Advisor Focus

NOVEMBER/DECEMBER 2011

FOR THE FIELD

4 Relationship-Building Qualities

TECH CORNER

eMoney's Favorite iPhone Apps

eMoney Advisor

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NOVEMBER/DECEMBER 2011

askeMoney
Online Knowledge Community

In the countless seminars, trade shows, and industry meetings that we've attended over the last decade or so, we've noticed a common theme. Most of the learning and innovative ideas come from within, sparked in conversations that advisors have with one another.

It is in that spirit that eMoney has launched a financial-services community forum called "Ask eMoney." Ask eMoney is a one-stop, interactive resource that includes industry trends, technology advice, and best-practice and system-user tips.

There is an overwhelming amount of information out there for advisors and their teams to digest. Ask eMoney makes valuable information easily accessible and eliminates common frustrations advisors and their teams often experience by making important content available right at their fingertips.

Something for Everyone

Ask eMoney is organized in a way that is meaningful to the entire community of eMoney users, from advisor, to planner, to assistant. For example, advisors might be interested in watching videos in which other advisors talk about how they have scaled their practices. While there, they might also want to chime in with tips of their own. The site encourages participation and is meant to be a venue enabling users to learn from one another.

Planners might find helpful tips on how to use eMoney's advanced planning tool to create customized financial plans for any client situation. Assistants can find useful instructions on how to use the system, guidance broken into manageable snippets they can access at any time.

About Everything

Ask eMoney resources extend well beyond system how-tos. Also included are over 200 articles, videos and links, and tutorials on Best Practices, Technology Trends and Industry News. Content is provided by eMoney and by the most successful users of the system for over five years. We will continue to add more information to Ask eMoney for many years to come.

eMoney subscribers can get Ask eMoney on the system's Advisor Dashboard. Subscribers can post comments and share information, opinions, and ideas. Nonsubscribers can also access some of the valuable content by visiting askemoney.com.

> Since launching in October,
Ask eMoney
has already been viewed by **over**
2500 unique visitors.
We're waiting for **you** to be
visitor 2501.

STORIES FROM THE FIELD

Here's what one of our winners of the **Outrageous Success Stories** had to say about using eMoney.

"Your insurance shortfall reports have been a very easy way for me to model needs, along with your estate planning reports, which have allowed me to sell over $20 Million in estate tax planning second to die insurance policies."

MICHAEL MAISEL
SCROGGINS FINANCIAL SERVICES, LLC
BROKER DEALER – NFP

{ I have a prominent client who is in the NFL. He was at a vacation resort and decided to buy a house on short sale requiring a balance sheet and two years of tax returns on the spot. He had the local bank there call me and ask for this. While on the phone with the individual, I emailed her the reports because I could so easily access them from the Vault. She asked "How recent are these numbers?" When I said that they were from last night at 2 am, she flipped out because there were so many different accounts/assets. When I told her we do this for all our accounts word spread back to this individual and he has been our best raving fan in the NFL circle about how great it is to have this service provided. }

Recently eMoney sponsored an Outrageous eMoney Success Stories contest. Contestants were asked to share stories about how eMoney's unique features helped them beat the competition, make large product sales and win assets under management. Nearly 300 success stories were submitted by over 140 contestants. Congratulations to our four winners whose stories have been featured here in the Stories From the Field section, and thanks to all who participated.

in a nutshell

"The slow, grinding recovery is continuing, but a European meltdown continues to overhang the markets."

- Joel L. Naroff **CHIEF ECONOMIST**

If it hasn't been one thing restraining growth, it's been another. It seems that if the recovery didn't have bad luck, it would have no luck at all. Over the past year the economy has faced surging energy and food prices, divisive debt-ceiling debates, debt downgrades, uncertain government policies, European sovereign-debt crises, and equity-market roller coaster rides. Yet the expansion during the summer was the fastest this year. This recovery is not making anyone happy, but it has an awful lot of resilience.

You can tell the state of affairs when the third quarter's moderate 2.5% economic growth was greeted heartily. But the details do point to underlying strength. Let's start with households. People are not only kicking the tires, but even buying the whole vehicle. Okay, sales in the 13 million units annualized range are about 20% below where they should be, but the pace is still 10% higher than last year.

