Tips for Modernizing Your Practice for the Digital Age

The internet and online media continue to transform our lives, both personal and professional. For financial advisors, knowing the ins and outs of these communication tools can help to better serve existing customers and connect with new ones.

When it comes to your professional online presence, would you consider yourself an experienced player — or someone watching from the sidelines? Research by PricewaterhouseCoopers (PwC), reported in a 2016 Financial Advisor article, concludes that high-net-worth investors are enthusiastically embracing digital tools, while wealth management is “one of the least tech-literate sectors of the financial services industry.”

Cautiousness on the part of financial advisors is understandable, given the learning curve and compliance issues involved (see the “Rules of the Road” sidebar for tips), but the rewards for those willing to put in the work can be substantial. Time spent online is soaring, as are the number of tools that allow investors to track their portfolios 24/7. What’s a forward-thinking, customer-focused financial advisor to do? This article provides advice on how to establish an effective digital presence.

WHY BE DIGITAL?

Social networks and professional websites are places to establish and reinforce both your personal brand and that of your company. They also provide potential venues for building relationships with clients and prospects. Your online contacts get to know and trust you as a person, while you get to know more about their lives and needs.

Depending on the quality and value of the things you share online, your contacts may also be more likely to look to you as an authority on financial matters. And you’ll find ample opportunities online to promote events like in-person seminars and webinars.

A FEW ONLINE DO’S

First, some general advice: Make your social media activity a conversation, not a monologue. Listen as much as you talk. Comment thoughtfully, and give praise and recognition freely. Strive for civility and courtesy. Remember, you’re representing yourself, your firm and your profession in your online interactions.

Additionally, one of the most important things you can do online is to be helpful. One way to accomplish this is by anticipating common questions and providing clear, well-supported answers. Following are more specific recommendations to help enhance your online presence.

LINKEDIN: LAND OF OPPORTUNITY

A good place to start any social media discussion is with LinkedIn, as it’s emerged as financial advisors’ No. 1 platform, according to a 2015 survey by market research firm Cogent Reports.

One of the most productive things you can do on LinkedIn is connect with clients and prospects. When you do, you’ll want to make sure your profile is as complete and compelling as possible, highlighting professional qualifications, honors or awards, charitable activities and recent content you’ve produced. A strong profile is key to having an effective LinkedIn presence.

Specific to LinkedIn, you may consider joining the groups your clients are active in, or starting your own group based on your interests and areas of expertise. Also, when you’ve got content to share (more on that below), you’ll want to make sure your LinkedIn audience knows about it.
CONTENTS IS KING

Financial advisors have used Twitter to host live Q-and-A events, where people use event-specific hashtags to ask questions. A growing number of advisors have also established YouTube channels to broadcast their thoughts. And many professionals have leveraged tools such as WordPress and LinkedIn’s content sharing capabilities to share their expertise via articles and blogs. As you can see, in today’s online world, content is king.

What should you share online? Whatever is relevant to your audience. At the outset, this is likely to be content created by others — articles and blog posts you find useful, videos or white papers that support your philosophies. But to really cement your reputation as an expert, you’ll want to move beyond sharing others’ ideas to crafting your own content.

Topics for original content include current issues, emerging trends, specific industries or sectors — anything you and your clients are talking about. As you produce your posts, be aware of the small details that affect how you’re perceived. For text, this means editing and proofreading yourself (or having someone else do it). For video, attention to lighting and sound quality will enhance your air of professionalism.

You don’t need to aim for top-of-the-line production values. As long as you can be seen and understood clearly — and you present yourself openly — video can be an effective means to connect with people.

THE PROFESSIONAL WEBSITE

A great first spot to publish your content is your professional website. This is the digital real estate that will provide much of the world with its first impression of you as a financial advisor. You’ll want to aim for the highest quality design and functionality you can achieve.

Fortunately, there are many places to turn for help with your website. Firms that specialize in web services for advisors include AdvisorDesigns, AdvisorFlex and Financial AdvisorsWebsites.com. You can also build your own website using content management services like Squarespace, Wix and Branded.me.

As far as timing, you should add fresh content regularly, on a schedule if possible. One new post per week is a good minimum frequency to strive for. With that said, not every blog post or video has to be a blockbuster. In a world where attention spans grow ever smaller, short pieces of content often gain more traction than longer posts.

