

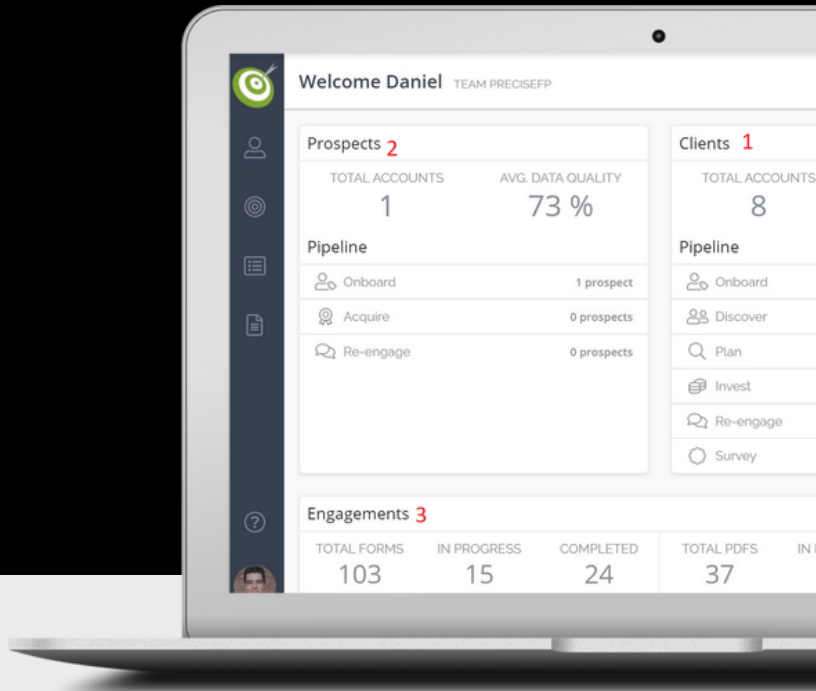
PreciseFP Special Report

BEST PRACTICES FOR OPENING NEW CLIENT ACCOUNTS

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Introduction



You've landed a new client and helped them make plans and set goals. Opening an account is the first step in turning a client's financial plan into reality. What may seem like a relatively mundane task on the surface, is a critical milestone for clients and a key moment in helping them to reach their financial goals.

It's also a chance for advisors to build new connections, establish trust and credibility, and set the stage for future business.

Opening new client accounts is the foundation of a successful wealth management firm. Do it right, and you create long-term loyal customers. Do it wrong, and you could drive away valuable business, and even worse, sour the client on the entire financial planning process. It's crucial to nail the experience and follow best practices.

First Impressions Matter – Account Opening Sets the Tone

As the old saying goes, you never get a second chance to make a first impression.

You've likely communicated and interacted with new clients in the early stages, but account opening is your client's first impression of your actual wealth management skills. The success of the process sets the tone for the relationship and their confidence in your ability to manage their money. A weak start likely leads to a weak relationship, while a strong start establishes a trust-filled and long-lasting client connection.

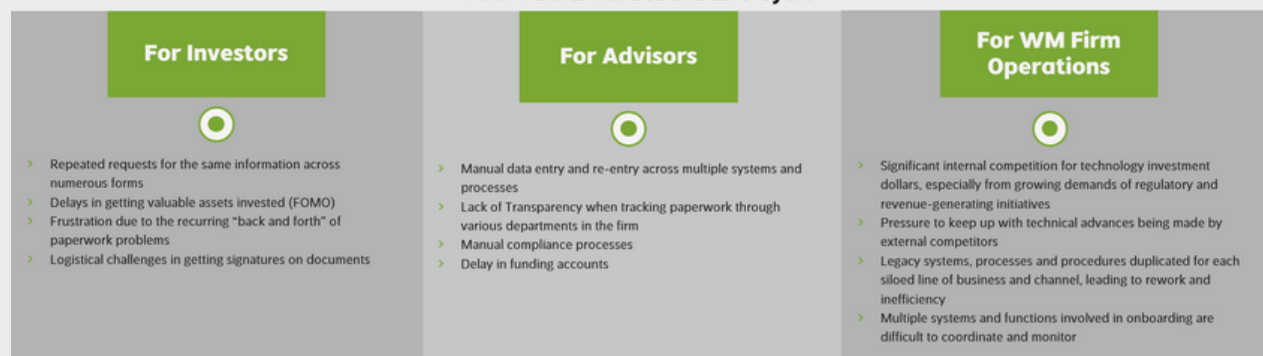
It's nearly impossible to recover from a cumbersome and difficult account opening process. Too often, the process is bumpy and error-filled, leaving clients unsure about their financial decisions. And the less confidence clients have in their advisor, the more likely they are to abandon ship and move to a competitor.