More importantly, services purchases are rebounding. This sector is two-thirds of spending, and it has been lagging throughout the entire recovery. It is hard to have solid consumption without people buying things other than necessities, and the improving vehicle purchases and services demand are a very positive turn of events.

As for corporations, there is no recession in their spending. Investment in equipment and software surged an incredible 17.4%. Firms are even putting up buildings to house the new equipment. Business spending added almost as much to growth as consumption, and it is only one-fifth the size.

The rapid pace of capital expenditures raises an interesting question: How can business confidence be so low while firms are indicating with their dollars that the economy is going to grow in the future? Executives don't invest unless they expect to get a decent return on that investment. Look at what people do, not what they say, and while households and business leaders are telling pollsters they are depressed, they are still spending money.

So, if companies and consumers are doing their part, how come growth wasn't stronger? Firms were surprised by the level of demand and didn't have enough goods in their warehouses. Inventories fell sharply, lowering growth. However, those stocks will be rebuilt, adding to growth in the winter. Only state and local government spending remains a weak link.

If all we had to worry about was domestic economic activity, I would not be overly concerned. But we live in a globalized world, and the biggest uncertainty remains European sovereign debt. The Greek situation is slowly moving to some kind of resolution, but that has allowed investors to focus on the next basket case. Italy is the latest question mark, but it is not the only one: Portugal, Spain and Ireland could be up next.

Resolving the European issues will take time, and when a new nation comes into the crosshairs, investors will once again get worried. The equity markets have been wildly volatile, largely because of the default concerns, and that will not end anytime soon. The resulting market surges and crashes are hurting household confidence. In addition, at least a mild recession in Europe is likely. Since export growth has sustained the recovery, a weakened Europe means reduced sales to the continent and slower U.S. growth.

Despite all this, the outlook is still for the slow, grinding growth pace to continue. Consumers are spending, businesses are investing, and the Fed, through Operation Twist, is insuring that longer-term rates will remain low for an extended period. But high and rising energy costs, political uncertainty, and stock market volatility all argue that the recovery will not be able to accelerate sharply until the middle of next year at the earliest.

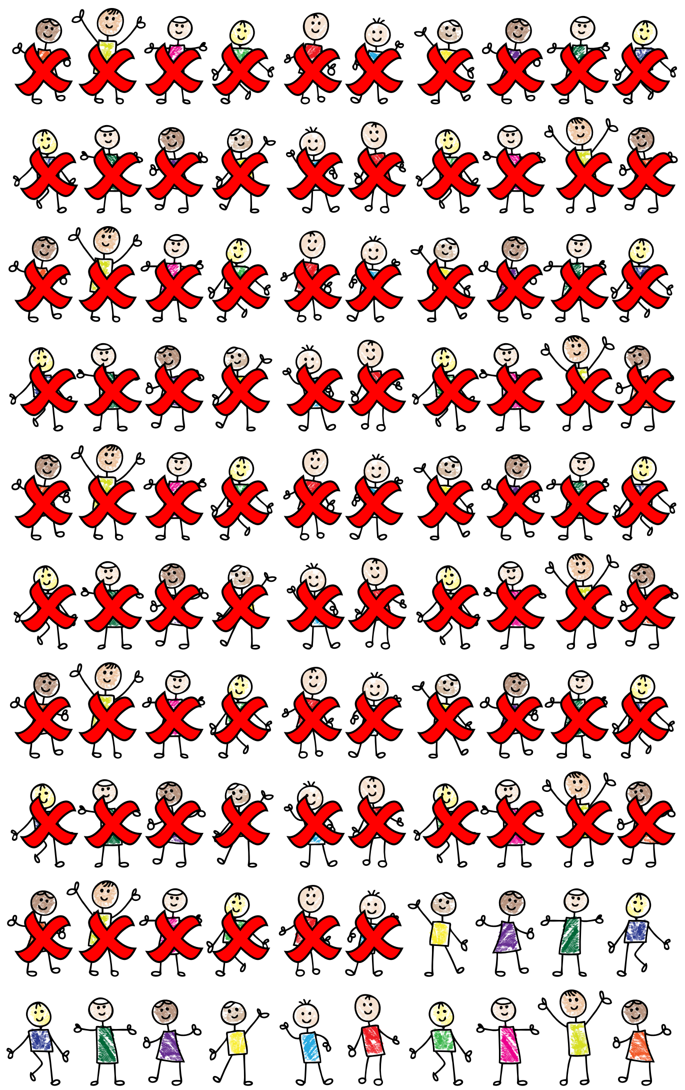
OPPORTUNITIES
IN NUMBERS

Building an Effective Multigenerational Practice

WILL THE CHILDREN OF YOUR CLIENTS KEEP THEIR ASSETS WITH YOU ONCE THEY INHERIT THEM?

