

PERSPECTIVES

# Going Digital

## *Assessing Digital Maturity and Prospecting in a Digital World*

BNY Mellon | Pershing hosted the third and final virtual Technology Advisory Board (TAB) of 2020 on November 18. Sixteen firms attended representing broker-dealer and advisory firms. The agenda covered three main themes:

<b>1</b> <b>Going Digital to Gain Efficiency</b>	<b>2</b> <b>Methods to Assess Digital Maturity</b>	<b>3</b> <b>Strategies to Successfully Engage Prospects in a Digital World</b>
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### **Going Digital to Gain Efficiency**

The pandemic has inspired a new sense of urgency among firms and advisors to Go Digital, highlighting the need for automation, mobile first experiences, eDelivery, eSignature and paperless processing so firms may continue to operate efficiently and effectively.

During this session, Pershing's Head of Operations shared an update on re-engineering processes to be more digital and ways Pershing has pivoted priorities to respond to client feedback.



**CLAIRE SANTANIELLO**  
Managing Director

## Where Pershing is focused:

- Expanding eSignature solutions to make them faster and more intuitive
- Leveraging biometrics for digital authorization
- Re-engineering corporate actions processing
- Dematerializing checks and securities
- Leveraging robotics to speed processing and replace manual processes



**Expanding eSignature:** Firms expressed appreciation for Pershing's quick response to their feedback and are excited about the eSignature enhancements that have or will be introduced.

Pershing will start enabling advisors to leverage pre-filled forms, giving them the ability to add their own forms to eSign packages, for a more efficient investor experience. Pershing will also expand opportunities to use eSignature solutions beyond new account opening, and plans to apply it to other transaction types in 2021.



**Leveraging Biometrics for Digital authorizations:**

As volumes of asset movements continue to increase, TAB members expressed excitement about the ability to leverage digital authorization.

This offering saves time and simplifies the client experience as it will remove the need for a paper letter of authorization, remove Pershing from the approval workflow process and enable clients to use biometrics to authorize transactions. The first transaction type supported is ad hoc Fed Fund requests, with journals, standing and periodic instructions for ACH and checks to be the next transactions to be onboarded. This aligns their brokerage experience with other digital experiences in their client's lives.

TAB members mentioned a future enhancement to consider is adding the ability to collect and display Know Your Customer information to determine the source and destination of funds as part of the asset movement request. Today, this information is collected on a separate form.



**Re-Engineering Cost Basis:** A holistic approach to re-platforming, which is a multiyear effort, will bring improved performance and the ability to prevent, detect and fix potential discrepancies sooner.

In the short-term—after tax season in 2021—firms will have additional capabilities such as sorting and filtering and capturing additional types of transactions. Future years will bring multi-currency capability as well as more parity across the bank custody and brokerage platform services.



**Re-Engineering Corporate Actions processing:**

Historically, processing corporate actions has been time consuming, complex and manual. In response, Pershing shared how it is committed to improving the experience through automation and rules-based processing. The ability to process mass elections is also coming soon. The project is being Beta tested now and an expanded rollout is planned for 2021. This will enable advisors to process bulk elections (up to 30,000 records) and leverage enhanced workflow and audit trail features.



**Digital Asset Movements:** Postal delays and challenges in physical processing during COVID-19 can have a negative impact on the client experience.

Firms are encouraging clients to use electronic means to process asset movements where possible. Pershing reported a 13% increase in the use of mobile check deposits in 2020 (up to \$1M in deposit value for advisors and clients) yet it still receives and sends more than 1 million hard copy checks annually. Electronic methods are faster, more secure and more transparent for clients. During the discussion, Pershing shared how it is working with DTCC and SIFMA on ways to eliminate physical certificates.



**Barriers to digital adoption:** TAB members shared how they have been polling advisors to learn about barriers to adoption.

Feedback revealed that if an advisor experiences a break in a new digital process—such as gathering more information from the client, or to perform an unrelated task—then they will default to the 'old fashioned' way. If all types of transactions (i.e., all asset movement types) are not covered on the digital path, advisors may abandon the process.

Firms are challenged with getting advisors to encourage the use of eDelivery. Advisors revealed if eDelivery set up for a client requires them to enter additional data, they will avoid this extra step and default to paper. TAB members mentioned a way to improve is to make the additional data fields mandatory so advisors cannot abandon the eDelivery set-up process.



