

Broker Dealer

President revives recruiting drive with low cost investment in technology

Situation

The President of a top 50 Broker Dealer was frustrated by their difficulty recruiting registered representatives from its larger competitors.

The business was failing to meet its recruiting targets and AUM goals. Worse, its competitors were increasingly successful at luring away many of the BD's top performers. The BD offered competitive products and commissions, so that wasn't the problem. What more could the President do to protect the company and turn it around?

Critical Issue

Fact: Registered representatives are no longer just looking at product offerings and commissions when choosing a company. They are also looking at the strength of its technology offerings. This has become a critical choice-point for them.

Registered representatives consider themselves entrepreneurs. They are looking to their broker dealer to provide tools to help manage and grow their businesses.

Reasons/Causes

Many broker dealers are discovering it's no longer enough to offer a laundry list of "approved" product offerings. Those often become difficult to train and support because there are so many of them. And that leads to frustrated representatives... ironically, the exact opposite effect they were looking for when they invested in more technology solutions.

Standardizing on a single third party offering is proving to be a superior decision. Especially when that offering provides far more day-to-day value in the field to representatives.

The broker dealer can build training and marketing initiatives around it that differentiate them from the competition. This strengthens their recruiting efforts. Further, it erects barriers between their top representatives and competitors trying to lure them away.

Vision

Building a technology platform from scratch is prohibitively expensive. Even the largest broker dealers license a third party application as a way to lower costs. They then use a "technology fee" or "charge back" scheme to share the costs with representatives. These schemes themselves can be expensive and difficult to administer.

What if there was a cost sharing arrangement that would reduce the cost to the broker dealer and didn't involve the hassle of a "charge back" scheme?

Our Solution

For a low annual fee the broker dealer was able to license the Advisys patented Compliance Center, customize the Advisys financial planning application and meet its compliance requirements.

This customized version of the Advisys financial planning solution included a "buy now" feature that let a representative purchase it online.

Representatives could use the financial planning tools, calculators and educational content for training and reference purposes, for free. If they printed materials from the application, they were watermarked "Not for Client Use."

However, if the registered representative wanted to use the Advisys application with a client, they could purchase it and the watermark was immediately removed.

Results

The broker dealer rolled out Advisys nationwide. They followed the roll-out with an aggressive program of training and marketing. Representatives quickly saw how they could use Advisys to increase assets under management and sales of other products.

Representatives were able to participate in the training programs because they had free access to the product. And within a year, many of them purchased the solution and were active users.

More importantly, the Advisys solution was helping the broker dealer meet their recruiting targets.