The Everything Program

Synopsis: *Here's a rare example of an all-in-one software solution that is rated at or above best-of-breed in all of its categories.*

Takeaways: *The customizable dashboard can display very different information for people who work at different roles. Alerts, the new trading/rebalancing feature and access across the internal tech stack provide operational convenience.*

No company participating in our annual T3/Inside Information Software Survey was more pleased with the final results than the all-in-one program called Advyzon (*https://www.advyzon.com/main/index.html*). In the survey, 300 or so programs received user ratings, where we averaged all the survey participant ratings on a scale of 1-10—and any composite rating over 7.0 is considered extraordinary and indicative of high levels of customer loyalty. Advyzon received an 8.18 user rating for its CRM component, an 8.49 rating on its portfolio management capabilities, and it led the all-in-one category, by a high margin, with an 8.33 rating.

The easy-to-draw conclusion is that the people who use the program really like it. And it is certainly attractive to have one integrated solution that combines so much client data in one integrated package. So I had to wonder why Advyzon didn't have a dominant market share in any of these categories.

One possible answer is that, despite the advanced feature set and internal integrations, the program, until recently, lacked a capability that most advisors regard as necessary to a fully-functioning portfolio management solution. That was addressed last April, when Advyzon announced

Any Software Survey user rating over 7.0 is extraordinary. Advyzon's were consistently over 8.0.

that it had added Quantum Rebalancer, a full-featured trading, rebalancing and tax-loss harvesting component to the program.

In addition, the company added a new dashboard that can function as a company-management platform, which offers aggregate information on the business as a whole, fully customizable so that different users can work with different dashboard views. And the CRM now includes a calendar feature that allows each individual at the firm to synchronize their schedules and see at a glance what client or staff meetings are coming up.

But I think another reason why one of the highest-rated software programs in the advisor space is still flying under the radar is that, like a lot of the higher-rated firms in our survey, it puts more effort into functionality, customer service and the user interface than it does in marketing.

For many advisors, the question is: what is this all-in-one program, and what can it do for our firm?

Dashboard widgets

Advyzon was born almost accidentally, back in 2012. The founder, Hailin Li, had been the chief architect for Morningstar office, and in that role he proposed a very ambitious development agenda that would, if implemented, have propelled Morningstar Office to the forefront of advisor technology. Ultimately, Morningstar decided to acquire rather than build various tech components, and Li decided to leave and follow his own blueprint with an independent firm—building every feature in-house.

