

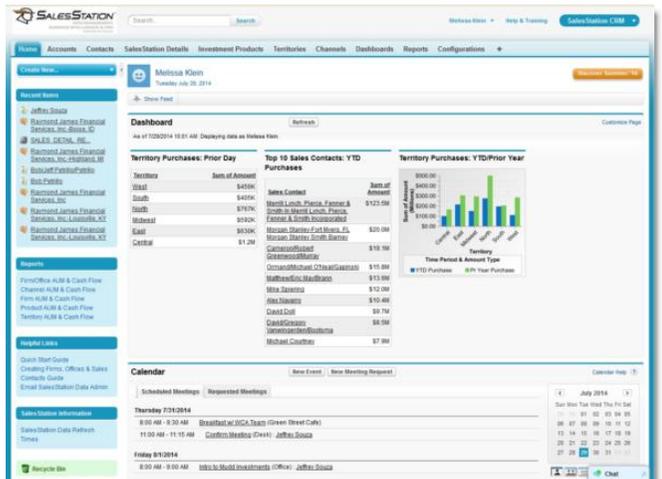
Re-Introducing "CRM"

Much has been written about Customer Relationship Management (CRM) over the last decade and a half. With a vast body of "expert" knowledge out there, it's easy to get caught up in industry hype and lose sight of key benefits. In this three-article series, we will revisit a few of the most practical concepts relevant to small and fast growing asset management companies. This first article reintroduces the basic concept of CRM, highlighting value propositions and key themes. In subsequent articles, we address (Re) Starting Your CRM Initiative and Taking it Beyond the Basics.

What Exactly Is CRM?

"CRM" generally refers to "Customer Relationship Management," where "customers" are broadly defined as those individuals associated with entities that a firm (your firm) maintains a business relationship with, or wishes to establish a business relationship with. This business-driven definition includes those parties with whom you transact directly, as well as strategic partners, industry groups, outside vendors, and other third-parties with whom you maintain ongoing relationships.

From a technology perspective, "CRM" refers to the software tools and systems used to manage contacts and accounts as part of marketing, sales and customer support activities. While this definition is important, it is secondary to the business-driven definition that focuses on building relationships to achieve business outcomes, such as wider distribution and greater sales efficiency.

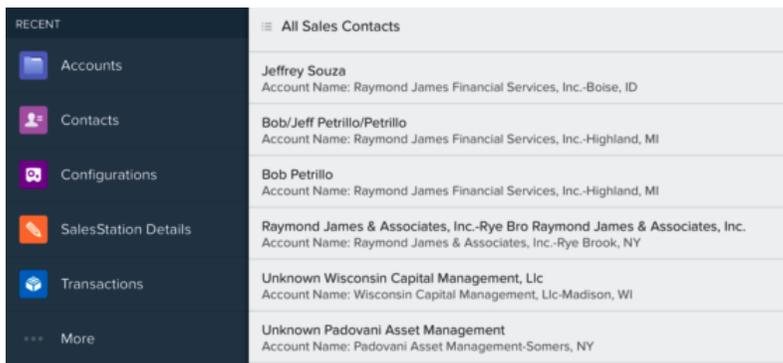


Businesses implementing CRM often cite a desire to become more "customer-centric" and strengthen long-term relationships with their customers, shifting away from a more transaction-based approach. From a distribution perspective, this often means cultivating a relationship with an individual prospect, converting that prospect to an active producer in your funds, and retaining that relationship over the years, during which time that individual may change broker dealer affiliations, change business models (i.e., transitioning from a broker dealer model to an independent RIA model) or, particularly in the case of professionals with corporate careers, take on different roles.

Why Should I Care About CRM?

Focused Execution - Your firm may have a great distribution strategy, but how well do you really execute it on a day to day basis? How do you ensure that your annual investment of significant time and energy in territory planning will yield actual measurable results in the field? With sales professionals generally having limited capacity relative to the size of their territories, how do they know where to spend

their time most effectively? How do they keep track of where they need to be, where they have been, and who to follow up with? In his widely acclaimed book [Getting Things Done](#), David Allen underscores the importance of asking



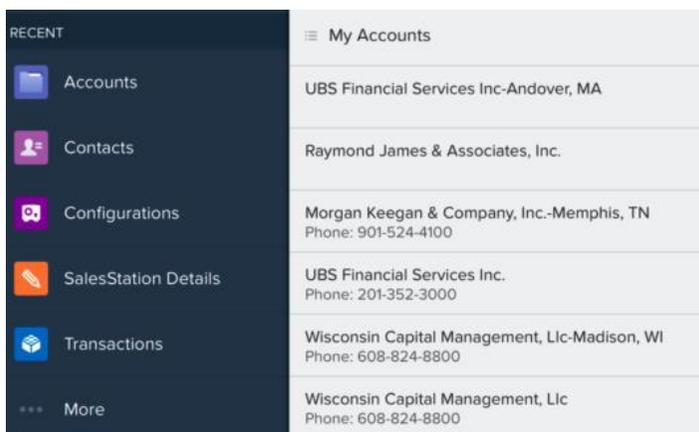
A screenshot of a CRM application interface. On the left is a dark sidebar with a 'RECENT' header and menu items: Accounts, Contacts, Configurations, SalesStation Details, Transactions, and More. The main content area is titled 'All Sales Contacts' and displays a list of contact entries. Each entry includes a name and an account name.

