

Podcast Transcript

Synergize: Unscripted Conversations to Help Guide Advisor Growth

Episode 12 – Natalie Wolfson: Driving Growth Through the Strategic Use of Time

INTRO:

Welcome to Synergize, unscripted conversations where we explore the evolving role of the financial advisor in an emerging AI-driven world. Join us as we bring together thought leaders across a range of disciplines and industry experts, sharing insights designed to help RIAs thrive in the industry of tomorrow.

BILL COPPEL:

Hi, I'm Bill Coppel, Chief Client Growth Officer at TradePMR.

RYAN NEAL:

And I'm Ryan Neal, Senior Editor at TradePMR. Welcome to *The Synergize Podcast*.

BILL COPPEL:

Today, we're going to take a look at how fintech is impacting the role of the advisor and how they may be serving their clients. Ryan, please share with our listeners what they can expect from this episode.

RYAN NEAL:

Well, Bill, as a reporter who used to cover technology in the wealth management space, I wrote a lot about all these tools coming out to help advisors be more efficient, streamline their workflows. Those sorts of things. The bottom line with all of that is about time. How can we help advisors save more time or use their time better for tasks that are more important to their practice? So, when we talk about having to compete and grow in this evolving landscape, I want to talk about how advisors can create more value for their clients by spending their time where it really counts.

BILL COPPEL:

That question resonates with me, Ryan, because I think of time as our most valuable asset. And I believe that spending time where it really counts comes down to having a sound strategy and then consistently executing on it. For me, that means staying focused on the activities that matter and the activities that matter should align with an RIA's growth plan. Our guest today, Natalie Wolfson, is here to help us explore this topic.

NATALIE WOLFSEN QUOTE:

I think advisors are going to be deeply regretful if they don't start getting their arms around data now. It's an unfortunately arduous task, and again, there are providers that can help you with it. But the more access you have to your data, the more insightful you

can be with your conversations with your clients as a result of that data. The more you can deploy tools that help free up your time, the more competitive and better off you're going to be in the future.

BILL COPPEL:

Natalie is an industry veteran and currently the CEO of Orion, a wealth tech provider serving RIA firms. Natalie, thanks for joining us.

NATALIE WOLFSEN:

Really happy to be here, Bill and Ryan.

BILL COPPEL:

We're glad to have you with us. Let me start with this question: Natalie, you've worked in the independent space, the RIA space for a while now. As the industry has evolved, what are the trends you're seeing with regard to fintech and how fintech may be influencing how advisors are spending their time today?

NATALIE WOLFSEN:

It's really interesting. There's honestly never been a better time to focus on advisor technology because advisors' needs are changing as their clients' needs change. As clients demand more of advisors —deeper financial plans, conversations about their whole life whether it be trusts and estates, or lending, or finding your purpose or happiness.

As their clients are demanding more and in a very personalized way, because the rest of their technology, the rest of their services are highly personalized, advisors need help. And the help that they need, I would argue is in finding more time to deliver to their clients these value-added services, and there's only 24 hours in the day and the way advisors can get that time back, in my view, is to outsource. And to outsource more.

Some advisors may choose to outsource investments. Other advisors choose to outsource technology, some choose to outsource data entry and data processing but the more you outsource, the more time you have for your life and also for your business.

RYAN NEAL:

You've brought up a number of things that we talk about a lot on this podcast, like personalization and technology. We also talk a lot about AI and it's become almost a buzzword at this point in 2024 but it is such a big topic in technology. Is Orion looking at AI technology as a way to help advisors with time and even outsourcing? What opportunities do you see for AI and what are the pitfalls?

NATALIE WOLFSEN:

Absolutely. Orion was one of the first providers to explore AI in its CRM product, Redtail. We deliver a product called Redtail Speak. And what Redtail Speak does is it automates text messaging between advisors and their clients. It uses information from the CRM and gives the advisor a first draft text message to work from and text messaging suggestions.

In addition to that, in our portfolio construction tool, our advisor portal, we've brought together the best parts of our risk measurement program, Orion Risk, the best parts of our behavioral finance programs which are conversations that advisors have using electronic interfaces with their clients to learn more about their behaviors and their interactions with the market as well as portfolio construction to put together a portfolio comparison view and then again to provide advisors with first-draft communications for their clients. I always mention "first draft" because at the end of the day the advisor knows their client better than any system possible can. And the advisor knows if the suggested draft is relevant or not.

