

TECHNOLOGY TOOLS FOR TODAY'S HIGH-MARGIN PRACTICE, 2ND ED.

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In 2001, Joel Bruckenstein and David Drucker produced a best-selling book *Virtual-Office Tools for a High-Margin Practice*, aimed at bringing advisors into the 21st century technologically. Recommendations about using email, flash drives, and going paperless were hot stuff then. Now, it's less about gadgets and more about social media, cloud computing, new software, freeware, and virtual staff. Bruckenstein's and Drucker's new book updates the vision and takes it to another level by adding the collective wisdom of a number of experts who contributed their own chapters to this revised edition.

Subtitled "How Client-Centered Financial Advisors Can Cut Paperwork, Overhead, and Wasted Hours," this book is targeted at practicing advisors who want to remain relevant to the younger generation of clients. These new-era clients might not expect us to be as technologically savvy as they are, but they will expect a high degree of technical literacy nonetheless.

Moreover, these folks seek validation and readily share information with cohorts online. Younger clients want a digital interface rather than face-to-face meetings. What changes do you need to make to accommodate them? This book delivers a lot of intriguing and practical answers.

In reading *Technology Tools for Today's High-Margin Practice*, we learn that savvy communicators must account for the way clients get their information, discuss trends, and collaborate. The old paradigm of giving clients charts and reams of material while they sit in our office will not work with those who prefer to read Twitter, Tumblr, Facebook, and LinkedIn while checking their stock portfolio on their smart phone.

Chapters in the book discuss how these changes affect the planning we do and how we can share our knowledge through social media. The discussions can be quite detailed, which is valuable when you face the chore of selecting from so many technologies. For example, do you want to use a big flat-screen

TV, or do you want to work from tablets? Do you share files using Dropbox or ShareFile?

The authors not only describe the various software options, but, in some cases, they share their experiences in converting to their use. In many cases, contributing authors discuss different packages and the current costs of purchase and installation. Drucker and Bruckenstein also differentiate between services and software that are relevant for the small operator from those that might be a wise investment for a firm that's trying to scale upward.

Cloud-based computing is an obvious major trend, and *Technology Tools* gives it significant attention. NAPFA-Registered Financial Advisor J.D. Bruce, president of Abacus Wealth Partners, gives excellent detail about why his firm moved to the cloud and how it made the transition. After reading his discussion, many advisors will be able to make their own implementation decisions, including whether to do it themselves, hire an expert, use a server in the garage, or go all out.

DATA SECURITY, VIRTUAL STAFFING

The book also pays a lot of attention to data security and compliance. We are reminded that planners must conduct due diligence to assure that clients' data are protected—both actual compliance and also proving it to the compliance folks.


The chapter on virtual staffing addresses when and how to use a third party for secretarial, planner, COO, compliance, or other functions. This chapter included a good resource website to help readers find financial planning virtual staffing firms.

Other references to websites also are very helpful. My favorite might be www.yoursilverbullet.net; this site provides a list of companies that pledge to work together on software integration, so a planner who is putting together the "best of breed" collection of systems can be confident that they will mesh.

Several contributing writers circle back to the issue that should concern us most of all: planners doing planning. They do this by asking extremely useful questions, such as: What is your target audience, and how do you reach them effectively in this new environment? What software do you need to implement and grow? What are your written implementation plans? Have you calculated the ROI of your software, hardware, and staff?

While advisors use the Internet extensively, so does the client. The impact of this on our profession is another topic that's discussed in the book. Many free or near-free websites offer calculators and forecasting tools anyone can use, and free software can provide simple standard planning for the public. People who are only interested in investments will find online tools to help them do the job much cheaper than the planner could. What does this portend for advisors looking only for an AUM client?

The advisor in this new environment must center on the client and focus on goal attainment. *Technology Tools* mentions software that can take in data from many sources and automatically calculate its impact on a client's goals. For example, imagine software that automatically suggests adjustments in a retiree's withdrawal strategies when the Federal Reserve raises interest rates.

In the end, I can give a strong recommendation that advisors update their knowledge by buying this updated edition of *Technology Tools*. At one level, it might change the way you deliver planning by educating you about new tools and integrated services. At another level, it might make you think about how technology is changing how we interact with our clients, and how they are able to access financial information. 

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