The portfolio management tool was launched in 2014, with zero marketing and a small core of enthusiastic beta users. The CRM, client portal and billing features were included when the program was first made available to the broader advisor marketplace. "Everything we have is proprietary," says John Mackowiak, Advyzon's marketing director who
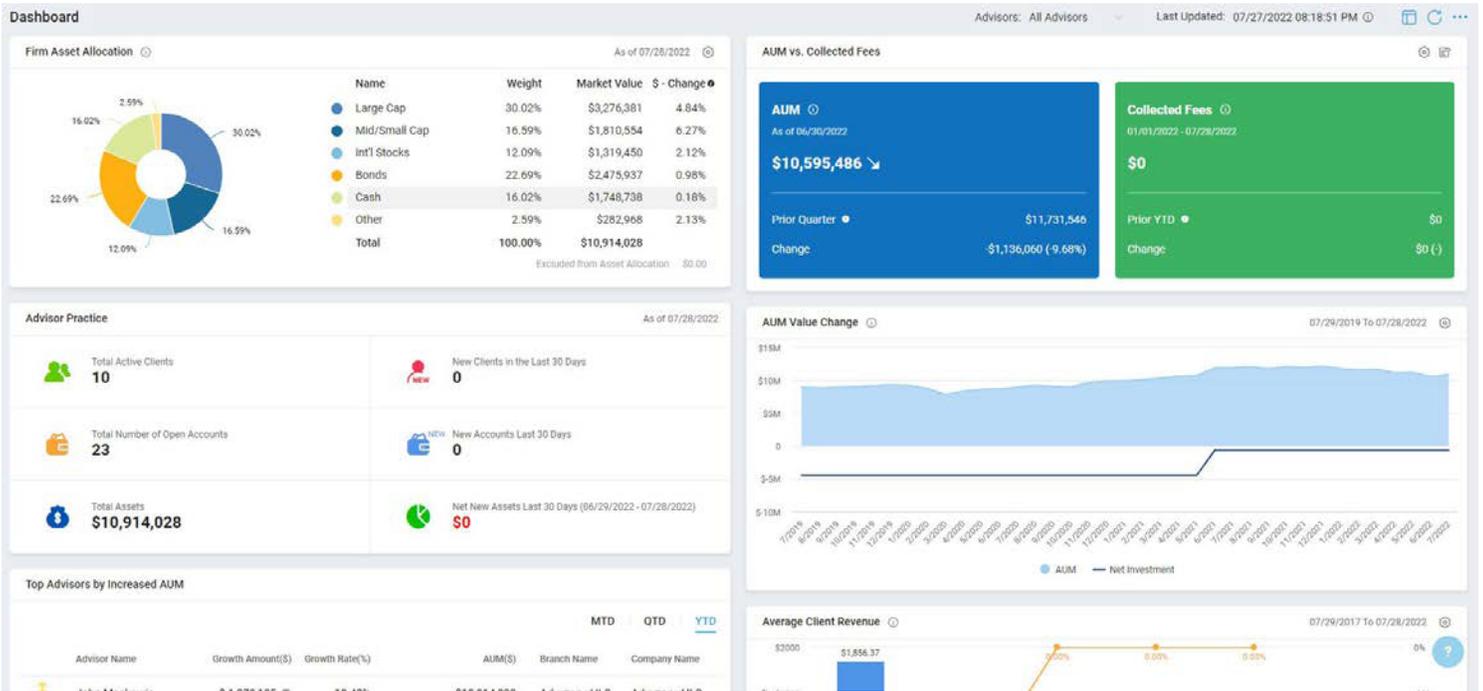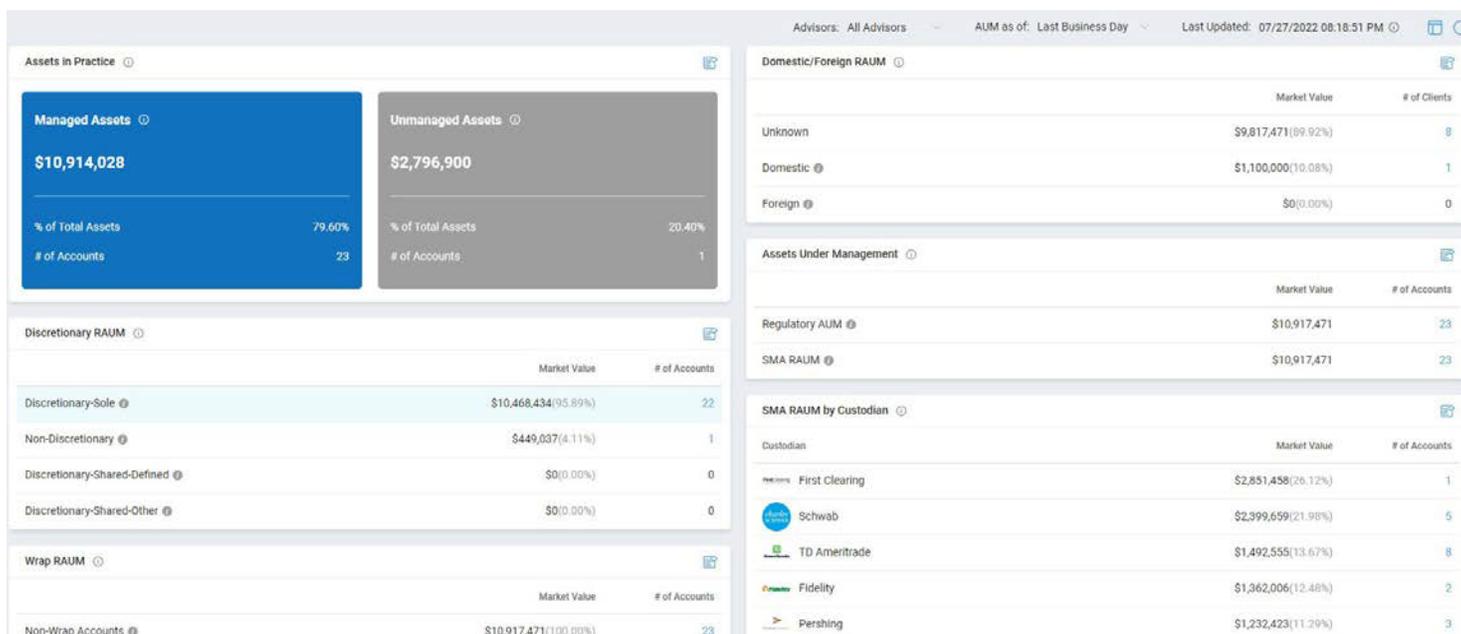
