance management and reporting capabilities.

## Risk Management

Risk management processes should be fully incorporated into your client onboarding process to prevent compliance problems up front. Your onboarding system should present risk management data as part of the information provided to the individual or individuals making the decision to approve the account and allow them to log comments as to why they have approved or denied the account. The system should also flag accounts which are not in compliance with your risk management standards (for example, accounts which do not meet anti-money laundering requirements).

## Reporting, Auditing, and Logging Data

If robust compliance reporting capabilities are built right in to the client onboarding process, wealth management firms can reduce costs associated with labor intensive compliance monitoring and audit reporting requirements while reducing NIGO rates by more than 90%. In the event of an audit, significant time will be saved, thus reducing costs as audit trails and a variety of reports or documents can be produced electronically on demand. Comprehensive log data should also be archived and indexed in perpetuity to meet data retention requirements.

## A Secure System

Another hallmark of a good client onboarding system is the security of the system overall. Your system should have permissions structure which allows administrators to configure the application to give users access to specific forms and records that fall within the account they have been assigned to. This protects client confidentiality and further mitigates risk.

## SUMMARY

As wealth management firms look to increase efficiency and reduce costs, client onboarding is an obvious target for a technology revolution as most firms still rely on archaic paper-based processes. An automated, digital onboarding process will improve your client service levels, improve employee efficiency and satisfaction, and streamline your sales, operations and compliance departments.

By implementing the right client onboarding solution, wealth management firms are able to immediately increase operational efficiencies, reduce costs, and improve compliance while achieving a positive return on investment, often within the first twelve months. If the solution selected is scalable and configurable, it will grow with the firm and ensure an optimized onboarding experience which increases client retention and engagement over time.

## DOXIM CLIENT ONBOARDING

Doxim Client Onboarding automatically guides the account opening process, allowing your advisors to focus on building client relationships and uncovering sales and service opportunities, rather than shuffling forms and paper.

Doxim Client Onboarding is an integrated component of the Doxim Customer Engagement Platform. This SaaS-enabled platform addresses key digitization challenges in your organization, from client onboarding automation, through improved, personalized communications to anytime, anywhere content access, tailored to your clients' channel preferences. Digitization eliminates the costs of traditional paper-based, manual processes and enables you to cost-effectively provide an omni-channel experience that delights your customers and improves their long-term loyalty.

Doxim is a leading provider of SaaS-based customer engagement software for credit unions, community banks and wealth management firms. Doxim's Customer Engagement Platform helps financial institutions transform their client experience, communicate more effectively throughout the client lifecycle and improve cross sell and upsell activities that drive increased wallet share. The platform addresses key digitization challenges, from automated client onboarding, through improved, personalized communications to anytime, anywhere content access, tailored to a clients' channel preferences. This eliminates costly traditional paper-based, manual processes and enables cost-effective provision of an omni-channel experience that delights customers and improves their long-term loyalty. Find out more at www.doxim.com.

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