

FPA-ACTIFI ADVISER TECHNOLOGY REPORTS

[REPORTING SOFTWARE]

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[ABOUT THE REPORT]

The Financial Planning Association® (FPA) and ActiFi are proud to announce the completion of the sixth of a planned total of seven technology reports: the Reporting Software edition.

An overview of five software packages is included, along with adviser research and insights on the reporting landscape

[TAKE A LOOK]

Take a glance at what the report has to offer. The FPA-ActiFi Adviser Technology Reports: Reporting Software Edition provides an easy-to-use guide to help advisers make smart software decisions to improve their work flow, potentially increase profits and advance their business.

But don't take our word for it. Take a glance at the following pages and see for yourself!

[PURCHASE AT A DISCOUNT]

FPA and TD Ameritrade Institutional are currently offering a savings of \$100 off the regular retail price.

This report is valued at \$295, but since you visited TD Ameritrade Institutional's website, you can purchase this report at a discounted price of \$195. Visit FPA's online store at <http://www.fpanet.org/professionals/FPAStore/TDRSREPORT/> and add the report to your cart (you may need to log in or create a new login). Simply view your shopping cart, click on "promo/gift card", enter **TDRS11100** into the promotional code window and save \$100 on the report purchase instantly.

Save even more with an FPA membership!

As an added value, individuals hearing about this great deal have the opportunity to become FPA members for \$295. Membership includes these [great benefits](#), as well as the Reporting Software report free of charge. In order to take advantage of this special offer, please call us at 800.322.4237, option 2 and mention this special price for the Reporting Software Report plus FPA membership offer from FPA and TD Ameritrade Institutional.

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Purpose and Methodology

This report is designed to help advisers better understand the options available to them for reporting solutions along with information that can help advisers identify solutions that are a good fit for them. Because financial advisory services span a wide variety of business models, individual adviser objectives, and client needs, there isn't a silver bullet solution that is best for everyone.

By going through this report, you will learn about the reporting strategy that will best work for you, how to identify the key components you need in a reporting solution to gain the benefits you want, how other advisers use software, and how different vendors stack up across different characteristics.

WHY WE WROTE THIS

The Financial Planning Association and ActiFi Inc. collaborated to take the guesswork out of technology purchases and to help advisers maximize their use and therefore the benefit received from technology solutions. Through a comprehensive software, technology, and business best-practice research program, FPA and ActiFi hope to help advisers identify which technologies are best for a specific type of practice, so advisers can make the right technology purchase decisions. The research program provides advisers an objective and personal view of how technology can improve client service and increase profits. The following report on reporting software is the sixth in the series.

RESEARCH METHODOLOGY OVERVIEW

This report was developed from a combination of vendor interviews, adviser interviews, and a quantitative online survey of financial advisers. The goal was to create a report that had a wide breadth covering the key vendors, and depth to encompass the core issues and desires of users. The research methodology included three major elements: (1) market analysis, (2) vendor review, and (3) adviser research.

Exhibit 1: Adviser Research

What Advisers Were Asked	Who Responded
<ul style="list-style-type: none"> • Current Technology Usage • Vendor Selection • Challenges and Perceived Benefits • Satisfaction and Loyalty • Adviser Demographics 	<ul style="list-style-type: none"> • 319 FPA members • Small practices (82% with 10 or fewer employees) • Independent advisers (37% IAR/RIA, 23% dually registered, 20% IBD) • Respondents represent practices with annual revenue ranging from less than \$100k to more than \$3 million • Firms ranging from outsourced to advanced technical capabilities

Market Analysis—The reporting solution landscape was analyzed by industry experts who share their knowledge in this report on ways to think about reporting solutions, the types of options available to you, and what you need to think about in order to make an effective decision.

Vendor Review—Vendors were interviewed at length to determine company history, customer experience, perceived points of differentiation, marketing and distribution strategies, pricing, support services, and much more. In addition, secondary analysis was conducted to provide objective information on each of the reviewed vendors.

