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Scaling Comprehensive Financial Planning Through the Use of Technology

Comprehensive financial planning is critical for growth

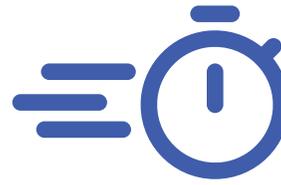
True comprehensive financial planning goes beyond investments and retirement planning, by additionally covering specialized areas that include tax reduction, estate planning and insurance planning, lending, and more.

There are many documented benefits for working with clients in a holistic planning capacity. Most notably, it enhances client relationships, identifies new asset gathering opportunities, drives referrals, and ultimately, differentiates human advisors' personal service offerings from the many low-cost or free robo-advisor offerings available. However, many advisors are not offering these premium services and therefore could be putting their practices at risk.

So why aren't advisors offering these services now?

The challenge has been that the entire process of creating, delivering and implementing comprehensive financial planning historically has not been scalable. One major reason for this is the process simply takes too long due to the dependence on manual workarounds, checklists, spreadsheets and the inconvenience of storing data in disparate locations.

In fact, industry research shows that advisors spend 35 hours per client in the financial planning process alone.⁽¹⁾



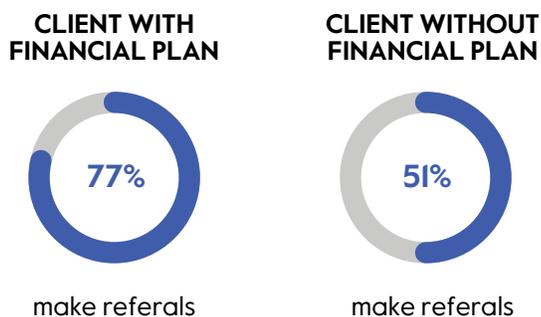
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Many advisors report that the comprehensive planning process is an operational challenge, and that they don't have the time or expertise to provide a full suite of financial planning services, including retirement and college planning, tax minimization, estate planning, charitable giving, along with other specialized services. As a result, the planning issues raised, often become complex and beyond most advisors' comfort zones. And because there are no implementation solutions at their fingertips, most advisors are restricted to only offering comprehensive planning to their top tier clients, if at all.

This must change, and fast, in order to grow and sustain their practices as well as provide clients with the services and solutions they deserve and demand.

Financial planning-based advisors earn 40% more in revenue and gather 45% more assets under management than advisors solely focused on investment management.

And there is research to prove it.



Additionally, client research shows that 77% of clients with a financial plan make referrals, while only 51% of clients without a plan make referrals.⁽²⁾

In today's world, advisors need to demonstrate a clear value proposition in order to justify their fees and prove to clients they provide something more than just investment management advice. So how can they do this and still create scale? The answer: artificial intelligence (AI) and technology.

AI is here

Through new AI-driven technology, true comprehensive financial planning and wealth management implementation is now easier, simpler, and more cost-effective to provide. Advisors now are able to overcome the many operational barriers to embracing planning, and thrive in the new world of advice by offering a scalable, superior client experience through a comprehensive wealth management offering to the entirety of their client base, not just to the top tier.

But why did it take so long?

The benefits of AI have been slow to enter the wealth management space, often because the use cases for AI and machine learning have been restricted to Big Data applications which, in the independent wealth management space, are simply not available.

Another reason why is the data set.

Most individual advisors are typically only able to work with 60-80 clients on average, due to capacity constraints driven by the nature of their high-touch, personalized services. Because of the limited number of clients, the data set is not large enough to allow the benefits of AI to be fully unleashed.

The shift has begun

However, the shift has begun. According to a recent McKinsey study, rapid technological progress enabled by the proliferation of data is reshaping value chains across industries, bringing more automaton and efficiency, and in turn, changing the nature of work performed by humans.

With the advent of new, innovative AI-driven technology, the benefits of predictive analytics, natural language processing, and machine learning are now accessible, being applied appropriately, and eliminating the challenge for independent advisors

to provide a scalable, comprehensive wealth management experience. For example, in today's manual, checklist-driven processes, delivering a holistic approach requires client-specific research, due diligence searches, and consultations with experts to find the answers in order to get the right, personalized solution for each and every client. On the surface, these client situations may seem straightforward, however, they often venture into more complex areas outside of the advisors' typical expertise. Examples include specific tax implications, the titling of accounts, estate planning concerns, as well as insurance, mortgage and business owner issues, and many more.

The multiple steps involved are time-consuming and often require validation by outside sources and experts, resulting in additional time and investigation to ensure that the recommendations are accurate and appropriate.

An idea was born: FP Alpha

That is what advisor, Andrew Altfest, was trying to solve for when he recently launched his new solution, FP Alpha.

This technology solution and platform is able to generate lightning quick recommendations, calculations and analyses to bring actionable solutions back to the advisor in an elegant and easy to use interface, driven by automated workflows to streamline the implementation process.

Key planning issues and recommendations for multiple client scenarios are institutionalized across the firm into one place, so advisors can have repeatable processes to save time, validate expert recommendations and truly deliver a customized and superior experience that is comprehensive and appropriate for each and every client. Advisors are able to query the expert database to quickly get accurate, expert recommendations, saving valuable time to be redistributed on what matters most - clients. This AI-driven approach digitizes the firm's knowledge and provides tailored recommendations; and combined with automated workflows, finally brings scalability to delivering a comprehensive wealth management experience.

A holistic approach to financial advice is what most clients are looking for in an advisor. Now there is a way to deliver that approach effectively and efficiently, ultimately benefitting the client. And isn't that what true advice is all about.

About FP Alpha

FP Alpha is an AI-driven comprehensive wealth management solution that helps advisors provide actionable and personalized recommendations to clients, in a scalable, intelligent, and cost-efficient manner.

Founded by financial planner and industry leader, Andrew Altfest, CFP®, FP Alpha is designed to integrate seamlessly into the many stages of the financial planning process and is complementary to the advisor's current financial planning software.

This innovative technology reduces the burden of time-consuming manual tasks traditionally done by the advisor, allowing them to broaden the scope of their practice without taking on additional resources.

Additionally, the tool provides advisors a way to deliver immediate planning alpha and demonstrate their value beyond investment management, all while delivering more thorough and detailed advice to their clients.



Learn more about how FP Alpha can
revolutionize your firm.

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