All Sales Contacts	
Jeffrey Souza	Account Name: Raymond James Financial Services, Inc.-Boise, ID
Bob/Jeff Petrillo/Petrillo	Account Name: Raymond James Financial Services, Inc.-Highland, MI
Bob Petrillo	Account Name: Raymond James Financial Services, Inc.-Highland, MI
Raymond James & Associates, Inc.-Rye Bro Raymond James & Associates, Inc.	Account Name: Raymond James & Associates, Inc.-Rye Brook, NY
Unknown Wisconsin Capital Management, Llc	Account Name: Wisconsin Capital Management, Llc-Madison, WI
Unknown Padovani Asset Management	Account Name: Padovani Asset Management-Somers, NY

"What's the next action?" At the very least, CRM can be a powerful tool in organizing information about your customers in order to determine what those next actions should be. At full potential, CRM guides the actual execution of those next actions as part of an ongoing cycle of relevant engagement with your prospects, partners and customers.

Relevant Interactions - Do you know the best way to work with each high potential financial professional in your target segments? Advisers and intermediaries are more besieged than ever with sales people seeking their time. A one-size-fits-all approach to capturing most advisors' attention has not worked in quite a long time, and advisors have become quite adept at deleting emails, avoiding calls and generally becoming harder and harder to reach. Even if your products, services and ideas are better than the competition's, it doesn't matter if you can't deliver the right message at the right time.

Tracking and accommodating your targeted customers' and prospects' individual communication preferences is a key CRM value proposition. The ability to quickly access these individual contact profiles enables sales professionals to personalize and deliver relevant information to the right people at the right time. Nimble



A screenshot of a CRM application interface. On the left is a dark sidebar with a 'RECENT' header and menu items: Accounts, Contacts, Configurations, SalesStation Details, Transactions, and More. The main content area is titled 'My Accounts' and displays a list of account entries. Each entry includes the account name and phone number.

My Accounts	
UBS Financial Services Inc-Andover, MA	
Raymond James & Associates, Inc.	
Morgan Keegan & Company, Inc.-Memphis, TN	Phone: 901-524-4100
UBS Financial Services Inc.	Phone: 201-352-3000
Wisconsin Capital Management, Llc-Madison, WI	Phone: 608-824-8800
Wisconsin Capital Management, Llc	Phone: 608-824-8800

distribution organizations with scarce sales resources segment within their territories to focus on the top producing and up-and-coming firms and individual advisors. These entities and individual contacts are assigned to specific team members for tracking in CRM to better ensure consistent engagement and follow through.

Customer Experience – How do targeted financial professionals describe their experiences when dealing with your firm? Is there room for improvement? Along with *relevant* interactions, *consistency* of experience is also key. It’s rarely a good situation when customers hear or perceive conflicting information coming from different sources within your firm.

CRM provides a means of maintaining process alignment and consistent visibility to customer information across your team. CRM software vendors have fondly referred to this as the 360° view of the customer. At full potential, executive management, sales management, sales professionals, marketing team members, administrative and support staff all see and track the same consistent information about a customer, allowing them each to provide a consistent experience from his or her respective role.

Providing a consistently good experience not only improves a customer’s impression but also helps maintain team harmony when associates are not blindsided or embarrassed in customer meetings.

How Do I Leverage CRM at My Firm?

As with other types of assets, when managed effectively, the customer data and business processes encompassed within your firm's CRM platform should collectively become more valuable over time. How is this accomplished? Many CRM-industry "Best Practices" and "Critical Success Factors" have been described over the years. The most valuable of these are distilled into a few key themes:

Firm	Sum of Amount
Morgan Stanley Smith Barney	\$408.5M
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$262.9M
UBS Financial Services Inc.	\$125.7M
Ameriprise Financial Services, Inc.	\$80.6M
LPL Financial Llc	\$32.3M
Raymond James & Associates, Inc.	\$18.9M
Sammons Securities Company, Llc	\$12.7M
Suntrust Investment Services, Inc.	\$12.4M
Janney Montgomery Scott Llc	\$11.0M
Rbc Capital Markets, Llc	\$7.9M

Successful CRM initiatives are **business-driven**: Establish measurable business goals and let these goals drive the CRM functionality. It is important to begin with a solid understanding of your firm’s overall long-term strategy and plan for growing the

business. Start by asking: What business problems are we trying to solve? What pain points need to be addressed? Focus on process and goals, not the technology.

Successful CRM initiatives are **people-oriented**: At the most basic level, and albeit cliché, CRM is implemented by people for people who are going to interact with other people; individuals interacting with other individuals to maintain business relationships at a somewhat personal level. Start by getting executive support. When senior managers champion and use the system, end user adoption is more likely. Actively communicate with end users and involve them along the way. Make sure there is something in it for them, rather than just a being a tool that management uses to track their activity. Invest in the training to help them succeed in using the tool to meet your business goals.

Firm	Sum of Amount
Morgan Stanley Smith Barney	\$369.4M
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$238.6M
UBS Financial Services Inc.	\$82.6M
Ameriprise Financial Services, Inc.	\$75.8M
LPL Financial Llc	\$28.4M
Raymond James & Associates, Inc.	\$16.0M
Suntrust Investment Services, Inc.	\$12.2M
Sammons Securities Company, Llc	\$10.8M
Janney Montgomery Scott Llc	\$10.3M
Rbc Capital Markets, Llc	\$7.9M

Successful CRM initiatives **start simple**. Establish the basic foundation and extend over time based on business needs. Start by minimizing customization and leveraging out-of-the-box functionality wherever possible. Keep things simple and exclude anything that is not relevant. Modern day CRM tools are highly flexible and provide numerous configurable features that can be tailored to meet many key business requirements, without the need for "programming" or customization. Just as you would with any other critical aspect of your business, find someone on your staff who can take the time to learn the basics and be the super user, go-to person.

In the next article, *(Re) Starting Your CRM Initiative*, we will explore each of these themes in more detail.

For more information about how to leverage CRM in your organization, call us.

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