Adviser Research—FPA members were surveyed on their opinions and uses of report generation software. The survey results serve as a snapshot of how users view the tools today, and the answers provide direction for how technology can add the most impact to individual practices.

REPORTING SOFTWARE VENDORS INCLUDED IN THIS REPORT

Included in this report is a profile of five vendors:

- Assemblage (Trumpet)
- EasyReports (Assette)
- PackMan (Satuit Technologies)
- Report Launcher (Client Service Specialist Inc. – CSSi)
- ReportPro (Via Binary Systems)

How to Use this Report

The reporting process typically consists of three separate steps: data downloading and reconciliation, report generation, and delivery and storage. This report will only focus on report generation solutions and briefly discuss reporting delivery methods. Similar to the previous FPA/ActiFi technology reports,

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this report will specifically look at stand-alone software; in this case, software that automates the report generation process.

The purpose of the report is to help advisory firms understand the technology options available to help automate the report generation part of the reporting process. From our adviser and vendor research and interviews it was clear that advisory firms need more information regarding available reporting solutions, how these solutions work, and the impact such solutions can have on their firms.

The report will also look at outsourcing the reporting process as an alternative as well as the reporting options available within portfolio management and enterprise systems. Because many of the vendors can also accommodate the delivery and storage part of reporting, the report will also briefly discuss the options available for this part of the process.

The primary challenge firms have when generating reporting is producing and distributing reports to clients. Typically, this process occurs on a monthly, quarterly, and/or yearly basis. For many firms, the reporting process is a very resource-intensive process.

Often, firms devote a substantial amount of staff time when creating quarter-end reports and reports for client meetings. The two main issues firms run into during this process are: (1) reporting taking longer (time) than it should to produce and distribute the reports, and (2) reporting takes more resources (staff) than it should to produce and distribute the reports to clients. Often, firms will cease their normal operations during the reporting process, pulling in other staff—sometimes even principals of the firm—to get the reporting process completed in a timely manner.

The challenge in the report generation process is in the complexity of the process and not an issue of volume. A report generation solution is extremely scalable. Once you decide what type of reporting you want to create for clients, how you want to deliver it to them, and implement a solution for report creation and delivery, the process can easily be scaled to handle additional clients. The complexity of the issue involves a very time-consuming and labor-intensive process. How can your firm develop an automated process to remove the labor involved and time needed to create reporting? This report will help remove much of the complexity surrounding the reporting process and make it easier to implement the correct reporting solution for your firm.

Much of the report will discuss automating the quarterly reporting process, as this is where firms can create a relatively quick, quantifiable return. However, report generation software

can be used to automate any reporting process a firm uses on a regular basis that involves gathering information from various software systems. Therefore, the software can be utilized to automate multiple reporting processes.

For firms not currently using a reporting solution, this report will serve as a guide for understanding the options available for creating an efficient reporting process. It can provide a guide when creating your key requirements for your reporting process and provide a roadmap for selecting a solution that fits the needs of your firm. Our intention is not to identify one or two best solutions, but to help you identify one or two solutions that will work for your firm based on your objectives and unique practice style.

As you begin to think about the reporting process you would like to develop in your firm, a few questions will help you identify the right reporting solution for your firm:

- What information does your firm want to provide to clients? Or more importantly: what do your clients really want to see in their reports?
- How much flexibility and customization do you want for creating reports? Do you need the ability to create different reports for different clients?
- How do your clients want to receive their reporting?
- Do you want to do this process in-house? Could you do it efficiently in-house with the right software?

For firms currently utilizing reporting solutions, our intention is that the report will provide an opportunity for those firms to perform a gap analysis of their reporting process to see if there are any areas that could be improved to make the process even more efficient. The process of implementing a technology solution in your firm doesn't end when the solution is implemented, but evolves with the needs of the firm. Technology also changes and improves, and a few enhancements to a vendor's software can often make a huge improvement in a firm's process.