In addition, we're also exploring ways that we can help advisors be more productive in their processing interactions with Orion. Myself personally, I think the most likely, the most common use of AI will be in that back-end processing, that back-end servicing. Helping advisors be more efficient with how they process information.

BILL COPPEL:

I want to call attention to last point you made, Natalie because I think it's relevant. With AI reshaping many operational tasks, as you mentioned, that advisors have traditionally done, how should RIAs be thinking about leveraging AI to streamline their back-offices perhaps yielding more time to focus on business development?

NATALIE WOLFSEN:

In a couple of ways. So, questions that you get from clients whether they're related to operations and servicing. Changing my account number, depositing a check, reconciling information from one system to another. I really think that advisors should look at AI to help them with that.

And those tools are available. If advisors get questions through their website or they get questions via email, there are tools available, and many providers have those tools for advisors to use. Orion, we're exploring that on behalf of advisors that use our systems. And then they spend their time not answering questions that are basic and process-oriented and instead answering the more deep and the meaningful questions or having those conversations with their clients about their life's purpose or the main goals they want to achieve with their money or how they're going to support their children, support their parents.

RYAN NEAL:

I have a quick follow-up on that. One thing that I was noticing as a reporter was everyone is looking at these new AI technologies. And a lot of the largest financial institutions out there were really working on it and, to me it looked like they might have an advantage just by having all that data in house and being able to deploy that. In the independent space, are advisors able to get there as well or is there more of a challenge in the fact that data is around in so many different silos?

NATALIE WOLFSEN:

There are certainly data challenges everywhere whether you're a small RIA or a big company like a custodian. Data accessibility is a huge challenge. I also think that there are very big businesses like Snowflake and Amazon Redshift that are trying to solve those challenges on behalf of small and large businesses.

But data accessibility is a big challenge. Even so, that doesn't mean you can't get started. It doesn't have to be perfect before you get started. It doesn't mean that you can't partner with other firms to help you solve those challenges.

The last thing I'll say is, as it relates to data itself. I think advisors are going to be deeply regretful if they don't start getting their arms around data now. It's an unfortunately arduous task, and again, there are providers that can help you with it. But the more access you have to your data, the more insightful you can be with your conversations with your clients as a result of that data. The more you can deploy tools that help free up your time, the more competitive and better off you're going to be in the future.

BILL COPPEL:

So Natalie, let me follow on with a question about that because I think you're absolutely right. The hard part is ... there's a couple of hard parts, right? There's gathering the data, and then there's evaluating the data, and then applying the data. I think we hear a lot in the industry about how important data is and how important it's going to be going forward.

Share with our listeners your three best thoughts around "I'm new to the data game, help me start to develop a perspective on what I should be thinking about in terms of evaluating the data."

NATALIE WOLFSEN:

The first thing I'd say is I'd add a fourth to that which is "securing the data."

RYAN NEAL:

Alright bonus. We get a bonus one.

NATALIE WOLFSEN:

Regulators are deeply concerned that client data is secure and that advisors among everyone else are adhering to various privacy rules. And so, commingling your data and applying it to large language models that are industry wide or that break down firewalls is something that the regulators are absolutely not in favor of. And so, securing your data and making sure that your client information that's private remains private is an extremely important first step.

The second step is the way that you organize the information that you have is scalable, flexible, and highly accessible. That's a talent and so working with a consultant or working with a specialist in this area is extremely important. Again, your technology provider, even if they don't provide the service can absolutely recommend resources for you depending on the size of your firm.

The last thing I'll say is, getting used to leveraging those data in your daily interactions with your clients is extremely important. That's one of the reasons that at Orion we feel very strongly that the advisor's CRM system should be at the center of their day and then all other tasks hang off of that system or are a part of that system.

Because that's where your client communication begins and ends and so having those data whether they be about portfolios or about the financial plan or about some rebalancing you're doing or your compliance activities coming into the CRM and the CRM being your first and last screen of the day is really important.

