

CASE STUDY

Know which non-managed accounts are underperforming? Envestnet does.

Customer Facts

As one of the largest diversified financial services institutions, this banking and investment company serves a wide array of individuals and businesses across the U.S. The company is deeply committed to meeting the needs of its customers and communities through retail and corporate banking, real estate finance, asset-based lending, wealth management, asset management, and many other services.

»» Industry: **Banking, Investing, and Wealth Management Services**

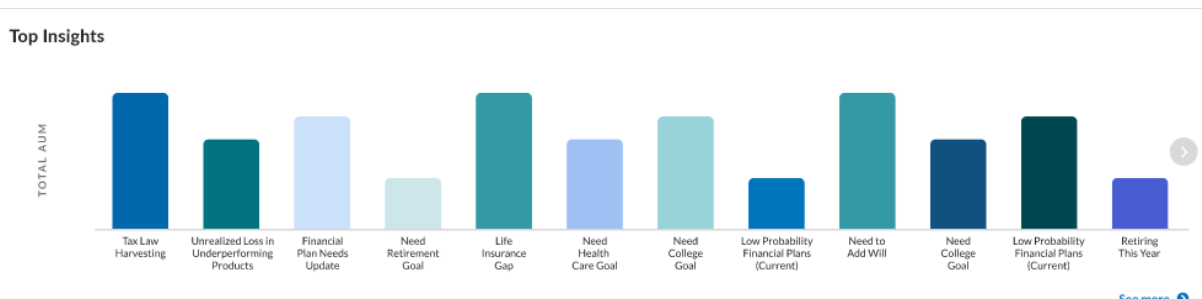
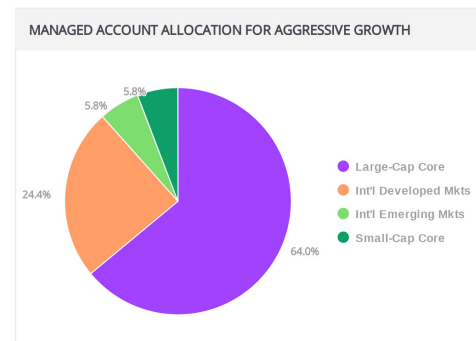
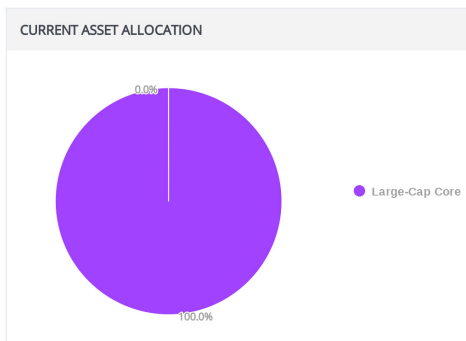
»» Product Used: **Envestnet's Insights Engine for Non-Managed Insights**

The Challenge

Transitioning clients from self-managed brokerage accounts to fee-based advisory accounts is a key business initiative for most broker dealers and their advisors. It's also critical for investors to know when their self-managed portfolios are underperforming or not aligned with their risk preferences and goals. Yet, identifying the brokerage accounts that should be converted to managed accounts can be time-consuming and complex for advisors and their firms.

One well-known investment company wanted to simplify the process of identifying the accounts that were the best fit for their managed account service. They also wanted their advisors to have the context, visibility, and proof points to initiate successful conversations with account holders. This company already relied on Envestnet for analytics, benchmarks, reporting, and other solutions for their brokerage business, annuity business, and managed accounts. The company turned to Envestnet for help in designing a tool that would perform prescreening, pre-calculations, and scoring on the company's internal data, to quickly indicate which brokerage accounts advisors should focus on for conversion and why.

Identify and compare underperforming accounts with Insights Engine



For illustrative purposes only. Not based on actual client data.

With Insights Engine, the company didn't have to worry about technology or operations.