Dueling Dashboards: What the CEO might configure Advyzon's opening screen to look like (above) vs. what advisor might see (below). A customized compliance view (next page, top) is also possible.
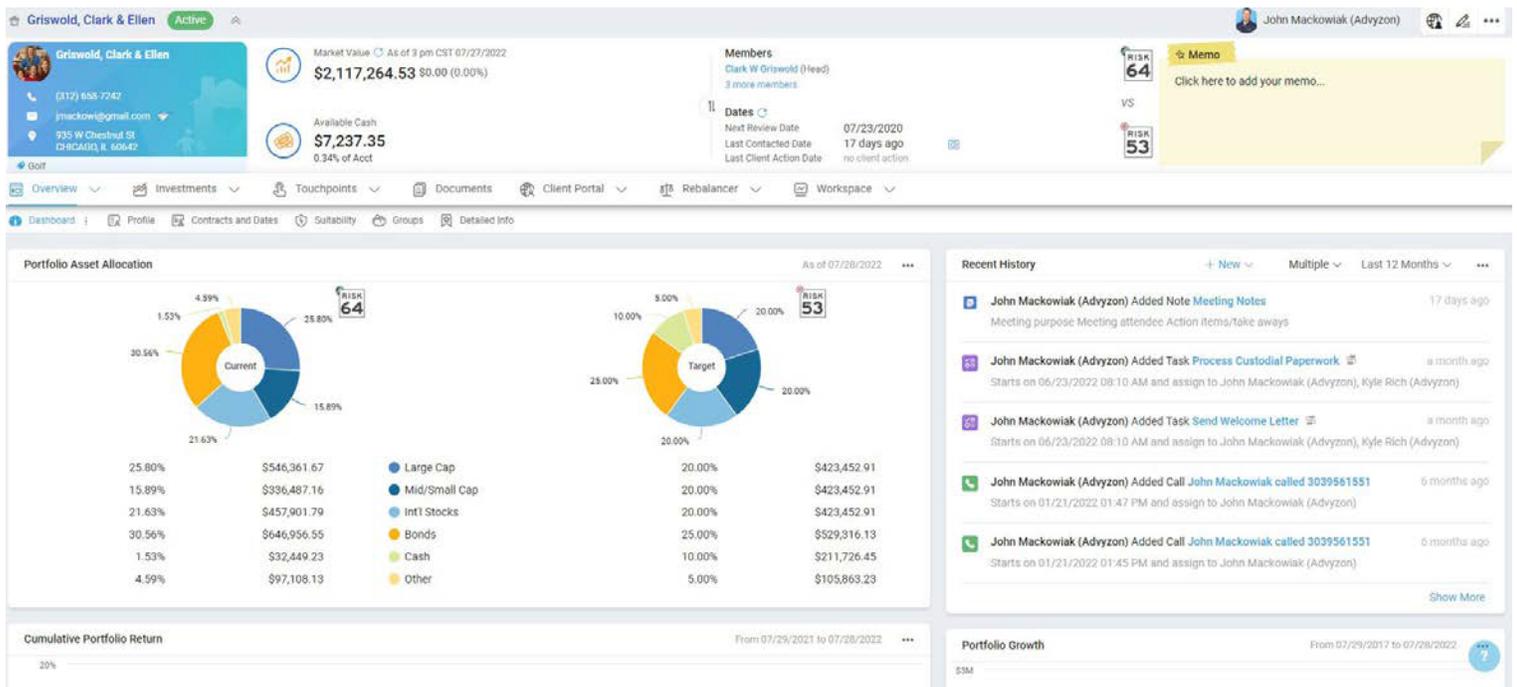
had been the first marketing manager for Morningstar Office back in the day. "And that has allowed us to tightly control the user experience. The survey ratings, a lot of that has to do with being able to focus on our users."