With an aging population, generational wealth transfers due to client deaths will become a constant challenge for advisors. Building an effective multigenerational practice increases the value of your practice by creating a more consistent client and revenue base. Create a relationship with your clients' children now to help them get to know you personally--- and not just as their parents' advisor.

Source: Investment News (www.investmentnews.com), "Heirs take money and run – from financial advisers," November 6, 2011.

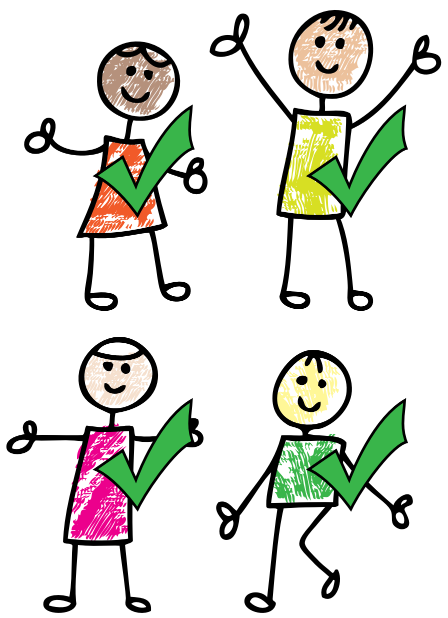


86%

Percentage of heirs in global family offices that intend to fire the advisor used by their parents once they inherit the assets.

4

Number of new accounts that must be opened to make up the lost revenue from one account that leaves because of generational wealth transfer.



ADVISOR SPOTLIGHT

Rick Egan, CFP®, M.S.
Cadence Wealth Management, LLC

What did you do before you became an advisor?

Before I became an advisor, I worked in the restaurant industry, first as a dishwasher, beginning at age 14 in a French Bistro in my hometown of Madison, Connecticut, and later, throughout my 20's, by hosting, waiting/serving, bartending, and managing in Los Angeles and Santa Cruz, California, while I was completing a master's degree in finance and economics at the University of California. Since that time I've been working solely in the personal financial-planning and investment-management industry for people from all walks of life.

What job would you be doing if you weren't an advisor?

Throughout my life I've had the pleasure of being a teacher or mentor in various capacities. During my high school years in the summer, I gave tennis lessons to kids ages 4 through 15, as well as to adults, for my hometown recreation department. In my university years I was a teacher's assistant to undergraduate students in both macro and micro economics classes. Now, as the father of two wonderful boys ages 2½ and 4, I know I would very much enjoy being a teacher or professor.

What was the single business decision that had the most impact on your success or the success of your practice?

As my business partner and I have just received approval as registered investment advisors in the state of Washington, our practice is right at the point of taking off, and that's very exciting. Ever since I entered this business, I have wanted to help and serve people who have an interest in improving their financial well-being, appreciate being informed about opportunities and choices that are available to them, and value working with a trusted advisor who has the depth of knowledge and resources to act in a fiduciary capacity in helping guide their affairs. I learned about the eMoney platform in 2000 (the year eMoney was founded) and became a subscriber in 2005. Now, without a doubt, it's the foundation of my practice and an invaluable aspect of my service offering.

What do you like to do in your downtime?

In my free time my main passion is being with my family and engaging in all aspects of their lives. As an independent advisor, I've found that I am able to be with them much more frequently, without having to sacrifice any aspect of service and management oversight for my client base. This has been a huge improvement to my work/life balance and quality of life, something for which I'm very grateful.

Where do you go for ideas?
(For example, do you rely on particular books or online resources?)