Industry research shows that most financial advisors understand the importance of getting the account opening process right.

The early stages of a new client relationship are the most vulnerable: you haven't built trust or loyalty, and without ties to the firm, it's easy for clients to change their minds. But a strong account opening can plant roots and turn that vulnerable relationship into something strong.

Common Onboarding Challenges

Pain Points Across the Life Cycle



In the best account opening scenarios, clients might not even realize how good they have it. An excellent account opening is like a well-tuned sports car – clients don't realize what's happening under the hood because the process is smooth, fast, and easy. But when the engine starts to malfunction, clients pay attention to the mistakes and make a mental note of things that can be improved. A great car proves its value with a smooth ride that makes it enjoyable to get to the destination. It's the same for a great financial advisor who proves their value by creating smooth and easy processes for new clients.

Studies have linked client loyalty to **three key factors** from every interaction:

- Success – Did they accomplish what they wanted?
- Effort – How easy was it to accomplish?
- Emotion – How did they feel about it?

These factors are critical in opening new accounts and can serve as benchmarks for measuring the success of your process. When clients can accomplish opening a new account with minimal effort and strong positive emotions, they are more likely to be loyal to and satisfied with the firm.

Client Loyalty

Every Interaction is Linked to 3 Key Factors

- Success**
Did they accomplish what they wanted?
- Effort**
How easy was it to accomplish?
- Emotion**
How did they feel about it?

The Five Best Practices for Opening New Client Accounts

As crucial as opening new accounts is, it's also a process that can be improved and scaled relatively easily. If you haven't changed how your firm open accounts in years, your strategy needs a refresh. And it takes looking at the process with the end in mind to see the ultimate goal and how things should improve. Revamping how you open new client accounts can transform your firm and the entire client journey.

Here are five best practices for opening new client accounts.

1 Create a Consistent and Scalable System

Opening an account should look the same every time, no matter the client or advisor. A strong system works for all types of accounts and smoothly moves clients through an established process. It doesn't keep clients guessing about what comes next but instead clearly shows them what's been done and what's left to do.

Consistency breeds confidence and establishes the advisor's credibility because clients know exactly what step should come next. And research has found that **consistently strong interactions** lead to higher client satisfaction than a single positive interaction. It's not what you do once; it's what you do every time.

Consistency also benefits advisors considerably and allows for faster and smoother account openings. Instead of fumbling through each new account, a consistent system enables you to open accounts more efficiently, increasing your capacity for additional clients and new business. With a consistent system in place, you also have more time for personal outreach to new customers instead of trying to figure out what comes next.

Consistency extends to the platform used. Instead of jumping between different processes or systems depending on the type of account, successful firms use a single platform for every new account that puts everyone on the same page and allows for more effective collaboration. There's no lag time in starting the process because advisors know the correct platform and how to walk through the entire process.

Simplify the Client Data Gathering Process

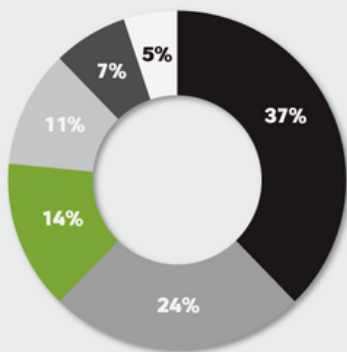
When it comes to opening a new account, simple is always better. The goal of a financial advisor should be to make their clients' lives easier and better. But that doesn't happen with a difficult account opening process. Clients shouldn't have to jump through hoops, track down repetitive information, and answer the same questions over and over.

Unfortunately for many financial advisors and clients, simplification of the process remains an aspirational goal currently. [Research from Fidelity](#) shows illustrates just how difficult that can be – 37% labeled the account opening process as the “most cumbersome” part of client interactions.

