

Building Client-Centered Web Sites

by Ed McCarthy, CFP®

Looking to the Web for information on companies and products is commonplace these days—often the first thing consumers think to do, and the first thing companies think to use in their promotion and marketing. Financial planning practices are no different. Yet some planners have been slow to embrace Web sites, unsure what they should look like or concerned about regulations. This article addresses some of those questions. What kind of Web site should you have? Can you build it yourself or should you hire an expert? How does your broker/dealer figure into this? What's good for your clients...and for your business?

Financial planners' Web sites vary widely in their complexity. At one end of the scale are the online "billboards," or brochures, that provide static content. These sites typically contain standardized information that would benefit a first-time visitor who knows little about the firm:

- About Us (principals' bios)
- Our Philosophy (approaches to financial planning and investment management)
- Useful Links (including financial sites, news sites, calculators)
- Account Access (for clients)
- Contact Us (directions, phone numbers, and e-mail addresses).

These sites can be useful because they give prospective clients sufficient information to facilitate self-screening. For example, if a firm works only with retirees who have \$2 million-plus portfolios, prospects who read that information and don't fit the profile are less likely to call.

A much smaller number of firms occupy the other end of the spectrum, taking a more interactive approach; they seek and implement the technologies that can exploit more of the Web's functionality. Their sites provide brochure information but supplement it with features and content that encourage repeat visits. On some sites, for example, the firm's principals or staff write investment market commentaries and articles containing financial planning or wealth management advice. Other firms outsource this function to content providers that supply them with professionally written material. Some sites provide secure online storage for client documents, while others also have conferencing functionality.

I visit hundreds of financial advisory firms' Web sites each year to find sources for articles. My impression is that the majority of planners' sites tend toward the static billboard or brochure model. That's not to imply a deficiency of any kind or to say that a fuller-featured site is a requirement: Many very successful planning firms have billboard sites. But this limited model ignores much of the medium's potential. Northern Trust's Passport suite (www.northerntrust.com) is an example of a site with extensive functionality. At the Private Passport site, clients can access account information, initiate transactions such as account transfers, wire or send money via ACH (Automated Clearing House), pay bills, take loan advances and make payments; and initiate Northern Funds transactions. Moreover, that's just one part of the site—other sections include tools for managing a family's wealth. The company also provides a full range of constantly updated content, some of which is in podcast form.

Admittedly, comparing the online capabilities of Northern Trust with its \$760 billion of assets under management to even the largest planning firms is a stretch. From a business perspective, however, it's conceivable that a small wealth management firm and a large financial services firm could both be pursuing the same high net worth prospects. That's increasingly likely to happen as banks and other large players expand the ranks of their private bankers and advisors who focus on wealthy investors. If a prospect values online functionality, a billboard-style site will pale in comparison with a competitor's full-featured site.

Don't Forget Social Networking

The emergence of social networking sites such as MySpace.com and Facebook.com is another Web-trend that poses a challenge and opportunity for advisors. These sites have become an ingrained part of our culture so quickly that we forget they didn't exist five years ago. MySpace has been ranked as the world's sixth most-frequently visited Web site; it has roughly 208 million users, and another 250,000 join the service each day.

Although the majority of these sites' users are under age 35 and not part of many advisors' target markets, that doesn't mean the social networking concept can't be adapted to older affluent audiences. The New York City-based Institute for Private Investors uses its online Memberlink® services to supplement in-person educational and networking resources for its high net worth members and participating advisors. A *Wealth Report* article in the *Wall Street Journal* ("My Space for Millionaires" by Robert Frank, November 30, 2007) described two networking sites for the high net worth crowd: (1) aSmallWorld.net with more than 250,000 members, and a new site, London-based Diamond Lounge (www.diamondlounge.com). The article concluded that maintaining exclusivity on social networks that use wealth as the primary criterion has

proved difficult.

