

CASE STUDY



How StratWealth is Turning Heads by Switching to Orion

**Advisor Firm:**

StratWealth

Website:

www.strat-wealth.com

Headquarters:

Columbia, Maryland

Profile:

Founded in 1991, Strategic Wealth Management (rebranded StratWealth) provides independent financial planning and wealth management advice. The fee-based firm manages over \$1.3 billion in assets with 26 staff members and custody's through Schwab and TD Ameritrade Institutional. Anchored in planning, the firm serves over 800 families and greater than 100 qualified retirement plans. StratWealth's team of seven CFP® professionals and supporting encore deploy for clients (and 401k trustees) a unique and trademarked advice process known as "NexitStrategy."

Case Study: StratWealth

"Most advisors still using legacy technology systems have likely thought about switching or upgrading. The industry is enamored with quality advice firms using outdated interfaces that lack functionality, not to mention a lack of integration. Everyone wants progress, but nobody can afford to change. And we were one of them!" – Jim DeCarlo

The Setup

Meet StratWealth's CEO, Jim DeCarlo, who joined the firm in 2015 and now acts as Chief Executive.

"All advisors want the same three things – to grow their business, manage their business, and deliver a better client experience," DeCarlo said. "That is, until they weigh their current problems against the process of converting their data to an entirely new system, then they compromise their very own dream with a low cost Band-Aid or by hiring more people to handle the outdated work processes. Sad... but I see it all the time."

StratWealth recognized the need for an internal technology transformation if it was going to grow, and if it was to lend a hand to other advisors who wanted to join them in this growth. The firm was utilizing one of the oldest portfolio management tools in the industry, and it doubled as both a portfolio accounting software and a CRM. "Clunky!" DeCarlo said.



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Operating on an older technology set up, it took the team one hour every morning to download all custodial data into their system and reconcile it. With their own data, a flare-up could happen any day and operations had to re-prioritize their tasks for that day to source and fix the problem.

Additionally, quarterly client fees were also manual, meaning staff pulled every single fee across 2,800 active accounts. Then, ten employees spent 80 hours each preparing reports to be mailed – over 800 reports were double checked and printed for mail out, manually.

“This work was taking hours and costing the firm heavily in the most important area of the business — the morale of our people.”

“We had a billion dollars on our previous system,” DeCarlo said. “If we are going to \$10 billion in AUM then this stops now!”

StratWealth formed a project committee and started the process by mapping out the project scope, the budget, and the processes needed – and it was during that development that they found Orion. The transition vision in the firm was breathtaking and required layering in several technologies, including migrating all accounts to Orion, converting to a new CRM, Salesforce, and open architecture workflows to improve the client/advisor process.

“We didn’t just launch in with the project. Prior to these initiatives, we conducted an organizational assessment that analyzed our culture around technology and our business processes. The result was a resounding thirst to change and an aggressive attack to build the best client experience in the industry,” DeCarlo said. “The assessment set the scene for these initiatives, and the entire firm rallied behind the vision.”



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StratWealth's COO, Patricia Achterhof, is credited with reading the energy behind the project and the vision, and pushed DeCarlo to run the entire transformation as one overarching project. "When you decide to do a conversion like this, you either have to be all in or not," Achterhof said.

The result was a project that saddled an entirely new enterprise technology stack. "We ripped off the Band-Aid in one fell swoop," Achterhof said. "Rather than run one project at a time, we decided we were change-ready to run them simultaneously and pull off an entire, firm wide transformation."

The Orion side of this dual conversion was led by Amanda Campbell, a Senior Advisor at StratWealth (with oversight to Portfolios and Planning), with assistance from Orion's project management team.

"It was a giant project – thankfully we had a dedicated Orion team member who specifically managed the data conversion," Campbell said. "Having a person who got the data out of our legacy software, into a language I could understand, made it 100 times easier. He was integral in spearheading that first step."

Campbell was left with a spreadsheet rich with client data, which she and her project team then scrubbed to fill in any missing data before going live on Orion.

"You need a dedicated representative from your firm to look at that data and make sure it's accurate," Achterhof said. "There's no shortcut. It was many hours of meticulous work every day for three months."

After Campbell and StratWealth finished the initial data scrub, she handed the spreadsheet off to Orion. During the ensuing months, Orion took the data to the next level and scrubbed it further while checking on StratWealth's 25 years of historical information. Meanwhile StratWealth

40%

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was able to 'go live' and decided to begin using Orion on all current data available. The firm went live with Orion on October 14, 2016. At the same time, it turned on the technology of the other projects, such as Salesforce.

The Payoff

The firm migrated over 800 families, about 100 qualified retirement plans, 3,500 client accounts and almost \$1.2 billion of assets in less than nine months, making their back office fully electronic.

Immediately, there was no in-house data reconciliation and no more daily custodial downloads, saving the team at least five hours each week.

"Our legacy system had a way to do advanced billing, but it wasn't always right, which is why so many checks came into it," Achterhof said. "Just moving to Orion's billing, and trusting their data reconciliation, we save our team about 800 hours a quarter."

"Now, one person can process, cross check, verify and reverse fees, and push a button to mail out, all within 90 minutes," DeCarlo said.

Previously, on the old system, the team would spend 40 to 50 minutes prepping for individual client meetings. That time is now reduced to just 10 to 15 minutes. "We have 800 households, and we do bi-annual reviews, so that's 1600 reviews that we now do in 10 minutes as opposed to an hour each," Campbell said. "To save 50 minutes, 1600 times is just incredible!"

The team also loves that Orion is properly integrated with eMoney. Now all their reporting information is automated through Orion, is pushed into eMoney automatically, and accessible through a button on Salesforce. This cuts out the 10 to 20 minutes they would spend pulling report information for a client whenever needed.

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empower@orion.com

"The business is operating better, faster, and stronger," DeCarlo said. "In the last 18 months, we improved our profit margin by almost 40 percent. By streamlining internal processes and making the entire engine more efficient, we increased total revenue by 16 percent and lowered our operating costs from \$800k to \$630k – a 20 percent reduction – in 2017. These are incredible numbers by any standard," DeCarlo said.

As a result of its increased efficiency brought about by better technology, increased morale, and an improved operating margin, StratWealth recently unleashed an employee profit share that tracks to firm goals every quarter.

"This is real change," DeCarlo said. "Real improvements. Real integration. And a real culture for innovation."