



Account Aggregation

The Competitive Edge for Today's Financial Advisors

When it comes to financial advice, bigger does mean better. With a “big picture” view of an investor’s financial portfolio, financial advisors can provide the best financial guidance possible, based on a true understanding of an investor’s personal financial situation and goals. This “big picture” and the improved financial guidance it enables, provide advisors with the competitive edge they need to increase the performance of client assets and build long-lasting, profitable relationships.

The Aggregation Opportunity

Today, more than ever in recent memory, we are faced with a challenging and volatile economic environment. Investors are nervous about the market and their investment positions, and advisors are feeling the pressure to maintain client trust and improve return on client assets – all while growing and building their businesses.

Account aggregation solutions provide advisors with a holistic view of client assets and liabilities – including assets “held-away” in self-directed brokerage accounts and retirement plans – and offer an effective tool to alleviate these pressures to meet the needs of both investors and advisors.

Moving Away From Manual Input of Data

All advisors agree – financial advice developed from a holistic view of a client’s financial situation is better-informed, more targeted and more likely to produce the type of results both the advisor and investor are looking for. Many advisors spend countless hours sifting through volumes of client statements and paperwork to achieve this holistic view. Unfortunately, manual input of data is an expensive, time intensive and cumbersome process that produces an outdated and incomplete view of the client’s portfolio. This approach is a poor use of advisor time – time that can be better spent with clients and on building and growing the practice. With an aggregation solution, manual input is unnecessary, thus freeing up time and reducing errors.

Benefits of Aggregation Technology

CashEdge, the preeminent provider of financial account aggregation services to financial advisors, understands the value of automated account aggregation in growing a business and offering better advice that builds client trust and creates a competitive edge in today’s market. Aggregation gives advisors access to an investor’s complete portfolio, which can open the door to an entirely new revenue stream for advisors – including the ability to capture new assets and to potentially charge fees on held-away assets.

With a holistic view, advisors can make better-informed decisions about the assets they manage, positioning themselves to capture held-away assets. Additionally, when an advisor gains access to a client’s entire portfolio, what they encounter most often is an under-performing, self-directed account, such as a 401k, or even a deferred compensation plan. Most investors lack the knowledge and resources needed to properly diversify and fully maximize these investments, which can expose them to substantial risks. By providing financial advice on held-away assets found through aggregation, advisors can provide a much-needed service and be compensated accordingly.

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In the financial advice market, knowledge and trust are powerful tools for the advisor – and key to standing out in a competitive market. A real-time, comprehensive view of a client's assets enables advisors to build that knowledge base and trust more quickly.

All investors want an advisor who can understand their financial priorities and help protect and grow their wealth. Since many investors do not know who to trust, they often end up working with more than one advisor, which creates a major roadblock in achieving a truly maximized portfolio. “An advisor who has the ability to look beyond the product level and discuss client matters on a holistic scale will be able to become a trusted advisor to the client, which ultimately will lead to an increased wallet share,” according to the Aite Group.

Financial planning is a crowded industry. With approximately 300,000 competitors in the race, it is no surprise that financial advisors are constantly looking for ways to stand out from the pack. Aggregation technology enables advisors to differentiate themselves in this dense market and provides the edge they need to grow their businesses and build long-term client relationships. With aggregation, advisors can provide better guidance, capture new assets and create the opportunity for improved portfolio performance. In addition, with aggregation, advisors can compare their rate of return to the performance of assets managed by the competition – and take advantage of the outcome.

The CashEdge Solution

CashEdge's AllData® for Financial Advisors (AllData) is the leading financial account aggregation solution for financial advisors. AllData offers a convenient and cost-effective way to access a holistic view of client assets and liabilities. Built on a proven platform, the patented 24/7 solution provides detailed, accurate and timely data, including investment positions and transactions. At CashEdge, we are focused squarely on serving the needs of financial advisors, and, in 2008, the Aite Group recognized AllData as the best account aggregation solution for advisors.

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CashEdge recognizes that the success of account aggregation for advisors relies on two key points: a solution's ability to deliver high quality, reliable data and the ability to integrate with leading advisor applications.

CashEdge understands the level and quality of data advisors require. By consistently providing high-quality, reliable data, CashEdge has become the go-to aggregation partner for leading advisor applications, including Albridge, eMoney, MoneyGuidePro and a growing list of others.

CashEdge ensures ongoing data quality and reliability with regular event-driven and algorithmic testing and cleansing. AllData enhances and normalizes the aggregated data, mapping the data to one common format with CUSIPs and transaction codes. This rigorous process assures the high-quality data advisors need and the reliability necessary to integrate with other leading advisor applications.

When it comes to the number of sources in account aggregation, size does matter. The point of aggregation is to see a client's total financial picture, and if the aggregation solution falls short on sources, then the advisor receives an incomplete view into these assets. AllData automates the aggregation of the client's financial account and transaction data from more than 10,000 sources – on a daily basis. With automated aggregation, advisors get a timely and complete view of a client's portfolio – including held-away assets from liabilities and deposit, custodial and investment accounts.

Privacy and Security

Security is top of mind for everyone today and critical to the success of aggregation. CashEdge has set the industry standard for security and privacy by taking every measure possible to protect and secure personal and sensitive data. AllData leverages the same technology that is used by the world's leading financial institutions to safeguard Internet banking and investing portals. Investor information, such as user names, passwords and account and transaction data, is fully protected through multi-layered technology that offers comprehensive multi-factor authentication, and the strongest data encryption available. AllData also provides robust application-level security and physical security and a customized auditing process that is aggressively tested. Investor information is not accessible to any human being – not even CashEdge employees.

Introducing Aggregation to Investors

Like trust, confidence is crucial in succeeding as a financial advisor. Investors want advisors who can convey knowledge in the investment plan for their life savings. When it comes to introducing a new technology to these investors, the same holds true. According to the World Wealth Report, "Firms must provide wealth management advisors with improved client segmentation, more advanced tools and a sophisticated technology platform that supports knowledge gathering, analysis and delivery to ensure long-term relationships with high net worth clients." In turn, advisors need to become fully comfortable with and educated on aggregation technology. Advisors must be able to confidently walk a client through the account aggregation set-up process and answer the three most asked questions:

1. What's in it for me?
2. How does it work?
3. Will my personal information remain private and secure?

CashEdge offers several resources to help advisors become familiar with aggregation and to help introduce it to investors, including ongoing product training and support from advisor consultants, FAQ documents and security and privacy documentation.

From eliminating the expense of manual data entry to enabling better financial guidance, account aggregation provides advisors with a cost-effective and convenient tool to help create long-term, successful relationships with their clients – and build a stronger, more profitable business.

About CashEdge

CashEdge is the preeminent provider of financial account aggregation services to brokerages, wealth management firms, financial advisors and providers of personal financial management applications. These services are highly secure and provide a holistic view of a client's or consumer's financial picture, delivering aggregated data from more than 10,000 sources, including self-directed brokerage and retirement accounts, as well as hard-to-access assets, such as life insurance, annuities and REITs.

CashEdge's Intelligent Money Movement™ services, including online account opening and online funds transfer services, help full-service brokers, clearing firms and independent broker dealers offer a more complete online experience for their investor clients, increasing investor self-service, improving operational efficiencies and reducing costs.

CashEdge has set the industry standard for security and privacy by taking every measure possible to protect and secure personal and sensitive data.