The program today includes the core reporting and billing, a document management system, a white-labeled client portal with a mobile app, the CRM, a Growth Suite that functions as a business management tool (and which benefits from having so much of the client and company metrics/ data/information stored within the program), and the new Quantum trading/rebalancing functionality. Three years ago, the entire user interface was refreshed, and the

Advisors: All Advisors | AUM as of: Last Business Day | Last Updated: 07/27/2022 08:18:51 PM

Assets in Practice

Managed Assets	**Unmanaged Assets**	
$10,914,028	$2,796,900	
% of Total Assets 79.60%	% of Total Assets 20.40%	
# of Accounts 23	# of Accounts 1	

Domestic/Foreign RAUM

	Market Value	# of Clients
Unknown	$9,817,471(89.92%)	8
Domestic	$1,100,000(10.08%)	1
Foreign	$0(0.00%)	0

Discretionary RAUM

	Market Value	# of Accounts
Discretionary-Sole	$10,468,434(95.89%)	22
Non-Discretionary	$449,037(4.11%)	1
Discretionary-Shared-Defined	$0(0.00%)	0
Discretionary-Shared-Other	$0(0.00%)	0

Assets Under Management

	Market Value	# of Accounts
Regulatory AUM	$10,917,471	23
SMA RAUM	$10,917,471	23

Wrap RAUM

	Market Value	# of Accounts
Non-Wrap Accounts	$10,917,471(100.00%)	23

SMA RAUM by Custodian

Custodian	Market Value	# of Accounts
First Clearing	$2,851,458(26.12%)	1
Schwab	$2,399,659(21.98%)	5
TD Ameritrade	$1,492,555(13.67%)	8
Fidelity	$1,362,006(12.48%)	2
Pershing	$1,232,423(11.29%)	3

dashboard become customizable, where each user can drag and drop any of the 48 different "widgets" that display information from the different components anywhere on the screen.

That means that individual advisors might have a screen showing recent prospects, top 10 clients by investment assets, recent emails, recent notes, alerts, client settings and a window into MoneyGuidePro. The chief compliance officer might see the regulatory AUM and unmanaged assets, discretionary and nondiscretionary, and AUM by client category (item 5 on the ADV), broken out by individual clients, multiple clients , trusts, etc.—and, from the CRM, the dates that the ADV had been delivered to each client.

The CEO, meanwhile, might have a screen which displays the firm's total AUM and any changes over different time periods, firm asset allocation, new and closed accounts, gross revenue growth, distribution of client fees, distribution of revenue by client age and maybe the firm's top ten holdings. The operations manager or COO would see the widgets showing workflows in progress, new accounts, ByAllAccounts in error status, projects in progress, recent documents, and advisory contracts and notices.

Whoever is managing client investments (CEO, CIO, advisor) would see the firm asset allocation in one window, plus AUM performance, active accounts by custodian, top and bottom ten investment performers, and the performance of the various model portfolios.

"This is the best example of why it's helpful to consolidate all the technology and have six different applications all running together," says Mackowiak. "Suppose a client calls in unexpectedly with a specific question and then brings up some broader issue,' he continues. "You can see, all in one place, all the recent communications that anyone has had with that client, the notes from the meetings, phone calls and emails, plus the account information."