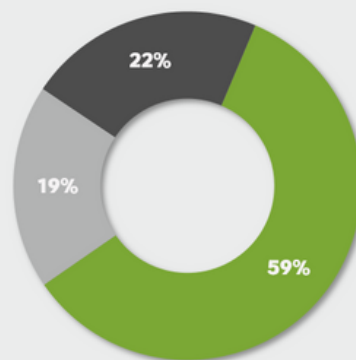
In addition, 59% of advisor respondents agreed that the time spent on account opening paperwork cut into valuable client facetime.

Client Onboarding Challenges

What is the most cumbersome part of client interactions?



The time I need to spend on account opening paperwork cuts into valuable client facetime. (Agree/Disagree)



- Account Opening Process
- Account Maintenance (e.g., updating information on accounts)
- Admin (e.g., scheduling meetings)
- Financial Planning Client Reviews
- Ongoing Client Communications
- Investment Management Client Reviews

- Agree
- Neutral
- Disagree

Source: *Rethinking the Onboarding Process: The Impact of Digitization for Advisors and Investors* (Fidelity 2020)

Bells and whistles may be enticing and flashy, but they can be confusing and detract from the experience. Researchers refer to this principle as the **decision simplicity index** or gauging engagement by how easy it is for customers to gather and navigate information from a brand: the simpler the process, the more engaged and satisfied the clients.

Make the process as easy as possible for clients, so they don't have to lift a finger more than is needed. Every signature, account statement, and tax form requires back-and-forth communication, adding an additional step to an already lengthy process. Keeping the process simple means automatically filling in repetitive information in multiple fields and clarifying what clients need to fill out on one form, not dozens.

Even if the process seems simple to you as an experienced advisor, it might not feel that way to a new client. Walk through the process from the perspective of a client who is brand new to financial planning. What might be difficult or confusing to them? What is redundant or unnecessary? Then make the appropriate changes.

Replace Analog Processes with Digital Systems

Every modern administrative interaction should be digital – no exceptions. In today's technology-driven world, there's no reason to require clients to complete paper forms. The best account opening processes don't have any manual steps and can all be completed digitally from anywhere.

Some clients want the white glove experience of their advisor sitting down with them to take manual notes before slowly updating their information in the system. But that outdated practice sends a message about the value of your time. Are you a note-taker or a financial advisor? White glove service doesn't look like a yellow legal pad for taking notes. White glove service understands the value of your time and your clients' time to provide modern, seamless ways of doing business.

The growing younger generation of clients expect (and often demand) digital experiences, but they aren't alone. Clients from all generations **increasingly prefer digital financial interactions**. It's not doing you or your clients any favors to stick to the old, manual ways of doing business.

Initiating the new account opening process with digital data gathering shows that your firm understands and utilizes technology, keeps client data secure, and streamlines future processes. Instead of risking paper forms getting lost or altered, a digital process protects information and controls who has access. Creating a smooth digital account opening process further builds your credibility as a forward-focused advisor and adds efficiency and ease for you and the clients.

4 Reduce Friction with a Seamless, Connected System

Opening a new account isn't a singular experience; it starts the entire client journey. A smooth account opening seamlessly folds in other processes and workflows. The information clients provide when opening their first account can be used for other accounts and financial recommendations, and existing data can be used to speed up the account opening process. To achieve the best results, aim for cradle-to-grave connectivity and efficiency as customers move through various platforms, systems, and needs.

A seamless account opening starts with clean data, which eliminates the redundancies of re-keying information from analog systems and risking things getting lost in translation. Effective systems are seamlessly connected to other platforms to pull client data and remove the need to enter information multiple times. These harmonious processes create a single source of truth that eliminates conflicting data that can slow the process and create confusion.

Instead of piecemealing account opening with numerous forms and systems, a seamless process moves clients through every step without roadblocks. To reach this goal, regularly test your approach and pinpoint areas that regularly slow down clients as they move between steps or systems.

Establishing a seamless account opening gives you a leg up for future account growth and recommendations. With account opening integrated into other processes and systems, you can more easily track client success and upsell new products down the road.