GET FRIENDLY WITH SEO

Tools like Moz and Google Analytics can give you extremely fine detail on your site’s inbound performance, along with visitor behavior. Below are a few broad SEO tips to keep in mind:

Optimize Your Site: Keyword research is the process of getting inside prospects’ heads and discovering the language they use to describe their needs. You then seek to align your site’s name, post titles and content with this language.

Go Local: Many of the people seeking you out will do so using geographic parameters. Increase your visibility by making sure you’re listed with the most important directories — Google, Bing, Yahoo, Yelp and Facebook.

Consider Paid Search: Investing in pay-per-click (PPC) advertising with Google or Bing can help you boost traffic to your website.

Reviewing your website analytics through Google and Bing will help with things like what time of day your posts perform best (early morning or after work generally have better reach), as well as which of your content gets the most engagement from readers in the form of likes, comments and shares.

Analytics can also help you gauge the return on investment for your outlays of time and money. Advisors who send email newsletters have an additional edge here, as most email services will let you track prospects’ discovery of your site, providing insight into what converts prospects to clients.

One more consideration for your website is making it search engine friendly. Even basic search engine optimization (SEO) practices can help people discover your website. Refer to the “Get Friendly With SEO” sidebar on this page for tips in this area.
RULES OF THE ROAD

The subject of compliance can be quite complex as it pertains to an advisor’s and a financial services firm’s use of digital and social sharing tools. As a result, it is always a good idea to speak to your compliance team regarding the specific steps you need to take to ensure your efforts are in sync with regulatory guidelines. While you get started, here are a few basic essentials to consider:

• **Don’t Give Investment Advice.** This is the golden rule to follow, as well as a regulatory requirement, to avoid the appearance of providing a recommendation. Remember: Regulators state a financial advisor must determine that a recommendation is suitable for every investor to whom it is made.3,4

• **Keep Your Personal and Professional Online Personas Separate.** Just as your personal email address shouldn’t be used to conduct business, your personal social media accounts must remain off-limits for professional dealings.

• **Don’t Overlook Disclosures.** Depending on the social channel and your firm, you may need to mention in your profile that things you say online should not be construed as investment advice. It is important to note that disclosure and regulatory filing requirements for advertisements also pertain to your online communications. As such, disclosures required by the U.S. Securities and Exchange Commission (SEC) and FINRA must be included in your social media accounts. If you encounter space restrictions, such as in Twitter, a hyperlink to the disclosures may be acceptable.

• **Content Standards.** Even with space limitations, general content standards apply not only with your content, but with third-party content you choose to link to, retweet, like or attach to your online profiles or website. Because of this, it is a good idea to avoid redistributing third-party content you know or have reason to believe contains false or misleading facts or other information.

• **Be Careful With Endorsements.** The SEC has interpreted the term “testimonial” to include a “statement of a client’s experience with, or endorsement of, an investment adviser.”5 For some advisors, this has meant opting to turn off LinkedIn’s endorsements feature.6,7 In addition, even using the “like” feature in some social media platforms can be considered a testimonial or endorsement in certain circumstances. Check with your company’s compliance team for more information.

• **Stay Up-to-Date.** Know your firm’s policies and make sure you follow them. Seek out your firm’s policies and procedures first, as well as read the guidance issued by FINRA and the SEC on the topic. Finally, review the documents referenced in this article’s endnotes for more information.

The compliance requirements for using online and other digital media go beyond the traditional content standards you follow daily in your communications. Your firm will also need to supervise your online behavior, and have systems set up to successfully monitor and archive your online activities on an ongoing basis.

IN BRIEF

Digital media are part of our lives and our work. The degree to which financial advisors familiarize themselves with and participate in this communication sphere will likely impact their chances of success. “Firms that successfully combine technology and human capital have the greatest opportunity,” said PwC in *Financial Advisor.*

How best to position yourself to win in the digital realm? Make your online persona consistent with your real-world self. Be professional, thoughtful and respectful. And be sure to follow your firm’s policies and procedures.

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3 FINRA Regulatory Notice 10-06, FINRA, January 2010.
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