The screen will include widget access to the document management feature, so the advisor can look at client tax documents or quarterly statements, and another widget might access the CRM to display the contact information for the attorney(s) and CPA(s) that the client works with. And, of course, the next review/meeting date. The client's most recent financial plan would be on the screen as well.

Each user can click on any of these widgets to get more detailed information. "The goal is to get the advisor up to speed on that client instantly, instead of having to go to the reporting system, and then the CRM and then the document management system," says Mackowiak. "You aren't bounc-

ing around among different programs looking for what you need to provide your advice."

CRM functions

Of course, each member of the staff will live in different parts of the program, and access deeper levels of functionality. Advyzon's CRM functions as a fact finder

> **Advyzon's CRM functions as a data gathering instrument, then an onboarding tool, and finally as a scheduler and workflow engine.**
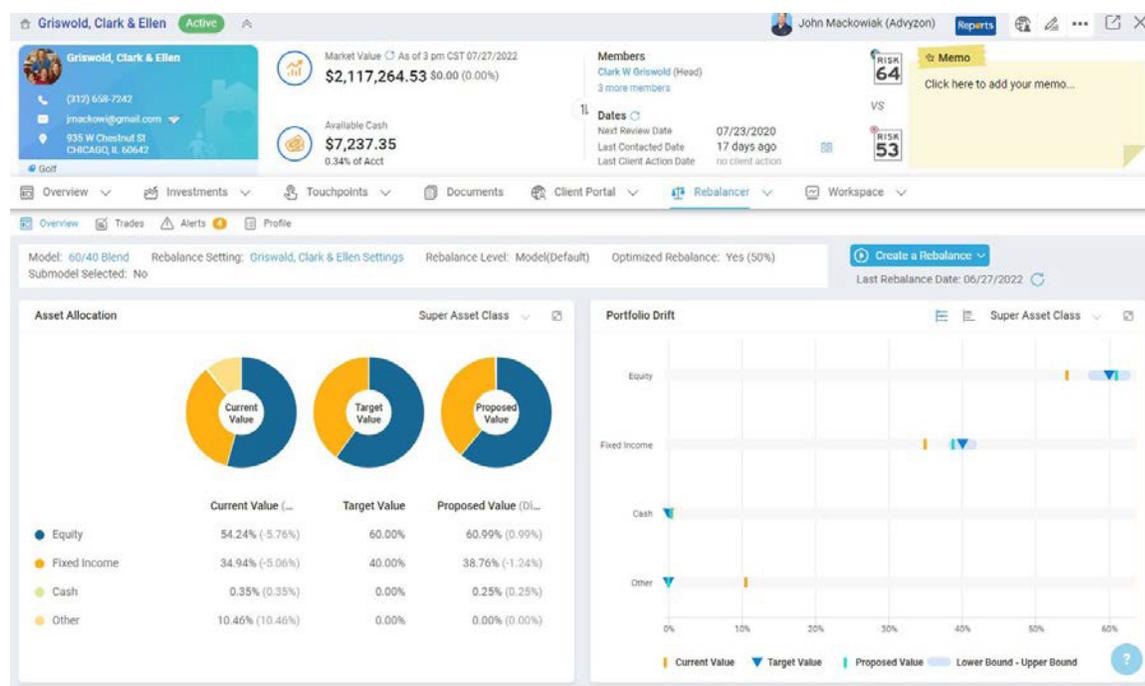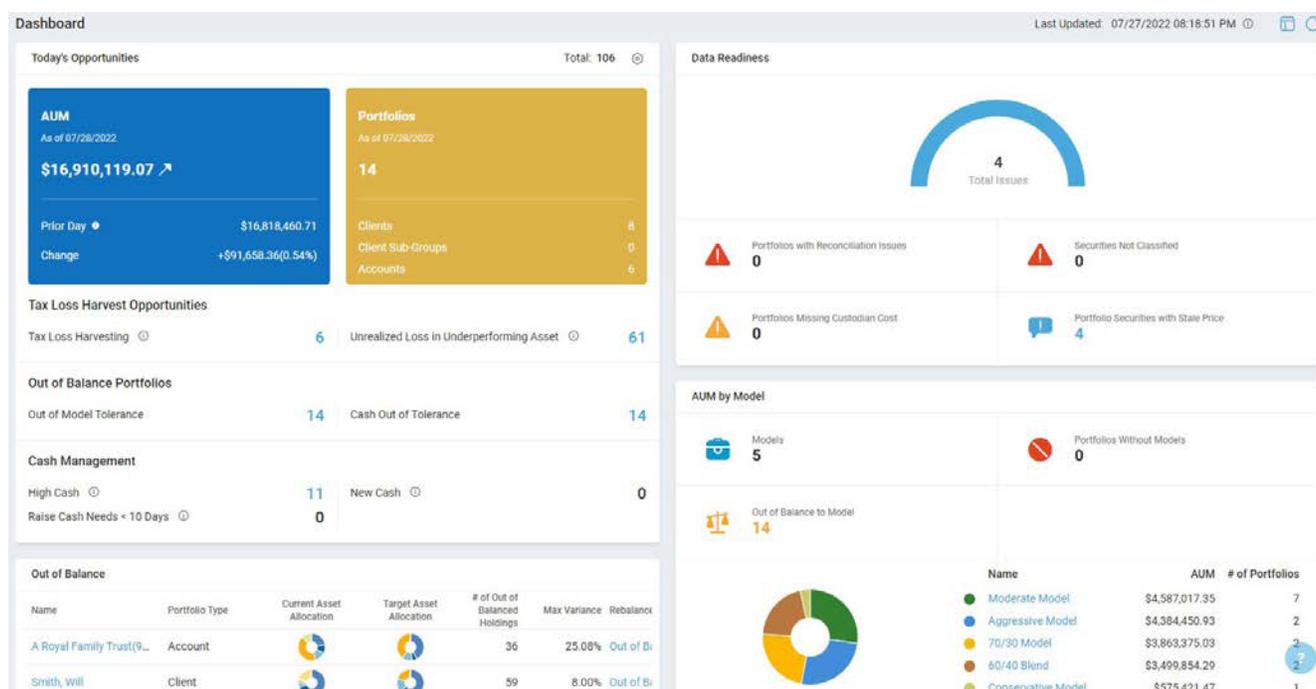
tool, so prospects and clients can enter their own data online; advisors can send an invitation to the prospects, choosing what is required or not required, and start a back-and-forth data gathering process before the first meeting.