The Investnet Solution

Investnet worked closely with the broker dealer's business, marketing, and investment teams to define the criteria associated with underperforming self-managed brokerage accounts, and develop a scoring system to identify the areas where accounts weren't meeting investor or company objectives. The result was Investnet's Insights Engine. This dynamic, data-driven solution assigns risk scores to self-managed brokerage portfolios based on various risk criteria, for example, high single-security exposure.

The tool flags underperforming portfolios based on the investor's preferences, current risk, and target risk, and allows the user to prioritize based on risk deltas and asset base. Low risk and opportunity scores are assigned to low priority portfolios that investors are managing well, and medium or high scores to those portfolios that are under or over diversified or aren't aligned with investors' risk preferences and goals.

With easy access to detailed risk scores, Insights Engine makes it simple for advisors to intuitively understand the risk delta and

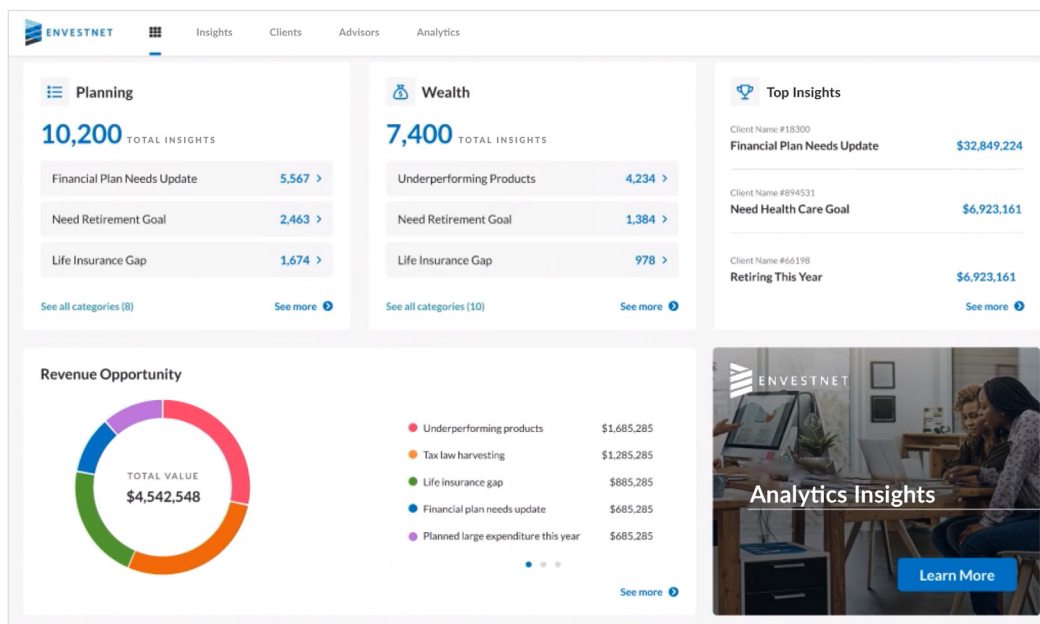
potential asset base for mismanaged accounts. Advisors can then initiate intelligent conversations with clients about why they might be better served with a managed account and provide concrete details on where their current risk and target risk is, how their under- or over-diversified portfolio compares to a well-diversified managed account, and more. This data can also be compiled into a client-facing report.

Insights Engine also enables advisors to indicate when they've reviewed targeted accounts and approached clients with the idea of converting. The tool supports all levels of company management so that supervisors can easily see where the opportunities lie and track conversions, to ensure every opportunity is acted on.

Proof Points

Once the broker dealer started using Insights Engine, their rate of brokerage to managed conversion steadily increased. After six months of using the tool, many more clients were having an experienced advisor manage their account's risk. The advisors were also benefiting from deeper client relationships and more predictable revenue.

In addition, with Insights Engine, the company didn't have to worry about technology or operations. Instead, the company could focus on customer messaging and how to approach clients, while depending on Investnet's leading financial technology to support their advisors, managers, and business initiatives.



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For more information on [Investnet Data Intelligence](https://investnet.com) products and services, please visit investnet.com.

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