

Virtual Office News

The *Only* Practice Management/Technology Newsletter for Financial Advisors

Volume VII / Issue 4 / April 2009

Reprint

Six Tools to Ease Compliance Headaches and Aid in Client Retention and Referrals

By Jennifer Goldman, CFP®



Jennifer Goldman, CFP®

With Washington looking to beef up regulation in light of the financial crisis, compliance is an imperative rather than an option. John Walsh, Chief Counsel to the SEC's Office of Compliance Inspections and Examinations suggested at the Advisor Summit Conference that advisors should "build compliance reviews into the investment process" of a firm rather than treating necessary but seemingly boring compliance tasks as an afterthought.

Unfortunately, when it comes to compliance, it's tempting for organizations large and small to throw money at the problem in the form of technology, consultants and documentation. If it's any comfort, the image of the "evil" compliance auditor is out of touch with reality. In general, auditors are happy when you make their lives easier,

so ensuring that you are meeting the requirements of your regulatory overseers is the best way to stay on top of this potentially onerous task.

As a bonus, these are tasks you can easily outsource to your current staff or a virtual COO or assistant. Whether you tackle them yourself or not, your clients will no doubt perceive the added value that these activities present. Here are some concrete steps you can take to make sure compliance tasks don't fall into a black hole and how to market your efforts to referral sources at the same time:

Got email backed-up? Set up a rule in Outlook or your email system to send a copy of every incoming and outgoing email to a free email account such as Yahoo or Gmail. These free email accounts are a terrific, temporary email

Virtual Office News

Volume VII, Issue 4, April 2009

© Copyright 2003-09,
Sunset Financial Management, Inc.
All Rights Reserved.

Break through the Efficiency Barrier

once and for all with **Virtual Office News** – the Value-Packed Subscription you can't afford to be without!



- Receive cutting-edge insights and advice from industry gurus **David Drucker** and **Joel Bruckenstein**
- Get the latest news on virtual office tools and technology — including “What We Use”
- Learn how other advisors are actually making the virtual office work for them
- Read featured guest articles from industry experts whose virtual office perspectives will expand your horizons
- Benefit from Price Watch Alerts that help you find the best prices on the products that receive our Seal of Approval
- Access our proprietary Resources List

Special discounts for Membership affiliations!

Get YOUR Free Sample Issue and learn about all Special Offers:

www.VirtualOfficeNews.com

Virtual Office News

The Future of Virtual Office Technology

Click [HERE](http://www.VirtualOfficeNews.com) to visit www.VirtualOfficeNews.com and claim your free issue!

back-up system. Take this idea one step further and share this idea via email with all your clients and referral sources who are business owners; you might actually earn a new client by differentiating yourself with your referral sources.

Got Investment Policy Statements? Have your assistant draft a one-page IPS for each client that includes the following: name of client, client's top three goals, percentage allocation (in ranges) of cash/equities/fixed income, a disclosure that says the client must notify advisor if any life-changing events might warrant a change to this document, cash needs, and list of the accounts that are being managed. Review each one and have your assistant mail them out for each client to sign with a postage-paid return envelope. Your clients will appreciate the effort and this formality will translate into a higher level of trust and faith that you are watching out for their best interests. Also include a sample IPS in your "pitch" packet that you show to referral sources; they too will like the formality and due diligence this document signifies. You might be surprised to know that your clients and network will mention how impressed they are to their network.

Got a risk tolerance questionnaire? Have your assistant go into your financial planning software and print out the risk tolerance questionnaire provided. Include the questionnaire in the same envelope with the new IPS and put two copies in an envelope so both the husband and wife get a chance to fill it out. This exercise of meeting compliance standards and recognizing the important of both spouses' opinions is a great value-add as your clients clearly know you are reassessing their risk tolerance in tough times and thinking about their situation proactively. Also, this is another item to include in your "pitch" packet.

Got an operations manual? Start with asking your assistant to create a list, in Microsoft Word, of the tasks that are completed and how they are executed on a daily, weekly, monthly, quarterly and annual basis. Your assistant should also create a list of the tasks that occur during the new-client acquisition. As you add new tasks or procedures to business operations, ask your assistant to continue adding them to this document. While it may not be as comprehensive as a lawyer's version of an operations manual, it is a much better start than having nothing at all and it is far more practical. Also, this same manual can be used to train interns, new staff or serve as a great reference guide for tasks that need to be completed when your assistant is out of the office.

Got consistency? Take control by filing the same basic documents in the same way for each client, including the IPS, risk questionnaire and profile questionnaire. If you are missing any of these documents for any of your clients, make it a priority to get them out to the client as soon as possible. Take your newly-found organizational skills a step farther and provide a copy of each of these documents to your clients three-hole punched in a standard three-ring binder. You wouldn't believe how many people love the binder and carry it to every financial meeting. You can further showcase your firm by placing your company's name on the side of the binder so it shows up when placed in the client's office credenza or is brought to a meeting with their other advisors (money managers, attorney, CPA, banker, etc.). You can check out FPA or NAPFA for deals on binders or have your assistant shop online.

Got document back-up? It is very hard to back up folders of paperwork that sit in drawers or worse places -- in your office, home, or wherever. However, you are required to have a back-up of the important documents so scan the documents and save them to your hard drive. An additional important back-up step is to either buy an external hard drive or subscribe to an online back-up service such as ibackup.com for \$99/year. You can also simplify this process further by ask-

ing your clients and network to go green by either sending original documents via snail mail to be scanned and returned to them or emailed to you. Once you have moved to electronic filing through scanning, you will have more seamless compliance with the standard requiring offsite backup, clients that are happy you went green and became more efficient, and the ability for you to work remotely and access all your documents easily.

These are just some of the ways you can make compliance easier while adding value for your clients at the same time. For those of you that don't have an assistant, it might be time to start hiring your child, an intern, or virtual help. However you accomplish these tasks, once completed, they will help you meet your compliance goals and add value to your existing clients and differentiate your business to your referral sources.

* * *

Jennifer Goldman, CFP®, is CEO of My Virtual COO™ “No excuses. Just results.”
www.MyVirtualCOO.com.