Because we are a longtime member of the Financial Planning Association, have Charles Schwab & Company as the primary custodian of client assets, and recently have become a Dimensional Fund Advisor affiliated firm, many of my practice-management, creative-planning, and other related business practice ideas have come from those organizations—and, of course, from eMoney Advisor. There are also several other independent investment advisors, hedge fund managers, product vendors, and professional associates that have an impact on my philosophy and on my desire to keep my knowledge current and fresh.

PRACTICE
PROFILES

DIAMOND WEALTH
MANAGEMENT

PRACTICE HISTORY

Diamond Wealth Management is the result of a 14-year evolution of an independent firm previously named WallStreet Wealth Management. The firm was established in 1997 and focused primarily on managed money. I began there in 2000, when there were 3 advisors and no staff. Over the last 11 years, the practice evolved into a full-service, wealth-management firm and became a recognizable brand in the local market. In 2007 I purchased the firm from the founder. By 2011 we had doubled in size and staff and needed a larger location. The opportunity to rebrand the firm and escalate the WallStreet name presented itself when we moved to the southwest corner of the valley. "Diamond," from the ancient Greek adámas ("unbreakable") represents both the quality of our firm and our commitment to our clients and the industry. Thus "Diamond Wealth Management" was born.

TARGET MARKETS/ SCOPE OF SERVICE

We are focused on a comprehensive wealth-management solution. As CFP® and/or CWS certified advisors, we identify gaps in our clients' finances, in both their personal lives and in their business. We provide solutions in most areas and engage the expertise of their other advisors with a team-based approach to preserve, protect, and grow the assets within a family. We primarily serve business owners, executives, and emerging entrepreneurs.

CORPORATE CULTURE

The firm fosters an environment in which you can work independently and still be part of a team. Above all, we try to have fun! The motto "Work hard, play hard!" runs throughout! Each of our advisors works for a life centered on family and fun. We are all fans of the outdoors, and on most weekends you could find our advisors behind some form of American horsepower in the desert or on a mountain trail.

SIGNIFICANT BUSINESS DECISION

In 2006 I made the decision to start charging for our financial plans. Immediately the value of our service was recognized, and the requirement that our clients take that process seriously was forefront. In 2009, after the most recent crash, I also decided that I would no longer work with a client without a plan, for my experience had revealed that those with a plan maneuver much better through economic cycles than those without one.

ADDRESSING INDUSTRY CHANGES

As an independent advisor it is important to be proactive in seeking out relevant industry updates. I recently became a member of our Broker Dealer's Advisory Council, which allows me to be aware of initiatives that keep us on the cutting edge. I am a member of several organizations that focus on education, practice development, and personal growth. I also seek out mentorship from my peers. My philosophy has always been "You're either growing or dying."

BEST PRACTICES

I am a firm believer in processes. A practice can be built and scaled with the right processes in place. We automate, duplicate, and evolve our processes constantly, utilizing the best of what technology has to offer to deliver excellent service to our clients. While this approach goes on behind the scenes, it shows up clearly to our clients and those with whom we do business.

SETTING THE PRACTICE APART

Our strong focus on working as a team is what sets us apart. If you are a client of ours, it is mandatory that we work with your other advisors, such as your CPA, your attorneys, etc. With eyes looking at your financial situation from every angle, it is easier to avoid the pitfalls those not using a team-based approach easily fall into.

4 RELATIONSHIP-BUILDING QUALITIES OF THE INDISPENSABLE ADVISOR

Accessibility

In any healthy relationship the element of accessibility is essential for fostering growth. Accessibility to feelings, thoughts, fears, and dreams, among other things, helps create an atmosphere of openness and understanding. This dynamic holds true especially in an advisor-client relationship. Clients have become increasingly more reliant on their financial advisors as guardians of information. Advisors must also strive to be sensitively aware not only of their clients' financial lives, but also of their important documents and personal interests.

Communication

Communication is a vital aspect of any long-term relationship. Not surprisingly, engaging your clients in conversation to appreciate their motivations has been a longstanding cornerstone of financial planning. While thoughtful questions and engaging conversation provide undeniable benefits, truly effective communication often uses mediums other than direct verbal contact. Advances in technology have made it remarkably easier for advisors to identify appropriate times to schedule reviews, send greetings or follow-ups, and host remote meetings, making clear to clients that you are involved, interested and proactive.

