

## WHAT DOES **DATA AGGREGATION** MEAN TO YOU?

Fourth in a series of personal success stories from financial advisors.

### How a planning-centric RIA is growing its business with a small staff by having AllBackoffice handle its back office and daily downloads and reconciliation.

**“W**e are a very planning-centric firm,” says Casey Bear, CEO of Cranbrook Wealth Management, “and we use a robust planning process to help our clients effectively manage, grow, protect and ultimately distribute their wealth.”

Casey joined the firm two years ago and has been focused on helping to create a lean and efficient operation. “Prior to taking over as CEO,” he says, “there were almost twice the number of staff and a smaller amount of assets under management (AUM) than we have



#### Cranbrook Wealth Management, LLC

Casey J. Bear, JD, CFP® CEO

- ~\$325 million AUM
- 160 clients
- Independent RIA
- **Services offered:** A full range of wealth management services for high net worth individuals, including financial planning, investment management, wealth protection, estate planning and inter-generational wealth transfer.
- **Firm vision:** To provide the highest level of holistic, comprehensive wealth management services with a small team of planning professionals acting as fiduciaries.
- AllBackoffice Consulting, LLC user since early 2011.
- ByAllAccounts user since 2011.

today.” He knew he needed to re-align the business model and have the firm’s financial planners concentrate on relationship management and the delivery of advice rather than on maintaining a back office.

That called for an outsourcing strategy to remove as many administrative-type activities as possible from the firm’s advisory team, and introduce technology solutions that would enable them to grow the business.

### **Decision: Leverage the Talent of Outside Experts**

One of the major impetuses for quickly moving to outsourcing came when one employee decided to leave the firm to pursue a life-style change. “This person played a number of roles,” says Casey, “and handled our internal IT issues as well as daily downloads and reconciliation.” His departure gave the principals an opportunity to re-assess how things were being done. They decided to outsource the firm’s IT requirements to a provider who could look after their computers, networks and phone system. They also decided to outsource daily downloads and reconciliation. “The decision was a no brainer,” says Casey. “We now have salaried, CFP-educated professionals doing what they should be doing—spending time with clients, building complex financial plans and generating revenue.”

For downloads and reconciliation, Cranbrook selected AllBackoffice Consulting, LLC, a boutique outsourced back office and consulting firm that works with Schwab’s PortfolioCenter® for portfolio reporting as well as other third-party technology providers. “The great thing about AllBackoffice,” says Casey, “is that they take care of everything. All the data capture and reconciliation, dealing directly with other service providers who feed into PortfolioCenter and ongoing

maintenance. If something goes awry, we only have to call one person at AllBackoffice and they take care of it. It really is very efficient.”

**“We are approaching \$350 million in AUM with only 5 employees. That says a lot about the outsourcing model.”**

### **Investment Approach: Take A Holistic View**

Being a planning-centric firm, Casey feels the Cranbrook team needs access to details on all the assets each client has, not just those held with the firm’s custodian. “If I am going to manage \$2.5 million for a family, but the working spouses each have \$500,000 in their 401(k) plans, what value am I really providing if I ignore those 401(k)s and leave them to their own devices?” says Casey. “You cannot rebalance properly and report on the overall performance of their portfolio without a complete view of their liquid assets.”

**“You need an aggregate view of a client’s assets in order to give them an appropriate plan for their liquid investments.”**

For the firm’s advisors to do their job properly, and provide the highest value to their clients, Casey believes it is essential to have a complete financial picture for each client, including their held-away assets

in retirement accounts, trusts, etc. “When you consider the amount of money sitting in client 401(k), 403(b) and similar accounts,” says Casey, “it can represent a significant portion of their monies.”

## **Results: Delivering Exceptional Client Value and Increasing Revenue in the Process**

Casey had used the ByAllAccounts data aggregation system at his previous firm and introduced the capability to Cranbrook. “I thought it was an unbelievable service and one we needed to use,” he says. ByAllAccounts delivers reconciliation-ready data each day on held-away assets and positions, balances, transactions and securities can be loaded directly into a portfolio management system of choice to support comprehensive performance reporting.

With ByAllAccounts being a partner of AllBackoffice, this process is highly streamlined for Cranbrook. “ByAllAccounts pours their data into PortfolioCenter and AllBackoffice reconciles everything,” says Casey. “I have a PortfolioCenter report on my desk right now for a client that shows his IRA, his wife’s IRA, a trust account held at an outside custodian and both of their 401(k)s held with different institutions. It’s fantastic.”

**“If you are doing comprehensive financial planning and want to build effective asset allocations for your clients, you need to pursue a data aggregation service.”**

Billing on held-away assets also presents an attractive revenue opportunity for the firm. At the start of each new relationship, the Cranbrook team reviews an agreement with the client to manage and report on their held-away assets. They also discuss how billing will be handled for this, and which account will be used to deduct fees. “It is a win-win,” says Casey. “The client receives a better, and more relevant, investment management plan and we have the opportunity to increase our revenue base.”

**“We manage about \$16 million in outside 401(k) accounts. That’s a significant revenue opportunity.”**

## **Outsourcing for Efficiency Gains**

Electing to outsource Cranbrook’s back-office functions to AllBackoffice, and using ByAllAccounts to provide data aggregation services, has enabled the firm to maintain an exceptional staff to revenue ratio. “Leveraging the expertise of those who do this kind of work full time enables us to stay lean and frees up our time for additional client service and new business development,” says Casey. “Looking back, I wonder why we didn’t do this earlier.”

### **About Cranbrook Wealth Management, LLC**

Cranbrook Wealth Management, LLC is an independent, fee-only Registered Investment Advisor that provides upscale wealth management services to its valued clients, which include high net worth investors, business owners, executives and retirees. **For more information call (248) 362-0900.**

### **About AllBackoffice Consulting, LLC**

AllBackoffice Consulting is dedicated to a proactive, measurable style of service focused on understanding its clients' ongoing needs and long-term goals. With the traditional independent RIA as their model for the business, AllBackoffice Consulting provides outsourced managed technology along with a commitment to limited conflict-of-interest consulting to help advisors leverage the best tools and processes. **For more information, visit [www.allbackoffice.com](http://www.allbackoffice.com) or call (252) 482-2553.**

### **About ByAllAccounts**

ByAllAccounts, the financial advisors' choice for data aggregation since 1999, is the only service that retrieves, enriches and consolidates reconciliation-ready account data from any custodian. ByAllAccounts' patented aggregation engine, through which hundreds of billions in assets flow daily, aggregates all client account data—from any source—within an advisor's wealth management platform or trust accounting system for a truly comprehensive view. Thousands of advisors rely on ByAllAccounts to save administrative time and costs, mitigate risk associated with having incomplete information and grow revenues through client referrals and new business development. ByAllAccounts integrates seamlessly with all of the most popular wealth management platforms. **For more information, visit [www.byallaccounts.com](http://www.byallaccounts.com) or call (781) 376-0801.**

*All rights reserved. Redistribution of this material is prohibited without the express written permission of ByAllAccounts, Inc.*