



Accuracy and Efficiency

The core of your financial compliance strategy

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Presented By



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Agenda

- Nuance in natural language speech and understanding
- The business implications of compliance
- Challenges facing Financial Advisors
- Compliance challenges and Opportunities
- Why documentation matters
- How speech recognition can help
- Q&A

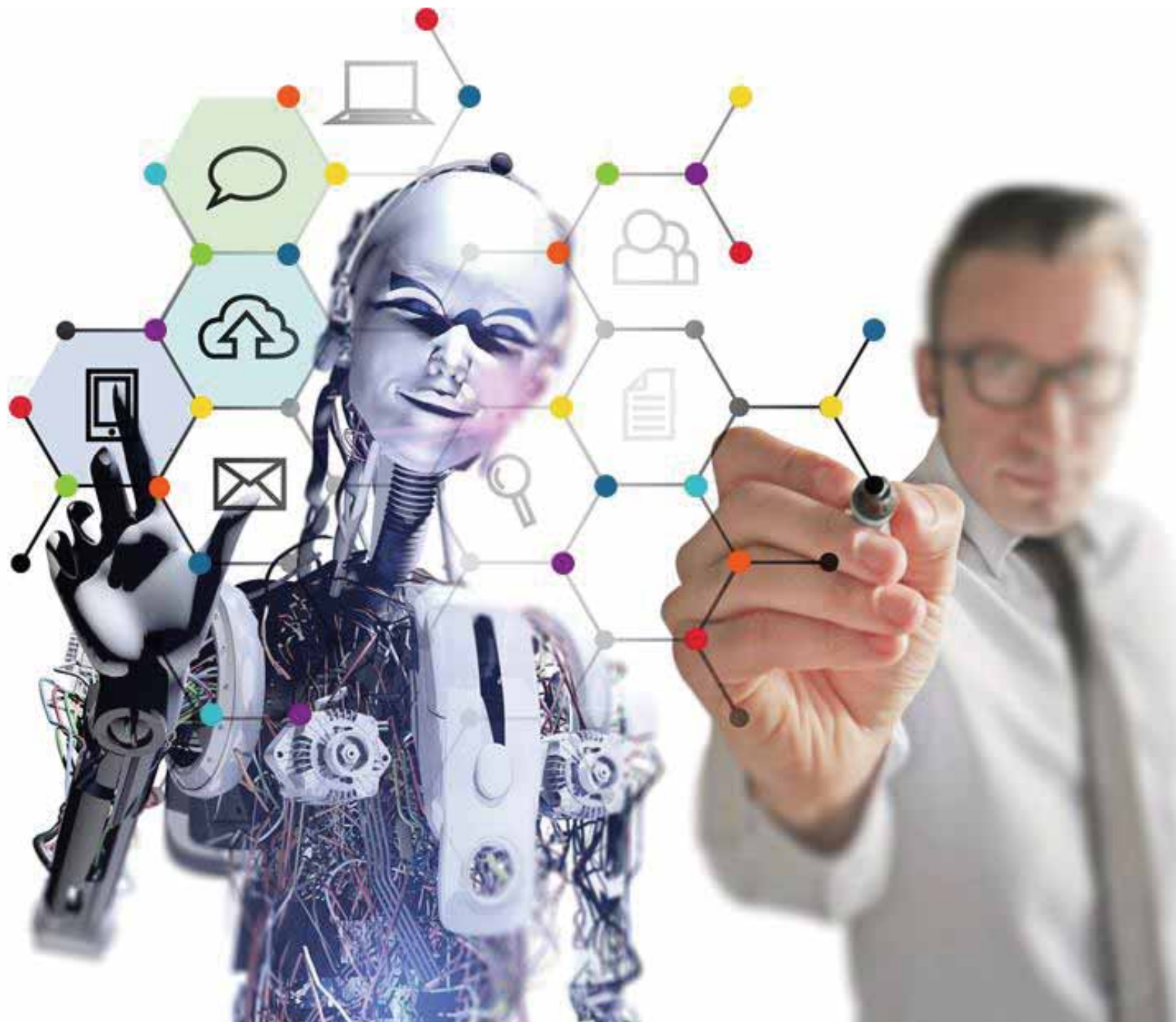
Nuance

20+ Years Leadership in Natural Language Speech and Understanding

About Nuance

- Pioneer and leader in conversational AI innovations that bring intelligence to everyday work and life
- Solutions that can understand, analyze and respond to human language to increase productivity and amplify human intelligence
- We work with thousands of organizations – in global industries that include law enforcement, healthcare, telecommunications, automotive, financial services, and retail

Reinventing the relationship between **people and technology** through intelligent speech recognition solutions powered by **Artificial Intelligence.**



The Business Implications of Compliance

Fostering a culture of compliance

Rulings & regulations increasing pressure on broker/dealers



Rules surrounding suitability, record keeping and documentation



Rulemaking, compliance and guidance related to direct-to-consumer financial products