From there, the CRM becomes an account opening tool that pulls in the required documents from Schwab, Fidelity, TDAI and Pershing. "The CRM will populate the required forms, which, according to a study, cuts down NIGOs by 94%," says Mackowiak. "There was an article about an advisor in Los Angeles who is a surfer," he continues. "He would meet people surfing, and give them a link on their phone to his fact-finder, so they could kick the whole process off, and he would complete it with our digital account opening tools."

The CRM also includes a workflow engine which feeds into the task widget. There's a

workflow template that the operations team can use to break a broad activity (client onboarding, meeting preparation) into stages, which are then broken down into specific tasks that are assigned, in sequence, to different members of the staff.

Once a stage is complete, the next one is initiated, the next person is alerted to the first task of that new stage, and so on until the activity is completed. "You can always go into an individual client record and initiate a workflow manually," says Mackowiak. "But in most cases, as soon as somebody moves from prospect to client, the workflow is automatically triggered." Schedule a client meeting, and two weeks or a month prior to the meeting date, the CRM will trigger the meeting preparation workflow.

Finally, the CRM drives an alerts tool that accesses all the data from the various components of the feature set. If the client's cash balance drops below the fees that are about to be debited, there's an alert. The system tells advisors when to schedule the next meeting with individual clients—and some can be on quarterly, semi-annual or annual schedules. Has a particular client uploaded a requested document into the document management system yet? Has the cli-

ent met with the attorney to get the estate documents finalized?

