

# DETERMINING YOUR FIRM'S NEEDS

Whether you are implementing a new CRM or switching providers, careful planning is one of the most important phases in selecting the right solution for your firm. You'll want to identify your firm's priorities for CRM and assess both where you are today and where you want to be in the future. Proper planning can also help simplify implementation, improve user adoption, and lower costs.

The needs assessment follows a three-step process:



## Step 1: Define Your Business Goals

Taking the time to identify and prioritize your goals will help you select the best CRM for your needs. For example, if your primary goal is to attract a more profitable segment of clients, you'll want a CRM that can help you identify the types of clients that are generating the highest revenues for your firm.

Once you've outlined your key business objectives, you need to think about how the system will help achieve them. The goals listed to the right are examples that can help you imagine the ways that your firm might leverage a fully integrated CRM system to improve client service and maximize firm productivity. Think of them as a sort of mission statement that will drive decisions in the selection and implementation process.

## Sample Goals Supported by CRM

<p><b>Enhance Client Service</b></p>	<ul style="list-style-type: none"> <li>• Deepen client relationships—by tracking such key data points as goals, family needs, and preferences, you can deliver a true “know me” experience.</li> <li>• Improve accountability by ensuring that all client tasks are assigned to specific owners.</li> <li>• Create a more consistent and transparent client experience by tracking all touch points, including meetings, phone calls, emails, and upcoming deliverables.</li> </ul>
<p><b>Increase Firm Productivity</b></p>	<ul style="list-style-type: none"> <li>• Centralize all client, prospect, and interested-party records in a consistent manner for easy access.</li> <li>• Streamline and standardize key procedures and tasks firmwide.</li> <li>• Track costs, revenue, and referrals sourced per client.</li> <li>• Segment client service by profitability of relationships.</li> <li>• Access key information from other systems.</li> </ul>

Ready to find the CRM suited for your business? Read [“Selecting the Right CRM Solution for Your Firm”](#) for best practices when evaluating a CRM.

## Step 2: Perform a Needs Assessment

Now that you understand your goals, it's important to assess which CRM features are essential to helping you reach them. Certainly, many firms could benefit from more accurate sales forecasting, increased staff productivity, more consistent client service, and greater business insight. But limited resources and time mean you have to prioritize. By ranking these benefits according to your firm's most pressing needs, you can focus your evaluations on the most important features of each CRM. Firms that have a CRM but are considering an upgrade should carefully consider the gaps in their current system when seeking a new solution.

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**“For us, it was about developing a CRM and operations system that was scalable. As we were diverting resources to a growing wealth management client base, we realized we couldn't treat everyone like a \$100 million client. Originally, we were focused on customizing resources for each client—now, we're customizing resources per client segment.”**

—Kevin Kaylakie, *Senior Advisor, Durbin Bennett Peterson* | *Private Wealth Management, LLP*

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## Determine Required Features and Functionality

Most CRMs offer a variety of important features and functions. Consider each of the capabilities below and determine which of them are most likely to directly support the business goals you've identified.

CRM Features	How They Can Help
<b>Contact Management</b>	<ul style="list-style-type: none"> <li>· Help support a “know-me” experience—track a range of client information, ideally with fields designed specifically for advisors, such as financial goals, risk tolerance, and family and household information.</li> </ul>
<b>Client Communication</b>	<ul style="list-style-type: none"> <li>· Manage and streamline your communications—integrate with email and calendaring so you can easily send and track client communications directly from the CRM.</li> </ul>
<b>Workflow and Task Management</b>	<ul style="list-style-type: none"> <li>· Improve efficiency and productivity—assign and track activity within the firm and create standardized task lists.</li> <li>· Automate key processes such as prospecting and client onboarding by embedding customized workflows.</li> </ul>
<b>Business Development</b>	<ul style="list-style-type: none"> <li>· Support your firm's growth initiatives—track and manage key metrics for each lead, including referral sources and expected opportunity size.</li> <li>· Drive greater consistency in sales by standardizing processes and tracking milestones.</li> </ul>
<b>Business Intelligence &amp; Analysis</b>	<ul style="list-style-type: none"> <li>· Review progress toward your goals—easily query your data to uncover insights so you can identify opportunities and track against goals.</li> <li>· Standardize and automate metrics, dashboards, and reporting.</li> </ul>
<b>System Integration</b>	<ul style="list-style-type: none"> <li>· Improve efficiency and productivity—out-of-the-box integration allows you to easily integrate with systems your firm relies on, including document management, portfolio management, financial planning, and custodial data systems.</li> </ul>

## Consider Implementation Factors

**Ease of customization.** Today, many RIA-specific solutions offer features tailored for advisory firms without the added complexity and cost associated with a custom-built solution. Some of these solutions can be up and running very quickly but may offer somewhat less flexibility. On the other hand, customizable options may mean a more complicated implementation or even ongoing support from an in-house expert or value-added reseller (VAR).

Again, it is always important to consider your goals, expertise, and available resources to make the best selection for your firm.

**Deployment options.** Increasingly, advisors are tackling their biggest challenges by working with outsourcers—third-party firms that can implement, host, manage, or maintain advisors' technology for them. For example, 75% of advisors today outsource some or all of their technology.<sup>1</sup> CRM is a great example—many cloud-based solutions allow advisors to outsource technology infrastructure and maintenance.

Is outsourcing right for your firm, or do you prefer your CRM to be hosted locally? In-house management gives your firm greater control—but it requires more overhead, time, and effort to maintain the system. While outsourcing can reduce need for higher overhead and in-house expertise, you'll need to carefully evaluate the vendor you choose, including people, processes, and technology. For more information on outsourcing, read our series *Technology Outsourcing: A New Way Forward*.

## Step 3: Establish CRM Implementation Objectives

Clear objectives function as a road map to guide your firm through the CRM implementation process. You should know what you want to accomplish at each implementation stage, how close you are to achieving each objective, and what further steps are required to finish. Set objectives that are clear, realistic, and measurable.

Some examples of objectives might be:

- Achieve **100%** staff usage within **2 months**
- Enter and assign key tasks in CRM within **4 months**
- Automate **75%** of all daily workflows within **6 months**

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**“Once we made the decision to implement CRM as the center of our operations, we moved forward with a timeline, a drop-dead date, and frankly, we just required that people begin using the system on that timetable.”**

—Colin Higgins, *President, Golub Group*

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## Key Takeaways

Planning is the most important phase of any technology project, particularly CRM. You can set yourself up for success by assessing your needs, setting realistic goals, and developing a detailed implementation plan.

Regardless of where your firm is in the selection process, Schwab and its affiliate companies have tools and resources that can help. To discuss how your firm can implement some of the best practices presented in this digest, please contact your Schwab Advisor Services™ relationship manager and consider these next steps:

- ✓ Visit [schwabintelligenttechnologies.com](https://schwabintelligenttechnologies.com) to learn about CRM providers and integration solutions, and gain insight from other advisors who share their CRM experiences.
- ✓ Attend a Schwab-sponsored educational event in your area to gain insights about CRM selection and utilization best practices and to connect with other advisors.



1. 2012 Charles Schwab Benchmark Study. The RIA Benchmarking Study from Charles Schwab comprises self-reported data from advisory firms that custody their assets with Charles Schwab.

#### IMPORTANT DISCLOSURE

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This paper also references the 2012 RIA Benchmarking Study from Charles Schwab, fielded February and March 2012, which contains self-reported data from 1,025 firms. All information contained in that study is provided for general informational purposes only and is not a recommendation of any business enterprise or investment advisory practice management technique, strategy, or practice reported on or described.

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