That challenge hasn't diminished the concept's appeal, however. The recently launched Wealth Management Exchange was founded by an entrepreneur who sold his business and soon realized that managing wealth was more difficult than he suspected. He had unfavorable experiences with several advisors and decided to seek out other investors to learn from their experiences and insights. The following text from the site's home page (www.wealthmanagementexchange.com) describes his goal: "In speaking to friends and family who are in similar financial positions, I learned that many have similar concerns and issues. And while the mega wealthy (anyone with more than me) have family offices that take care of many of these issues, those of us with \$5 million to \$50 million in net worth (and one can argue that people above and below this level as well) need to stay in control of our estates. We shouldn't delegate the quarterback role to anyone."

Building Your Own

Planners' Web sites reflect several factors: their vision of the medium's potential; their development resources, in terms of both available funds and technical knowledge; and regulatory constraints. Although Dave Yeske, CFP®, a San Francisco, California-based planner, has had a small practice for most of his career, his Web site, Yeske.com, consistently included innovations that he implemented himself. (Yeske and Elissa Buie, CFP®, have married and combined their firms into Yeske Buie (yebu.com), which will maintain offices in San Francisco and Vienna, Virginia.)

Yeske groups planners' sites into three levels. A Level 1 site is the previously mentioned online brochure or billboard. It has static content and contains information that would be included in a printed brochure. He believes that approach is useful to a point. But if it's all the firm offers, then once someone becomes a client, the site becomes largely useless to them. He also believes it becomes a lost opportunity for ongoing communication.

With a Level 2 Web site, the advisor begins to add content beyond information about the firm. This content may include articles the planner has written or has the right to reproduce, such as articles related to financial planning and investment topics. Yeske believes the key is not to just have content but to have content that's fresh and regularly updated or expanded.

"At this point, you've created a site where individuals might have a reason to return because they know they're going to find fresh information or information on a topic of interest if some question comes up," he says. "The site becomes a useful portal for more than conveying information. Based on the articles you write or the particular articles you choose to present, you also can convey your philosophy. Not only is this a valuable reinforcement for existing clients, but it becomes an opportunity to share your investment or financial planning philosophy with prospective clients in a much more subtle way."

Level 3 sites, according to Yeske, accomplish several goals that less sophisticated sites do not. First, they foster advisor-client interaction by enabling two-way communication. In other words, the site moves from providing only advisor-to-client contact to allowing client-to-advisor communication. This can be done with click-to-e-mail icons, Web-based communications forms, or threaded discussions, all of which Yeske says are easy to implement.

Level 3 sites also facilitate interaction by including private, password-protected pages where planners can share information that is specific to each individual client. Yeske uses these pages on his site to post portfolio reports and updates to clients' financial planning projections.

"The private page becomes a shared workspace for managing the financial planning process," he says. "The first thing clients see when they log into their private page is an active 'action list' that includes all of the currently pending action items that have grown out of our ongoing financial planning process. Some of the actions may be assigned to various members of our firm, some to the client, while others may be assigned to another professional, such as an attorney or a CPA."

The action-item list takes advantage of the Web's dynamic features. Most of the items take the form of a hyperlink that the client can click to get additional information. For example, assume an action item is to make an appointment with an attorney to update their estate plan. When the client clicks on the item, it will bring up contact information for the attorney. Yeske says the linked-item format works with a variety of tasks. Clients implementing a dollar-cost-averaging format could be shown a schedule that tracks their investment progress and remaining investments. Another use might be a reminder to get medical insurance quotes because the client is retiring or changing employers—the link could take the client to an insurer's site where they can obtain quotes.

"It becomes a very dynamic space where all the relevant resources can be pulled together into one shared location," says Yeske. "I've found that for some reason it engages clients more in the process than almost any other thing we've done."

Yeske uses Microsoft Expression Web to manage the private pages, and his staff uploads portfolio performance reports monthly. He estimates that in a given month, 20 to 25 percent of his clients visit their private pages, although it's not always the same clients using the feature each month. When he posts fresh content to the public part of the site, each client receives an e-mail alert about the new material. He's also considering adding new technologies—podcasts, videocasts, and a blog—to