“Regulation Best Interest” standard for broker/dealers currently in process for retail customers



U.K. oversight of financial products. Sets minimum standards, rulings and guidance at consumer and wholesale level

Challenges facing FAs

Documentation	Increased compliance requirements are driving new documentation needs – all of which limit time advisors spend on sales, production and client service
Time on Compliance	Some advisors report spending an aggregate average of 1-day/week dealing solely with compliance issues
Commoditization	Robo-advisors commoditizing investment guidance, particularly for <\$100K of AUM
Demographics	Millennials as an investing cohort and their saving/investing habits and preferences. Older clients shifting from investing to spending and wealth transfer to heirs
Conflict of Interest	Tighter controls on compensation sources driving business model changes
Demonstrating Value	In a world of algorithms and democratization of information, advisors must exhibit heightened soft-skills like communication and time management with clients to build trust. A shift to passive investments/index funds also highlights need for FA's to focus on higher-level client goals and outcomes

Poll Question 1

- Approximately how many hours a day do you spend writing client financial plans, or other documentation?
 - a. 0-1
 - b. 1-2
 - c. 3-4
 - d. 4 or more

How are these challenges manifest?

2018 Role of Technology in Financial Documentation Compliance Survey

Deployed to 40,000+ Financial Services Professionals

89%

Say heavy documentation demands limit valuable face time with clients

37%

Spend more than 3 hours/day writing client financial plans, regulatory filings, or other documentation

57%

Find their financial CRM system cumbersome to use – too many clicks to navigate and difficult to record

48%

After meeting with client, they must create at least 1 full page of notes documenting conversation details

Challenges and Opportunities

Business implications of compliance



Documentation demands burden advisors

- Need to memorialize entirety of client life-cycle into CRM
- On boarding new clients, chain-of-custody handling assets, disclosures, etc.



CRM and IR platform systems are cumbersome

- Can be difficult to navigate myriad menus and fields, time consuming
- Ergonomic concerns and shifting between multiple terminals and displays



Reliance on 3rd party transcription continues

- Many firms continue to outsource and they can be costly
- As a result, these services may be limited to high profile clients or special meetings



Creating a compliance culture

- New “culture of compliance” has taken root at most firms.
- Documenting client conversations and shifts in goals over client lifecycle is key

Why Documentation Matters

Why documentation matters

Personalized service and documentation in an era of compliance

- Despite relaxing of some regulations in a new administration, firms have invested in new processes in client/advisor relationships and technology continues apace.
- Regulations – and business interests – will likely drive increases in documenting extemporaneous client conversations as part of a holistic, personalized financial plan.
- Increasingly savvy consumers will ask advisors to take a chain-of-custody mindset in handling of their assets, documenting how and where assets are bought, sold and transferred amongst various investments.
- Firms will increasingly look to CRM systems as potential data collection and maintenance solution as paper records are re-keyed into systems. Firms will need to update this information in real time to promote regulatory compliance¹
- In fulfilling its fiduciary duty to clients, firms need the ability to connect client conversations, particularly those covering investment recommendations, to their CRM systems²

FINRA 2018 | Documentation Compliance

FINRA sessions highlighting their role to educate firms in documentation compliance best practice and mitigating regulatory and reputational risk



2018 FINRA Annual Conference

May 21 – 23, 2018 | Washington, DC

Supervisory Systems — Documenting and Monitoring Client and Advisor Interaction

Monday, May 21

3:00 p.m. – 4:00 p.m.

Conversations between advisors and their clients have become a critical component of supervision practices. This session focuses on what should be documented during a client meeting, and the various controls firms have in place to monitor and supervise these meetings. Panelists provide tips and discuss supervisory systems in place that help to best serve their clients, while also protecting the firm and its representatives.



2018 FINRA Annual Conference

May 21 – 23, 2018 | Washington, DC

Creating an Effective Records Management and Retention Program (B2BC Track)

Tuesday, May 22

3:00 p.m. – 4:00 p.m.

This session is designed for compliance professionals who are new to the financial services industry. This Back to Basics Compliance session covers the fundamentals of recordkeeping obligations, issues to consider when deciding whether to outsource recordkeeping functions, record retention requirements relating to electronic communications, and the use of electronic storage and encryption. This session also highlights timely issues facing compliance professionals in this area, including the use of social media, Web conferencing and cloud storage. Join panelists as they identify requirements for member firms under FINRA and SEC rules, and share effective practices to help firms in their compliance efforts.