Genuineness/Honesty

In a successful relationship it is imperative that the client feel that the advisor has no ulterior motives. The client needs a counselor, not a salesperson. The client should be able to say with confidence, "My financial advisor's recommendations are based solely on my best interest." Knowing that their advisor is not, for example, living vicariously through their wealth puts clients at ease and establishes trust, the fundamental feature, along with honesty, of any relationship.

Clarity/Accuracy

Everyone has heard the phrase "garbage in, garbage out." Especially when dealing with high-net-worth clients, it is important to pay attention to detail. Your thorough understanding of the client's financial situation will be acknowledged and treasured. Clients or prospects will take comfort in knowing that in managing money you are deeply involved, and such reassurance will not only promote recognition, but also lead to referrals.

DIRECT CONNECTIONS

Throughout the year Data Service Support has noticed a trend: users are steadily moving toward Direct Feed and File Upload connections. Advisors who utilize these connections experience a decreased error rate and an increase in managed funds on eMoney Advisor. Data Service Support's goal is consistently to provide both you and your clients the latest and most accurate data available. To assist us in reaching this goal, please make sure we have a direct feed established for all your assets under management.

In this month's announcement we have information about our new Newbridge connection, our enhancement to the ING client connection, and an update to our online help documents to resolve ongoing connection problems.

Newbridge Securities Feed

eMoney's DSS has established an advisor connection to link your managed brokerage and investment banking assets for Newbridge. The "Newbridge – via Direct Feed" connection can pull account and position information into your application. To set up the connection you will need your Representative ID from Newbridge. You may need to contact a Newbridge service representative to confirm your Rep ID. Other one-time set up instructions will also be listed when adding the connection.

This source utilizes the Manage Groups functionality. We recommended adding groups by households and naming each group by the client's last name. This is a quick and organized method of managing your groups.

ING OFX Direct Feed

We have upgraded our connection with ING to feed your banking data efficiently. The "ING – via OFX Direct" source is a replacement of your experimental ING connection. Accounts currently added under the ING Direct connection will need to be re-added under this new source. This upgrade also pulls in account and position information without the use of the client's PIN code.

In order to import bank accounts for this source successfully, your client will need his or her Access Code and Customer Number from the ING. This can be found by logging into the ING website, locating the "My Info" tab at the top of the screen, and selecting "Access Code."

Online Support

Have your connections ever suddenly failed and left you unaware of the resolution steps?

eMoney DSS knows this is the case with a lot of users. We are currently in the process of updating our Online Support forums with helpful tips to improve your error rates. To locate the online help, log into your system and click "Help" in the upper-right-hand side of your screen. From there choose "Connection Console" on the left-hand side.

There are many invaluable solutions found under support, including the differences between advisor and client connections, linking account data, and what to do when encountering an internal error.

Think of the connection console as if it were your car. To keep your car running you have to perform regular maintenance.

Luckily, repairing connections is not so expensive as auto repair. Data Service Support will be your efficient and trustworthy mechanic. We will always supply you with the very best way to address connection errors and fix problems.

NFS Feeds Needed

eMoney DSS would also like to thank users who have taken advantage of our National Financial Service feeds. If you have a relationship with NFS, you are still able to have a direct connection set up free of charge. Please email dss@emoneyadvisor.com with the name and phone number of a representative in your back office, and we will reach out to him or her to see whether a feed can be established.

4 COMMON TECHNIQUES FOR FIXING CONNECTIONS

- ☑ **Known Issues and Set Up Instructions**
  Data Service Support may already know the cause of the error you've encountered. Review our advice by clicking on the connection, choose 'View Accounts,' and select the 'Click here for Important Information about Your Connection' link.

- ☑ **Repair Wizard**
  Locate the Repair Wizard by clicking 'Repair this Connection' from the connection's drop-down menu. The Wizard will provide valuable resolution steps to create or update a connection.

- ☑ **Report a Problem**
  When submitting a problem ticket, you are directly contacting Data Service Support to research the connection error and find a solution.

- ☑ **Screen Shots**
  Occasionally Data Services Support requests navigational screen shots of a financial institution's website to resolve a specific connection error. This is an optional technique completed at the user's discretion.