Portfolio management functions

Portfolio managers can start with the same total list of clients households, but their first click will access aggregate or individual portfolio data. Each portfolio's risk and return statistics that are listed underneath the opening performance graph, and both will display for different (customizable) time periods. The reporting capabilities will break down the client's allocations according to (this seems like overkill) 41 different asset classes. (The advisor can group them together to simplify the asset allocation donut chart.)

The trading and rebalancing function (Quantum) is the newest set of features. One-off trades can be specified in Advyzon and then executed with a click-through to the custodian. If there's a need to replace an ETF or fund with another one, they can trade a sleeve of the model portfolios for all clients as a single transaction. Advisors can also use Advyzon to create those model portfolios step by step, from the broad allocations to more specific sub-categories, and finally accessing the individual ETFs, funds or securities that become the underlying investments.

Typically an advisor would click on a client household, and see the aggregated market value, the risk tolerance score (there's a Riskalyze integration), the MoneyGuidePro confidence meter, and with a click, he or she can dig into

Advyzon's Quantum trading/rebalancing dashboard (top) allows the CIO or advisor to dig into the client specifics (below) for rebalancing or tax-loss harvesting.

the gain/loss and performance information overall and with each individual holding. The screen will show any required minimum distributions next to the cash available.

The automated rebalancing feature is primarily set for model portfolios, but advisors can also set it up for portfolio-by-portfolio views. In either case, the advisor would specify tolerance and/or time intervals for automated rebalancing, and Advyzon will produce a set of proposed trades that advisors can review, which also shows short/long term gains or losses on each individual trade at the lot level, selecting the most advantageous lots to trade from a tax standpoint. Advisors can approve or cancel any of the trades before uploading them to the order blotter. If the advisory firm is

working with multiple custodians, Advyzon will recognize which custodians to send the trades to.

Portfolio managers can also call up positions that have significant losses according to tolerances set by the firm, on a global or individual account basis. For individual accounts, these can be sorted from largest to smallest. Advyzon has a tool that automati-

ed "do not sell" category.

When clients put new cash into an account, advisors can see the portfolio drift of different asset classes, sub-asset classes and individual investments, and use the cash to shore up positions that are below tolerance. They can enter a proposed trade and see the impact on the overall asset mix vs. the initial one before sending

Mackowiak adds that after a conversion from a different portfolio management firm, a large advisor was able to reduce the billing and reporting from several days at the end of the quarter to as little as ten minutes. "Depending on the custodian, we can download and upload the fee file, with all the formats built in, and it will push that right over. The statement page is automated, so every client will receive a single PDF, with a cover page, a couple of pages of content and a billing statement, all generated automatically."

The new Quantum trading/rebalancing features include automatic drift monitoring, automated rebalancing and the ability to see the impact on the portfolio before pulling the trigger.

cally presents equivalent replacement securities (which could be individual equities, ETFs or funds) to the assets whose losses will be harvested, that can be held for the required 30 days before the original assets can be repurchased.

Advisors can set the system so that the trades for any individual household won't exceed harvesting more than $3,000 or $5,000 (or, of course, other numbers) in net capital gains. There's a minimum shares setting, so that advisors aren't trading four or five shares at a time, and the rebalances can be set to include any additional cash holdings, so that the security purchases that move the portfolio back to the original allocation includes both the cash raised from the sales of overweighted assets plus the cash. Across the board, advisors could specify that they only want to harvest losses if the loss is over 5%, and certain legacy assets can be placed into a protect-

the trade to the custodian for execution. The system also calculates asset location metrics across households, based on settings entered by the advisor.

The portfolio management function includes a variety of fee calculation options, which feed into the fee billing part of the program. Mackowiak says that the program supports everything that the firm has come across in the last 15 years: billing in advance, arrears, a variety of frequencies, average balance or end of period balances, blended or discrete tiers, is accrued interest counted or not, should some assets be excluded from billing globally or individually, etc., etc. "We advise the advisors we work with to keep this simple," he says, "but some of the firms that we've been working with have dozens of different settings, which means they're entering in a lot of individual customizations."