How speech recognition can help

Improve financial documentation

Speech recognition drives accuracy, productivity and reduced cost

- **Reduce Compliance and Governance Risk**

- ✓ Best practice policy is driving firms to rethink building transparency into client relationships – from disclosures on commissions, to fees and conflicts of interest.
- ✓ Advisor/client conversations need are increasingly documented and auditable
- ✓ Speech recognition streamlines documentation processes and helps reduce liability of incomplete or inaccurate documentation

- **Capture Client Notes Anytime, Anywhere**

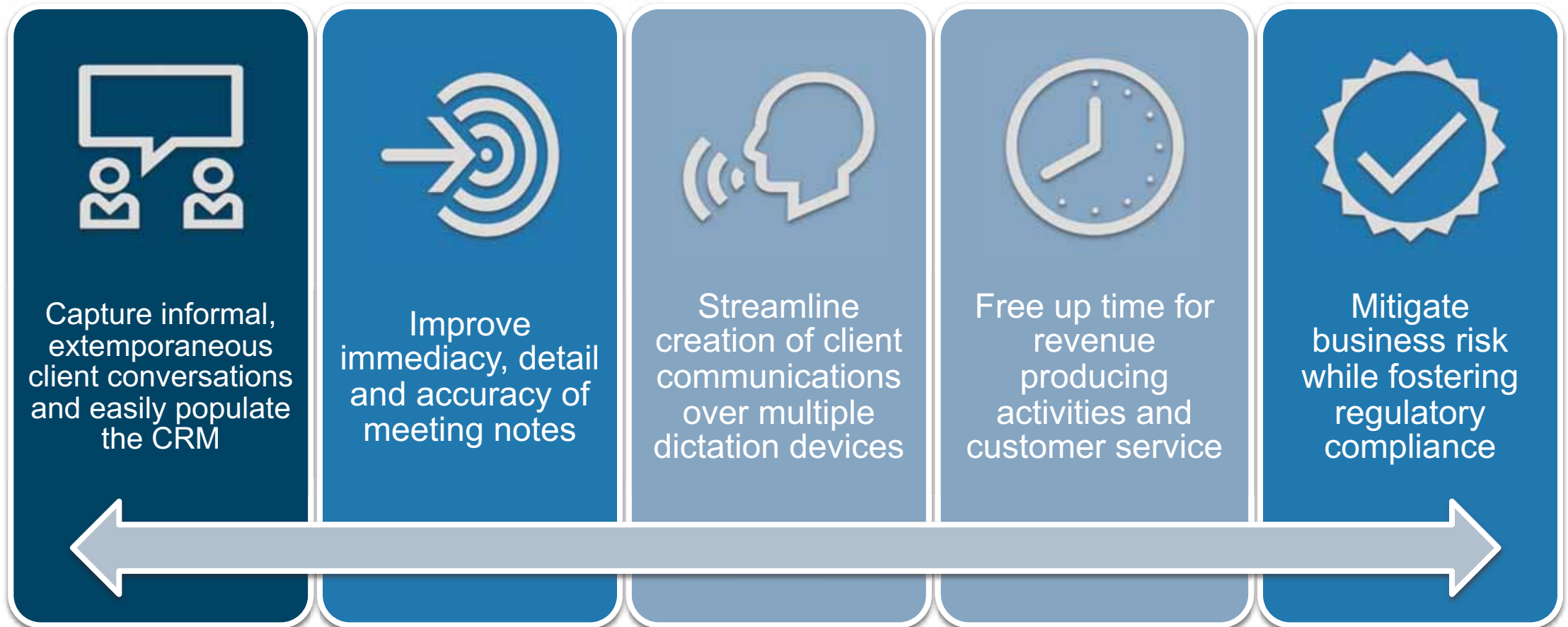
- ✓ Shift toward fee-based services will likely increase volume, detail and specificity of documentation produced.
- ✓ Speech recognition solutions via mobile dictation help advisors keep up from any location
- ✓ Deferred speech recognition allows advisors to transcribe voice files at a later time

- **Deliver Exceptional Client Service**

- ✓ By streamlining workflows and easing documentation burdens, advisors can focus on delivering more personalized service
- ✓ As advisors build clients volume and scale, they will need to serve more clients as efficiently as possible – without compromising responsiveness. Speech recognition drives productivity and quality at reduced costs.

Drive better outcomes with speech recognition

Enable accurate documentation processes for an efficient, responsive and compliant customer experience.



Get more done in less time

Provide your firm with a faster, easier way to document client interactions



Dictate 3X faster than typing with 99% transcription accuracy



Capture notes in the field with a digital voice recorder



Streamline repetitive workflows and automate form completion



Edit and format documents, launch applications and open files – all by voice



Control virtually any menu item or dialog box by voice in CRM's and IR tools



Perform searches, queries and form filling faster

Poll Question 2

**Which of the following is the #1 benefit speech recognition would likely have on your department?
(Please select only 1)**

- a) Improve records management by capturing critical financial information to ensure documentation is compliant.
- b) Increase efficiency with a streamlined workflow that improves overall client experience, by saving time and minimizing costs.
- c) Ensure client expectations are fully met by documenting action plans, and disclosures while on-site with your client.

Q&A





Thank you

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