

## PART FIVE: FULL TECHNOLOGY OUTSOURCING

**Top advisors understand that in today’s environment, running a highly successful business is all about delivering an exceptional client experience and attracting new ideal clients. Any task that detracts from those key goals results in a less successful practice.**

As a result, more advisors are looking to outsource all their technology-related duties so they can free up the time and energy to devote themselves to the biggest drivers of success. For these advisors, full outsourcing solutions are the keys to making that happen.

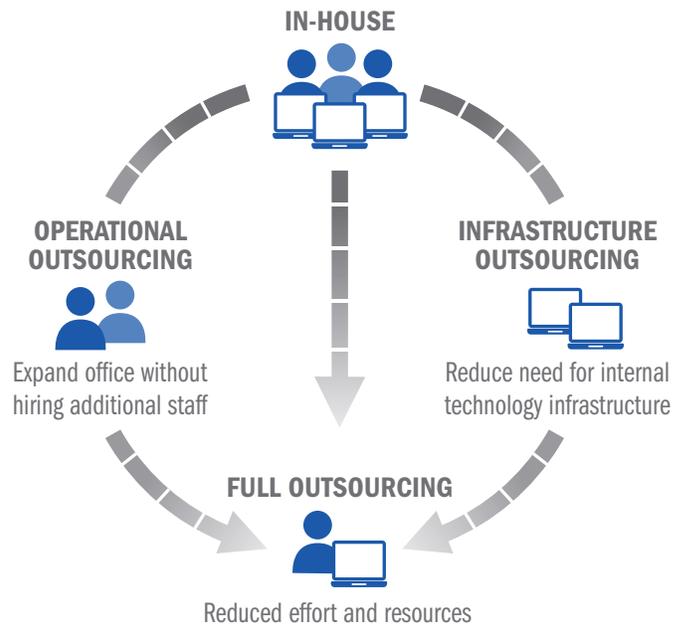
There are many different approaches to full outsourcing. Advisors can hire a combination of different providers to fulfill their various needs, or they can find a single provider that has the capability to perform all functions.

### The Benefits of Full Outsourcing: A Comprehensive Approach

Full outsourcing is an all-encompassing approach whereby a firm utilizes outside providers to fully manage and perform most or all of the mission-critical aspects of their technology infrastructure *and* back-office operations—from hosting and maintaining the technology itself to managing the data, operations, reporting, and other tasks within the practice.

This means that the physical infrastructure, such as servers and software, is housed, managed, and maintained off-site (technology infrastructure outsourcing); and that any operational back-office duties, including data collection, management, and reconciliation and reporting, are handled by a provider on behalf of the advisors (operational outsourcing).

### Your Outsourcing Options



For a more comprehensive understanding of technology outsourcing and its benefits, read Part One, [“Why Outsource,”](#) and Part Two, [“Three Ways to Outsource Your Technology.”](#)

Full outsourcing offers tangible and intangible benefits, including potential cost savings derived from:

**1** Lower personnel expenses

**2** The ability to stay up and running in the wake of a natural disaster or other unforeseen circumstances that compromise the flow and conduct of business

**3** Less technology outlay and cumulative costs to install, maintain, upgrade, and troubleshoot servers and software

**4** The freedom to be mobile, with access to mission-critical client data at any time, from anywhere, helping to ensure efficiency, superior client service, and client loyalty

**5** Dedicated resources and focus on core competencies and growth-enabling activities

## Making the Decision

Full outsourcing is an ideal approach for advisors with a singular focus on achieving growth and expansion, exceeding client expectations in a competitive industry, and maximizing the potential for their success without the distractions of running back-office operations or technology in-house.

Here are a few other examples of advisors who stand to benefit most from full outsourcing:

- **Advisors in transition.** Many RIAs transitioning from an employer-based model, such as a brokerage firm, never had to worry about tasks such as data management or server installation and maintenance. Their firms took care of those details. Rather than tackle these important but unfamiliar tasks, advisors in transition can choose to get up and running fast by outsourcing all these functions from the start.
- **Advisors seeking simplicity.** A full outsourcing solution is a one-stop shop for advisors who want to keep their businesses lean and agile when it comes to technology, and streamlined when it comes to back-office data processing.
- **Advisors struggling with technology.** RIAs that manage their technology in-house often find they fail to get the benefits they'd hoped for—usually after investing lots of time and money that could have been devoted to business development and client service. When these advisors leverage the expertise offered by full outsourcing solutions and move their tech out of their offices, they may find they can grow faster and manage their practices more easily.
- **Advisors looking for greater back-office reliability.** A small or midsize RIA that has just one employee to handle all its critical technology and operations could be put at risk if that employee suddenly leaves or can't do his or her job for an extended period. Full outsourcing ensures that a team of specialists is available to provide multiple levels of support and backup to keep advisors up and running.
- **Advisors targeting rapid growth and expansion.** Firms with aggressive AUM, revenue, and profitability goals often spread themselves too thin trying to meet those objectives while also managing their technology in-house. Full outsourcing takes noncore functions out of the RIA practice so advisors can focus on the strategies and tactics that will drive their growth.

In addition, full outsourcing allows firms that are buying or merging with other RIAs to quickly and easily onboard their new staff into an established technology infrastructure that can be scaled to meet the growing needs of the firm.

- **Advisors who value mobility, those who have virtual offices, and those who travel to meet clients.** Advisors are increasingly looking to access real-time data about their clients' portfolios anywhere, at any time—for example, during meetings in clients' homes or offices, or while on the road. Because full outsourcing solutions host that data in the cloud, advisors can get the information they want immediately and securely, using any Internet-enabled device.

## Begin With the End in Mind

As with any outsourced solution, full outsourcing requires advisors to be fully comfortable with someone other than themselves to take charge of their technology and related processes. Indeed, the very nature of outsourcing is to relinquish some control in order to focus attention elsewhere.

In addition, advisors should be clear on the costs of using outside technology providers. From the start, advisors must provide a complete overview of their practice and establish predictable and well-defined deliverables with the provider they select. That minimizes the risk of making changes or adding a new service, which can come at a premium, after they sign the contract. This predictability is also the best way to ensure that they can get maximum cost savings from using an outsourced solution.

That's why it's so important that advisors start by identifying their goals, challenges, and overall strategic plans to help them determine which approach is optimal based on where they are today and where they eventually want to be.

That said, for a growing number of advisors, full outsourcing is becoming the go-to solution that is helping them take their businesses to a higher level of success.

## Key Takeaways

Full outsourcing is an all-encompassing approach whereby technology infrastructure is housed, managed, and maintained off-site, and operational back-office duties are handled by a provider on behalf of the advisors. Full outsourcing is an ideal approach for all types of advisors, but it may work best for new advisors who can get up and running fast without the distractions of managing back-office operations or technology in-house.

Schwab and its affiliates have tools and resources to help with your outsourcing needs:

- ✓ Schwab Performance Technologies™ offers portfolio data management and reporting solutions to help advisors and investment managers better serve their clients. Visit [schwabpt.com](https://www.schwabpt.com).
- ✓ Schwab Intelligent Technologies™ offers technology integration solutions, workflow best practices, and information on technology providers that can help advisors both manage business more efficiently and deliver exceptional client services. Visit [schwabintelligenttechnologies.com](https://www.schwabintelligenttechnologies.com).

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