At the request of users, Advyzon added a workflow around the fee billing and statement process, so that some member of the staff could check them for errors before they were sent to the custodian and client.

The reporting engine, meanwhile, is built for customization—which, these days, is not unusual, but Mackowiak says the look and feel is different now than it was a year ago.

"We received feedback from a couple of large breakaway teams that came to us after looking at Orion and Black Diamond," he explains. "They complained that the level of reporting in the advisor world was not as well-designed and crisp as what they had at the wirehouse," Mackowiak adds. "So we embarked on a total rewrite of ReportBuilder, that could pull in data from everywhere in the program, with a new look and feel that incorporates gradient and coloring that add to the polish of the report—all customized by the advisory firm."

Document management features

According to our Software Survey, many advisors are gravitating to non-industry-specific document management systems, or simply using folders in Windows to sort them by client. But Advyzon's document management capabilities illustrate the advantages of using a system designed for advisors. There are built-in foddering capabilities, and documents can be permissioned to the client portal so clients can review their own most recent plan, trust document, will or insurance policy. Advisors are alerted whenever a client uploads a document PDF, and these are automatically routed to redundant folders; the client agreement, for example, going in a master compliance file and also in the client's individual folder.

"The interesting thing is that we were finding that advisors were starting to use the vault feature with prospects," says Mackowiak. "They might say, I'll give you access to a vault where you can store your documents all in one place," and based on that convenience, the prospect would eventually become a client. So Advyzon added a portal specific to prospects.

For existing clients, the portal is capable of pulling in the updated (as of yesterday's close) MoneyGuidePro financial plan, so clients can see if they're still in the safe zone after yesterdays 1.3% drop in the S&P 500. They can see their portfolio information, of course, and their documents (if permissioned) in a separate vault. Clients can also pull up their vault, branded to the advisory firm, on their phone.

Spouses, if they choose, can have their own different portals.

"We redid the portal with three things in mind," says Mackowiak. "One was aesthetic, bring it up to speed with everything else we've been doing around the look and feel of the program. Second, we made it very easy to edit. Version one of the portal was based on

> ***Advyzon's client portal integrates with MoneyGuidePro, the portfolio management functionality and the document management features.***

ReportBuilder, which, we were told by users, was a little too much," he adds. "Some people would take those data columns and build something that generated a lot of scrolling and confusion. So we tightened it up, made it a better user experience for both the advisor and clients. Now it shows the top ten holdings, and you can choose what you want to display in five columns."

There's a Twitter integration where the investor can see the advisor's action on social media (should the advisor want this to be displayed), and a bottom line net worth history that shows how the client's total financial situation has changed (hopefully for the better) over the life of the relationship.

A final interesting aspect of Advyzon is the pace of development. "We do a major product release every two months," says Mackowiak. "I haven't figured out a way to market or communicate how rapidly we're developing new features," he admits.

Another aspect that prob-

ably ought to be mentioned in any marketing message is the fact that each advisory firm that uses Advyzon is assigned a primary relationship manager, with a team of two or three people backing him/her up. "I think a big part of our user ratings in your survey comes from the service element," Mackowiak says. "The day-in, day-out service we provide, starting with onboarding, implementation, ongoing support—we really do go the extra mile."

He admits that roughly 20% of Advyzon users are mostly using it for the asset management functionality, preferring to use another CRM on the side. This is something that every all-in-one platform has to contend with: advisors are simply accustomed to using different vendors for different aspects of their tech stack. "But," says Mackowiak, once they get the reporting implemented, and see what they can do when their CRM lives in Advyzon, they'll come to us after the fact and migrate their CRM data over."

Cost? Advyzon's $6,500 a year (up to 150 accounts) should be compared with what a firm is currently paying, a la carte, for seven different software components. "I think," Mackowiak adds, "that we're almost penalized for being so cost-effective, because the assumption is going to be that something is being sacrificed. All I can say to that is to run through a demo with us and judge for yourself." ∎