RYAN NEAL:

A theme that I keep hearing pop up is partnership. When we started the conversation, you mentioned outsourcing. As we started talking about AI and data, we talked about reaching out to third parties that can help you there. So, it sounds like you're a big advocate for that outsourcing model.

But that can be done in a variety of ways, right? There's no one-size-fits-all approach that works for RIAs. There rarely, is. So, what should advisors out there be considering when they decide what areas of their practice they may want to outsource?

NATALIE WOLFSEN:

It's really interesting. It's a huge opportunity for financial advisors, but it is so hard to do. You've built your whole business around these incredible relationships you have with your clients. And the best advisors have deep relationships with all of their clients, deeply personal. And choosing to outsource means that you're choosing to give up control of a part of that client relationship.

It's not that advisors are averse to outsourcing. It's that they don't want anything to get out of their control as it relates to that relationship they've spent so long and worked so hard to build.

Even so, you can look at all sorts of research. I tend to look at the J.D. Power Research. 28% of advisors say they don't have enough time with their clients¹ because of this control. Needing everything to be in their control. And we also know, Fidelity has done a survey on this, Orion's done a survey on this, others in the industry have done surveys on this – that the fastest-growing, most successful, happiest, advisors outsource.² So, all three: most fulfilled with their life and their business, most successful with their client relationships - highest net promoter scores, and fastest-growing, they outsource.

So, if you can give up control, and I would argue that where advisors should look to giving up that control, are activities that clients don't care about or that aren't highly value added to the client relationship. So, look at things like for some advisors it will be data entry into the financial plan or it might even be the para planning itself.

For other advisors it could be the investment management especially for smaller clients. For others it's key pieces of the technology. They'll give up the digital client experience and the building of the digital client experience. Others, it's operations or potentially your admin services. You outsource all of that so your clients have more than one relationship. It's not just you, it's others in your business or in your ensemble.

You can be successful in outsourcing any of those ways and picking those activities that you think are the lowest value add or your clients don't value and outsourcing those, that leaves you more time in your day for learning, for your personal life, and also to give back to the business either for business development activities or for client service activities. And the growth does come.

For about the last 25 years I've been working with financial advisors in one capacity or another and many of those advisors had chosen to outsource to the company that I worked for or led. And 100 percent of advisors when you ask them after they've done it if they regret it, they'll say that they wish they would have done it sooner. It's a challenge because, again, that client relationship is so valuable and changing is so hard, but when you get to the other side of it, the business grows and your lifestyle changes.

BILL COPPEL:

You raise a great point, Natalie. I think one of the challenges, having been an advisor and understanding the necessity for control. What's your guidance around beginning to evaluate what's creating value and what's not creating value. I think our tendency has been let's get rid of the things that we don't like to do or the things that are easily

transferred away to an outsourced resource. But you've talked about the things that clients don't value or find little value in. What's your guidance to an RIA for example, at beginning to assess that? Guessing or running with your gut doesn't necessarily answer that question. How would you advise an RIA firm to begin to really look at what clients value versus what they don't value.

NATALIE WOLFSEN:

Clearly there are two ways to go about it. One way is a personal assessment that the advisor does themselves. And many advisors like to do this and need to do this because every business is unique.

Another way is to just look at research. So, I mentioned Fidelity, I mentioned Orion, I mentioned J.D. Power. Schwab does research on this. BlackRock does research on this. I think State Street does research on this. So, many of the large providers in the industry have studies about what investors value and what advisors spend their time on. So, you can look at that research and see if it applies to your business.

Alternatively, you can work with a business consultant, or you can do the following yourself where you and your team for several weeks you categorize your time into the activities that you're spending your time on. And you bucket those activities. Client service. Portfolio management. Rebalancing. Big categories of activities, and you can see where you and your teams are spending your time.

And then you can send a survey out to your client base and ask them what they value. What you're going to find is there's an overlap of activities that are taking a lot of time that are not valued by your clients, and it's those activities that are ripe for outsourcing.

For example, if you're spending a lot of your time developing technology or you've hired a CTO or technology resource to keep your website up-to-date, to keep your information up-to-date, to populate an investor portal of some kind and you find out from your clients that that's kind of cost of doing business, table stakes, not something they highly value but you know they need, that's a great thing to outsource.