WHAT THIS REPORT INCLUDES

The previous FPA/ActFi reports focused on core firm software (Financial Planning and Portfolio Management) or software for organizing firm clients and documents (CRM and Document Management). The Compliance report focused on using technology to handle the compliance needs of the firm. This report seeks to provide solutions to a specific and timely process, one that often brings normal day-to-day operations of the firm to a

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halt, to generate and distribute reporting to clients. As a result, this type of solution is somewhat different from other software in a number of ways.

First, because implementing reporting technology offers firms a solution to a very resource-intensive process, adding a reporting solution will result in a relatively quick return for the initial cost. Firms can be up and running with a reporting process change in a short amount of time. Implementing reporting technology reduces both the amount of time it takes to generate reports as well as the amount of staff used during the report generation process.

Second, unlike other software used in advisory firms, implementing stand-alone reporting software doesn't require your staff to learn another piece of software. Think of this software as an overlay to your existing software. Once the vendor has set up the software to your requirements, it can be run with few steps by the user.

Third, although some of the previous report vendors may have had an outsourcing option, report generation more commonly includes outsourcing. Because the reporting process requires a lot of staff and time, outsourcing is a viable solution, particularly for those firms with little or no staff. While the report doesn't identify specific outsourced providers, it will address outsourcing options and why a firm may select outsourcing the reporting process and provide ideas for selecting an outsourced provider.

Fourth, using an automated and customized reporting option can differentiate your client service offering. Each of the vendors surveyed in this report, as well as many of the outsourced options, offer some level of customized reporting. For instance, if you want to have certain clients receive a complete report package, while other clients prefer a shorter version, you can do this. The reports can also be prepared to all look the same, branded with your firm's logo, offering a professional looking report. Reporting can also be customized for a client's tax accountants, attorneys, or other interested parties, again showing the professionalism of your firm.

Lastly, feedback from the survey data from the report generation survey and our conversations with vendors indicated that many advisers were uncertain about the options available for making the reporting process more efficient. Additionally, many were unclear of the benefits a more efficient reporting process offered their firms.

From our research, there seemed to be some basic questions advisers needed answered. Because of this, the depth of detail on the functionality of the software vendors profiled was

limited, and instead the report places more focus on providing information on reporting options.

USING THE VENDOR PROFILES

Each of the stand-alone vendors profiled offers a unique approach to creating reporting for your clients. The summaries provide an overview of the firm and the product. Each section of the vendor profile includes: system information, integration (which data it can draw from), how the reports are generated, customer support model, target market, cost, whether the vendor offers an outsourced solution, and other products offered by the vendor.

If a stand-alone solution works for your firm, the information in each of these sections can help you begin to identify potential solutions that would fit with your firm's objectives. Using this information, you can begin a dialog with the vendor(s) and see a demo of the product. When viewing the demo, ask how the software would work with your firm's current or anticipated reporting process, how the data integration would work from your current software, the level of customization and flexibility of the software, whether you will need customization for your current or anticipated process, and verify the cost for your implementation and any unique set-up needs.

LEARNING FROM PEERS: ADVISER RESEARCH

Advisers' Use and Perceptions of Software for Reporting Purposes—There are several options for managing reporting in an advisory practice. Outsourcing is one option, though very few advisers take that approach. Some rely solely on the custodian or their broker-dealer reports. Still others use stand-alone report generation software. But the most common approach is using a variety of software solutions that offer some reporting functionality to create the practice's total reporting solution. See exhibit 2.

For the most part advisers are using their financial planning software, portfolio management software, and CRM software to generate reports for their practice and/or clients. In some instances additional types of software may be used, but only one in seven advisers uses stand-alone report generation software. See exhibit 3.

One of the interesting findings from this research is that of those advisers who use CRM, financial planning software, and portfolio management software for reporting purposes, the majority use them to cover six of the seven reporting areas included in the survey. In other words, advisers appear to be cobbling together their own reporting solution by using the