5 Aim for Speed, Accuracy and Efficiency

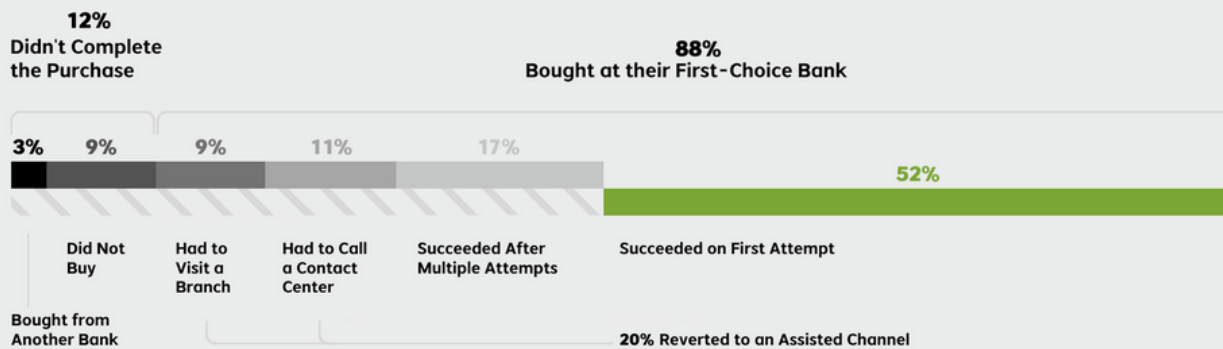
Time is money, and modern clients don't want to wait to hear back about their account status. Every **friction point** clients encounter as they open a new account changes their perception of the advisor and lessens their trust in the firm. And the longer clients have to wait to hear back from the advisor or get an update about the account, the more likely they are to look for a faster and better firm.

But when you deliver fast and efficient service, you can create engaged clients and keep that momentum throughout their relationship. Following the first four best practices of consistency, simplicity, digital tools, and seamless systems naturally leads to fast and efficient account openings.

Speed and efficiency come down to choosing fully tech-equipped partners and platforms. Aim for a fully modern platform that can easily move clients along and simplify the process for everyone involved. Strong partners and the right technology can significantly reduce the account opening and onboarding time, which capitalizes on the clients' engagement and excitement and builds a strong first impression.

The Friction Factor is High in Digital Banking Sales

Nearly Half of All Respondents Encounter Friction When They Try to Open a Check or Savings Account Digitally



Note: Segments do not equal 100% due to rounding

Source: Bain & Company

How to Turn Best Practices Into Real Processes

If your current account opening process is a far cry from these best practices, don't give up hope. Change is possible and impactful.

When creating a digital account opening process, it's best to throw away the analog system and make new processes from scratch. Digitizing your analog system is like slapping a new paint job on an old clunker. It may look good, but once you try to use the system, you'll see it's still slow and unwieldy. You can keep changing the paint color, but at some point, you have to revamp the entire engine. Changing only part of your system can lead to confusion and redundancies. For best results, ditch the whole system and move to a better, more modern digital design.

Don't be afraid to break away from how things have always been done in favor of an innovative and modern approach to opening accounts. It takes a fresh mindset to see the entire account opening from start to finish, which often requires new processes and systems. You can't go into a new account opening process expecting the system to do the same thing as the last system, only better. You're creating something entirely new and more powerful than before.

Envision the outcome you want to create – how do you want account opening to look and feel for clients and advisors? How much effort do you want clients to put in? How long do you want it to take? After establishing a clear vision, select partners and processes to get you there.

Moving to a new way of doing something as foundational as opening accounts can be daunting. But revamping the system to include these best practices will lead to huge returns for clients and advisors. The math is simple: strong systems create engaged clients. Engaged clients are sticky clients who refer your firm to family and friends. Think with the end in mind to deliver a process that resonates with clients.



Conclusion

Still not sure where to start? Docupace can help. As an expert in integrated back-end systems, Docupace creates streamlined and efficient methods to take your firm to the next level and deliver fully tech-equipped experiences to advisors and clients. Contact us for a free demo to see how we can transform your account opening and data storage strategies.

With the right processes in place, your firm can see a revolutionary change in how it does business and the clients it attracts. Make your first impression incredible with these account opening best practices.

[Get Started](#)



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