If you're spending a lot of your time chasing down checks and operational tasks, obviously it's extremely important that those checks are deposited and that those accounts are opened and that the money is available for clients, but my guess is that's not what they check on their list as most highly impactful or valuable, well then outsource that.

Either way can work depending on how unique the services are that you're providing to your clients and also whether you want input from your clients directly which clients really appreciate or you want to start with broader research.

BILL COPPEL:

What I hear you saying is take an inventory of what you do. Talk to your clients about what they value and cross-reference the two to begin a process of deciding what to outsource. I know it sounds like common sense, but I think a lot of firms are struggling with where to start. They hear about outsourcing and so forth but that's great insight on your part.

When you've seen this done correctly, what are some of the business benefits that firms are experiencing as a result of this?

NATALIE WOLFSEN:

Oh my gosh, so many business benefits. First, it's much easier to achieve consistency from one client to the other and to implement segmented offerings for your most valued clients and to your great clients that may be emerging or earlier in their life. The outsourcing forces you to almost put that process in place to make sure you're delivering the right services to the clients.

The second is, the clients feel the impact of you being able to have more profound conversations with them more often so there's more referrals, your growth goes up.

The fourth, and in many ways the most important because when we're happy we provide better services to our clients, is the quality of life goes up. Again, because you're not doing work that's urgent but not important. Instead, you're getting impact out of the time you put into your client relationships and into your office relationships.

Don't we all want to work on something that's more impactful and meaningful? You bring that home every day. And some advisors find that they have more hours in their day to commit to other parts of their life whether it's they want to become a triathlete or they want to spend more time with their kids or they want to give back to the community.

It doesn't happen overnight. Outsourcing is in and of itself a project You need to make sure you treat it like a project. But on the other side is quality of life and more time and also more meaning.

RYAN NEAL:

I don't know if you picked that example intentionally because our man Bill over here is a triathlete, so that was a great example.

Throughout this conversation, if I was to If you had to boil it down into one quotable phase I guess I would go with "jack of all trades, master of none" right? And advisors

don't have to do that they can focus on where they are masters and let others bring in their expertise.

But for you, Natalie, thanks again for being here. If you could boil it down to three actionable items that we could give our listeners to refine how they're spending their time as part of a growth strategy how would you sum up this conversation?

NATALIE WOLFSEN:

The first thing I would say is there's more than one way to have control of the client relationship. You can still control the client relationship and make sure it's meaningful and important even if you work with partners to help you get there.

Second, you should value your time as your most scarce resource and in doing so doing a time study about what you're spending time on and how much your clients value it or looking at industry research if you're open to that. It's just a great way to reorient your time.

And then the last is, you can outsource in any way that makes sense for you and your clients. And on the other side of it, again, I have a 100 percent hit rate with advisors who have felt that they should have outsourced sooner.

With that, I'll hand it back to you Ryan and Bill.

BILL COPPEL:

Natalie, thank you so much for sharing your insights on and thoughts on how advisors can begin to think about technology, fintech and particularly AI as a means to reallocate can help advisors reallocate their time in more productive ways, for example. Really appreciate your thoughts.

NATALIE WOLFSEN:

Thank you. It's been fun to be here.

RYAN NEAL:

Yes, thank you Natalie. So as a brief recap, your three ways were: 1) There's more than one way to have control of the client relationship, 2) You can value your time as your most scarce resource and to evaluate that you can do a time study, and 3) Think about outsourcing in a way that makes sense for you and your clients. Most, if not all advisors wish they would have done so sooner.

We hope you enjoyed today's conversation. If you like what you heard, please take a moment to like and subscribe wherever you get your podcasts. Follow us on social media and we'll catch you on the next one.

BILL COPPEL:

Thanks for listening and watch for our next episode where we'll bring you even more insights and actionable ideas to help you grow your business. And remember, the challenge is yours to capitalize on what the future offers.

OUTRO:

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1 28% of advisors say they don't have enough time with their clients. [2023 JD Power U.S. Financial Advisor Satisfaction Study](#)

2 The fastest-growing, most successful, happiest advisors outsource. [2023 Fidelity RIA Benchmarking Study](#)