

The Future of Digital Onboarding: An Online Shopping Cart Experience



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The wealth management industry has clearly made progress in terms of streamlining how advisors and their clients collaborate. There's more work to do, though. The elusive Holy Grail is a single, one-stop shop for account creation and management for an entire client household's financial portfolio, including investments, annuities, fixed insurance policies and bank accounts.

Enter: Digital onboarding.

It's still early days, but digital onboarding is increasing automation and drastically reducing—even eliminating—the time spent on manual steps for financial advisors. This technology is bringing the “online shopping cart,” which has been ingrained into the modern retail experience, to advisors in their professional lives, too.

Digital Onboarding Today

Broker-dealers that utilize digital onboarding are already witnessing meaningful changes in how their advisors and clients engage.

Using digital onboarding, advisors can fully establish and fund new client accounts without volumes of paperwork. Enhanced pre-fill, data collection and type-ahead address functionality mean that otherwise time-intensive paperwork processing can be completed in just a few minutes. In some cases, accounts can be opened in as few as 90 seconds, start to finish.

Advisors can collect more data about new accounts up front and automatically generate a single, all-encompassing bundle of forms for clients to sign electronically. The client enjoys a single, smooth signing event for all required documentation and the advisor saves time due to the streamlined workflow.

Digital onboarding is also a game changer for the back office, in part by automating the principal approvals process, which is typically a bottleneck in new account opening. Digital onboarding allows for more data collection and smarter data validation. This leads to:

- More systematic automation of back-office processes that were historically completed manually

- Fewer incomplete or inaccurate documents (NIGOs) submitted by advisors, leading to faster processing, account approval and funding

These upgrades, though they markedly improve the account opening experience and are transformational to broker-dealer operations today, will be table stakes tomorrow.

What's Next in Digital Onboarding?

Right now, wealth management technology enables broker-dealers and their advisors to experience the benefits of digital onboarding by opening multiple accounts for a single client in a few minutes.

Two things I see on the horizon are the ability to open different types of accounts for a client's entire household and straight-through account funding.

Digital onboarding for households. Just as consumers place items into their shopping carts when making purchases online and designate them for various recipients, advisors will be able to open accounts for multiple people within a household in one transaction. This needs to include any account across all lines of business including investment accounts, annuities, fixed insurance policies or bank accounts to provide a rich and unified approach to digital wealth management.

Straight-through account funding. The next wave of digital onboarding will also further reduce the time, paperwork and manual resources needed for money movement and account funding. Straight-through account funding means that client assets can be moved over faster, so advisors can begin investing and managing those assets more quickly. Clients will also be able to collaborate with their advisors online and have the convenience of self-serve access.

It is an exciting time to be working in fintech. The next level of digital onboarding promises to help advisors foster deeper and expanded client relationships and build their books of business faster. It's digital transformation of the wealth management industry in action, and it's closer than you think. ■

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