



ABOUT US

Meritage Financial Solutions is an investment advisory firm providing a high-quality, low-cost business solution for managing IRAs and non-qualified accounts with IRA OF AMERICA® and PORTFOLIO OF AMERICA®. With its strategic relationship with Dimensional Fund Advisors (DFA), Meritage provides financial institutions and their retail financial advisors access to no-load DFA mutual funds via its proprietary portfolios. Meritage has developed strategies to help transform your smaller accounts into an efficient and profitable segment of your business.



Curtis Brown, CEO, Meritage Financial Solutions.

Previously he spent 30 years with Merrill Lynch in a variety of leadership positions including: Regional Managing Director responsible for Private Client business, Private Wealth business, Asia Pacific business, and Middle Market Institutional business; National Sales Manager, and Assistant to the Chairman and President. Curtis spent the early part of his career as a financial advisor. He holds an MBA from National University and a BA in political science from San Diego State University. Curtis also attended an advanced leadership development program at Wharton and the Investment Banking Institute.

TEN TOP INDUSTRY TRENDS IMPACTING FINANCIAL ADVISORS

New technologies are significantly impacting the financial advisory business at a rapid pace. Adopting efficiency-building technologies is an important part of the way successful advisors must operate their businesses. The following are the top industry trends impacting financial advisors today, as well as several strategies for advisors looking to keep or gain a competitive edge while faced with disruption in the marketplace.

1) Investor access to information and technology

Today investors have access to the same information as advisors, and in real time. Investors can go online for information any time, any place and anywhere. Successful advisors need to show their value more than ever before amid a marketplace where accessing online information and do-it-yourself investment technology is becoming the norm.

2) Rising customer expectations

Because the web provides easy and ongoing access to real-time financial information, customers may ask what benefits they are really getting from their advisor. Advisors need to have a ready response and a unique value proposition to address this question. You need to be efficient in articulating and delivering your capabilities and services to provide an experience your clients cannot get online.

3) Emergence of non-traditional competitors

It seems everyone is in the financial advice business, competing for a share of the consumer's wallet. It can be hard to distinguish the difference between banks, brokerages, insurance companies and discount providers. "Robo-advisor" firms like Betterment, Wealthfront and Motif are offering basket trades online at \$9.95 or charging 25 basis points for services. Such firms are disrupting the marketplace, giving deep discounting a whole new meaning. Amid such competition, advisors need to put a highly personalized, human touch on their client service to demonstrate their value.

4) Differentiation and applied intelligence

The "value-add" advisors provide their clients is what justifies their fees. Successful advisors must set themselves apart by applying their communication and analytical skills, as well as their collective wisdom to benefit their clients. It's imperative to deliver more than a commoditized client experience. Advisors must not overlook how they communicate, convey investment ideas and concepts, to help their clients improve the quality of their lives by providing thoughtful financial advice and service.

5) Outsourcing and open architecture

Rapidly developing outsourcing and open-architecture technologies are creating efficiencies like never before, allowing advisors in the RIA and independent channels to have the same or similar tools as large wirehouse firms. Independents can now be agile in responding to technological innovation. Firms like Envestnet, FolioFN, Trust Company of America and Pershing not only provide custodial capabilities but product and service capabilities as well. They provide gateways or access points that advisors and their firms should be taking advantage of.

6) Mass commoditization of products and research

There was a time firms could innovate new products and it would take the competition 18 months to two years to respond with similar products. Today, technology allows firms to replicate products within days of their release into the marketplace. Research is no longer proprietary, but can be found everywhere. Advisors must be able to justify and clearly explain the product choices they make for clients, and let it be known their value lies in the ongoing monitoring of the product performance and suitability to individual situations.

7) Rise of team-based advisors

Investor access to information, the increasing number of products and services available in the marketplace and the demands of clients can be taxing for the sole practitioner. And this can take away from time allotted to client service. Carving out specialties among individual team members in order to collectively do a deeper dive with clients will become vital to continued success.

8) Multiple channels of business development

Today, advisors will need to proactively create alliances with centers of influence and strategic partners. They will need to establish niche markets and become experts in those markets. They will need to be adept at using social media such as LinkedIn for references and business development. Advisors need to understand their clients' connections in order to uncover new referral opportunities.

9) Social media and data-gathering technology

"Cross checking" your clients' and prospects' connections using social media can enhance referrals and provide you with valuable information. Let's say you have an interest in pursuing non-profit organizations as prospects. You can use social media to determine which clients or prospects serve on non-profit boards or committees to find referral opportunities. Consider other new potential sources of data gathering: a new start-up called FlowPay is creating software for charitable organizations to manage and access data about their contributors. Consider that billions of dollars flow through digital payment companies (such as CheckFree, which was purchased by Fiserv, and PayPal, which was purchased by eBay). Billions of dollars flow through these companies each day. Useful information-gathering from these types of companies can't be far behind.

10) Data mining

Utilizing account aggregation services (such as ByAllAccounts) will give you a complete picture of your clients' assets and spending habits. Such access to data will allow you to improve efficiency in delivering client solutions. This includes CRM tools that provide data, analytics, sales pipeline management and reporting. Client data must be useful in establishing multiple accounts without multiple data entry points.



Summary

Technology and digital strategies are exploiting gaps in advisors' and firms' business models. In this fast-paced, quickly changing environment, the key to winning and retaining clients is applying high levels of human touch and a high-tech interface. Successful advisors will need to deliver more than a commoditized client experience. Service models must be redefined. The frequency of contact with clients and the number of relationships that can be effectively and efficiently managed must be put in perspective and enhanced through the use of new technologies.



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