# Methods to Assess Digital Maturity

The pandemic has forced firms to take stock of their digital capabilities, increase adoption and prioritize the closure of key gaps. While the crisis has provided a catalyst to act, it also highlights the need for an ongoing methodical approach to assess their capabilities, identify blockers and develop a well-thought roadmap. The group engaged in a discussion on how it is approaching digital transformation and how to measure progress. Pershing shared a model being developed to measure the digital maturity of Wealth management functional capabilities.

## Pershing's Approach

**A self-assessment of capabilities:** Evaluate how each capability is delivered end to end on three different dimensions

- 1. EXPERIENCE:** How frictionless and paperless is the experience? How accessible is it across multiple channels (web, mobile, phone, APIs, etc.)?
- 2. EFFICIENCY:** Is it a straight-through process? How are service levels maintained?
- 3. RISK CONTROL:** How are controls enforced at scale? Is there end-to-end traceability?

**Establish a baseline and measure progress:** Each capability is assigned a digital maturity rating based on a five-level scale—physical, electronic, managed, automated and smart. A digital scorecard determines the investment priorities and helps develop roadmaps that improve the maturity.



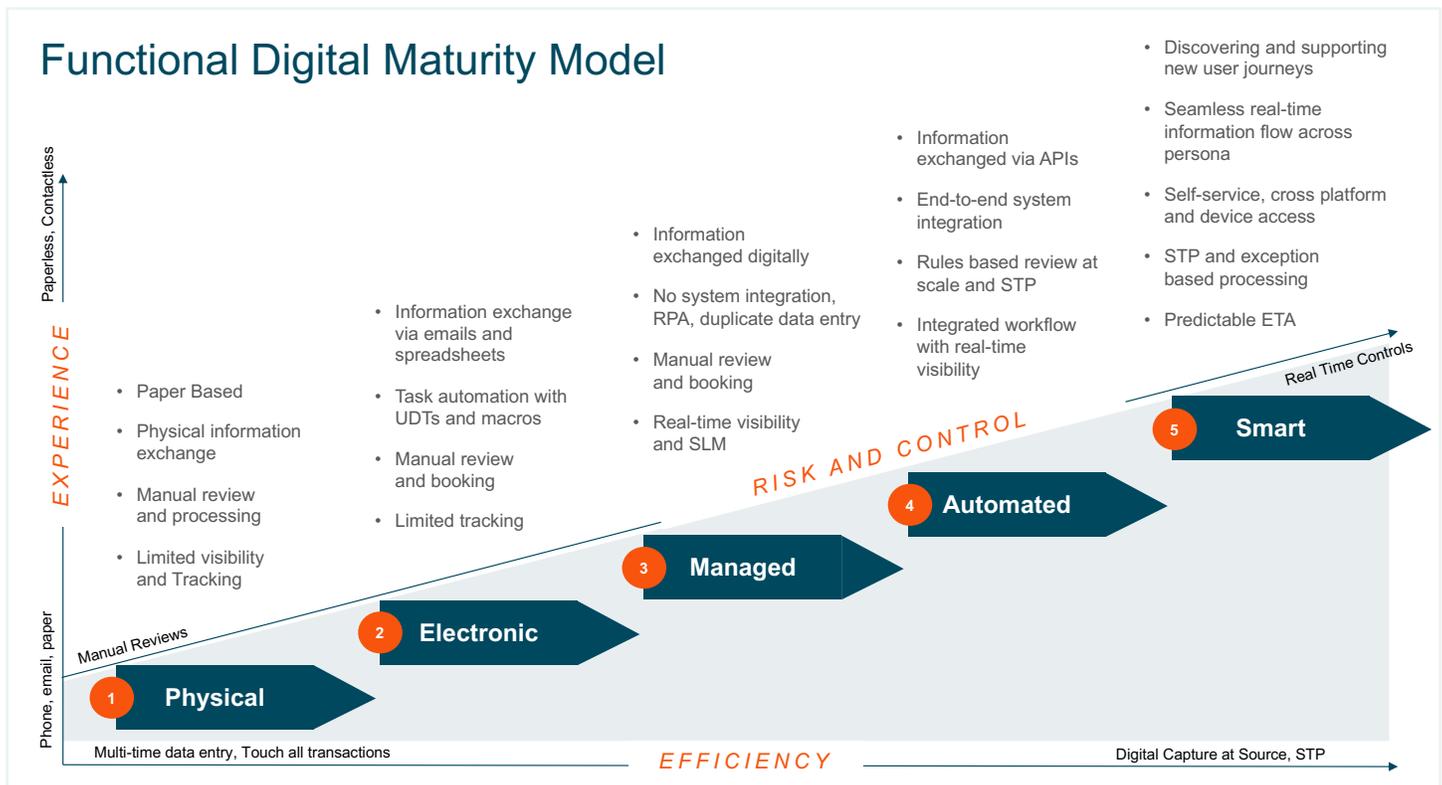
**RAM NAGAPPAN**  
Chief Information Officer

**Partner with clients on their digital journey:** Provide better visibility into Pershing's capabilities, and identify opportunities for clients to increase adoption.