TECH CORNER

eMoney's Favorite iPhone Apps

Whether you have just bought a new iPhone or you're simply looking for some of the best apps for your device, the following list should help you get started. We polled some of the employees here at eMoney and asked them to share their favorite app. Of course, it's just a small sample, considering there are more than 10,000 apps currently available at the App Store, but we hope you will find our recommendations useful.

Available on the App Store

Where do you find these apps? Simply click the app description and follow the instructions to download the app through your iTunes account.

Chad Porche; UI Designer
Dropbox (Free!)
Dropbox is a great tool that lets you keep your files with you on the go. Because the iPhone app syncs automatically with the Dropbox website and desktop app, you will always have your most up-to-date files. Sharing your dropbox with others also allows them to drop files that may be too large to email. It's the perfect app for people who work remotely or for online collaboration with a partner or client.

Max Pollack; Software Engineer
Alfred (Free!)
Alfred is a lot like Netflix recommendations for restaurants or places to enjoy a drink. You train the app by first answering questions about what sort of restaurants you like, and then by rating the suggestions Alfred gives back. When you're in an unfamiliar place, you can simply choose what you're looking for (a good place to get lunch, for example) and it will recommend local restaurants based on your favorite spots. It also scours reviews to recommend in a concise way the best dishes and features of each suggestion.

Chrissy Cawley; Account Manager
StumbleUpon (Free!)
StumbleUpon is an app (and a website) that allows you to browse through thousands of web pages that are recommended for you based on your interests and preferences. You sign up for the site, check off your interests, hobbies, etc., and start "stumbling." A "like" and a "dislike" button help the site narrow down even further what you will and will not enjoy. You're expanding your internet experience at random but remaining in line with all your likes, not your dislikes.

Mindy Janczuk; Project Manager
Photoshop Express (Free!)
Photoshop Express is a free app that allows you to edit pictures right from your phone quickly and easily. The editing options include all the basics, such as cropping and rotating. It also has some more advanced features such as a "sketch" option along with various effects and borders. There are quite a few photo-editing apps out there. I've tried some, but I find that Photoshop Express is the most resourceful and easy to use.

Dan Shmukler; Senior Trainer
TripCase (Free!)
I like to use TripCase because it's very easy to use and keeps my whole itinerary in one place, so I don't need to fumble with papers or anything. It also allows me to build an expense sheet, track spending, etc.

Mike Bolesta; Software Engineer
Reeder ($2.99)
Reeder hooks into my RSS feeds from Google Reader and lets me read my blog posts on my phone. It can also download the images and text for offline viewing, a feature which is especially useful before a flight when you're not connected to the internet.

Harry Finocchiaro; Software Engineer
Square (Free!)
This app allows individuals with a checking account to accept credit card payments from their iPhones or iPads. It's free, fast, beautiful, and it takes less than 10 minutes to sign up. This app will forever change how you interact with your customers, whether they're from Craigslist or your office.

Vince Kailis; SVP Training
QR FlipFlop (Free!)
QR or "quick response" codes have started popping up everywhere over the last few years. QR FlipFlop is a free app that allows you to snag a picture of these two-dimensional codes and add contacts from a business card, find coupons or reviews for the restaurant you walk by, or link to additional digital content. No more stacks full of marketing slicks from the vendor fair—just a history of codes to read later when you find time. You can even create your own codes for a digital business card or to post quickly to Facebook or Twitter.

Emilie Rejician; Graphic Designer
LivingSocial (Free)
It's a great app for saving money on everyday and not-so-everyday things. It features discounts on anything from restaurant fare to gym memberships to paintball adventures. You have the ability to search and save your city (and others) and see what new deals are being offered every day.

Our eMoney Story

eMoney serves thousands of leading financial advisors. We track hundreds of billions of dollars in assets for hundreds of thousands of clients, every day. Our software provides a window for both advisors and clients to see a complete view of how they are doing at any time, from anywhere.

Sound great? It is.

Built by advisors for advisors, eMoney's top rated* technology helps advisors deepen client relationships, increase assets under management, identify new opportunities and differentiate services for a competitive advantage. eMoney is staffed with financial experts, IT superstars, customer service professionals and creative marketing designers. We work as your silent partner to provide you a consolidated data platform to grow your practice and innovative marketing materials to connect with your clients.

* The Forrester Wave™ Vendor Summary
* Retirement Income and Distribution Planning - Celent

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