TAB members responded positively to the concept of measuring digital maturity and the approach Pershing is taking. Some firms shared they have hired consultants to help and most feel they are less mature than they would like to be. Looking at Pershing's digital maturity model and ratings scale some TAB members felt they were currently at levels 1 and 2 and are aiming for level 4 or 5 in the next several years.

Other TAB members have been driving digital transformation efforts for some time and have shifted to higher levels by moving to a smart service model that does not require much technical support, while they are moving away from email communications and streamlining workflows.

One TAB member measures progress based on how much additional headcount is required to scale its business. If it needs to double headcount or provide more support for a current process or if business doubles, then that process needs to be streamlined. Some firms cited the move to Pershing as a catalyst for change and that Pershing helped them achieve greater maturity.





# Strategies to Successfully Engage Prospects in a Digital World

In 2020, firms and advisors were challenged with reimagining how to prospect and engage clients in a digital world. Many advisors have relied on in-person engagement most of their careers and are out of their comfort zone when using tools like video or social media to promote their value and services. These methods are now critical.

FiComm, a consulting firm that helps firms with marketing, branding and communication, shared an outside perspective and peer success stories. And the Chief Marketing Officer from TAB firm Dynasty Partners shared practices it follows to help advisors succeed and grow.

## Best Practices for Helping Advisors:

**Education and Coaching:** Make ongoing education and coaching a top priority and keep it simple. Advisors have to learn how to use and support technology tools like Zoom, WebEx and YouTube in their practice. Mandating technology-enabled processes, like digital onboarding, eSignature and eDelivery as adoption will not happen if the experience is not simple and if they are not required to use it.

**Power of Social Media:** To remain relevant advisors must reimagine their brand and have an active social media presence and following. They must focus on digital marketing efforts and go where prospects and clients consume information—such as LinkedIn and Facebook. They need to create impactful social media profiles that showcase their expertise and thought leadership. Success is not measured by number of views, but by conversion to prospects or clients that generate revenue.

**Multi-Channel Marketing:** One method will not work for all clients. Some advisors need help using multiple tools such as email, social media, videos and traditional content creation. And they need assistance to properly profile prospects, segment and personalize campaigns according to specific groups and growth goals. Ninety percent of advisors need help on how to be targeted.

**Meaningful Content:** For the greatest impact advisors should only share content that is unique to them and their value. It is important that advisors come across as authentic, that their content shows their personality and targets clients with whom they will work best. Offer advisors curated content for prospecting. Make sure it is approved, but can still be personalized. Some TAB members turn aggregated content from market research providers into PowerPoint presentations for clients.

**Making an Impact on Video:** Showing up well on video is not easy. Educate advisors on best practices, record them so they see how they appear, and teach them how to send video clips in emails for introductory and thank you messages. Members expressed concern about compliance approving videos that are produced quickly. FiComm explained if compliance knows that advisors are trained and are using pre-approved content, they can approve some personalization.

**Measuring Success with metrics:** Dynasty Partners shared it sets marketing investments as a key performance indicator business goal. Dynasty looks at how to achieve targeted assets under management and work towards a strategy. It targets households with relevant content and assigns metrics to gauge interest and engagement, and conversion and ROI. It is important to use a tool that will collect stats and show the impact of digital marketing efforts.

## How Pershing is Supporting Prospecting

Pershing offers integrations with CRM tools that provide access to prospecting capabilities. Pershing is expanding third-party integrations accessible from NetX360® by offering advisors more tools to support prospecting and lead generation efforts. For prospecting and lead generation, TAB firms noted they leverage tools such as Practifi for lead generation and Hubspot for CRM, such as Marketing HUB to manage social media posts and email campaigns.

## Putting Insights *Into Action*

Contact your relationship manager or account manager or call 201-413-2493 to discuss how these insights impact your business.

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[pershing.com](https://www.pershing.com)

One Pershing Plaza, Jersey City, NJ 07399

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