

Wealth Management Client Onboarding Process

We recently worked with a wealth management client who wanted to make their client onboarding process more efficient and to locate all documents centrally, so they are easily accessible to the whole team. We discussed their current process and helped them build a bespoke Pathway that covered the steps they usually take into a custom process that improved their current checklist approach. That made it easier to review each step to ensure compliance with their regulatory requirements.

Onboarding a new client as a wealth manager involves establishing a solid client-advisor relationship and ensuring that the client's financial goals and needs are understood and addressed effectively. Equally importantly, it also ensures that any regulatory steps are met and documented in a way that's easy to find should your regulator request confirmation.

Having been through that process, we created a new Phundex Pathway to give you a starting point to customize for your internal onboarding process. We started by reviewing the typical steps a wealth manager takes when onboarding a new client:

1. Initial Contact and Introduction:

- The process usually begins with an initial contact, which could be through a referral, a marketing campaign, LinkedIn contacts or events. At this stage, the wealth manager typically makes introductions about themselves, their business and the services they offer.

2. Pre-Qualification:

- Before proceeding, the wealth manager often conducts a pre-qualification process to assess whether the potential client's financial situation and goals align with the services they offer. This step helps ensure that the advisor can genuinely assist the client. This is also an early-stage compliance process to ensure the client meets the regulatory requirements for the wealth manager's services.

3. Initial Meeting:

- Once the pre-qualification is complete, you'll want to set up a meeting with the client. This could be in person, over the phone, or via video conferencing. During this meeting, the wealth manager aims to understand the client's financial objectives, risk tolerance, investment preferences, and any unique circumstances. It's also their first opportunity to ask questions regarding the client's level of investment sophistication and risk appetite.

4. Compliance and Regulatory Requirements:

- Compliance and regulatory requirements can vary by location and the type of financial services offered. The wealth manager ensures that the client provides and understands all necessary documentation, disclosures, and legal agreements. Typically, the client is asked a series of questions that set out their high-level financial position, the types of investments they have made in the past and have in their current portfolio, and the kind of investments they are interested in

now. It will also assess the client's risk appetite – how secure they want the assets to be or the level of risk the client is willing to take with their investments.

5. Gather Financial Information:

- The wealth manager collects comprehensive financial information from the client, including income, expenses, assets, liabilities, tax returns, and estate planning documents. They will also ask for details of current investments, pensions and property held to provide a complete picture of the client's financial position. This data is crucial for creating a tailored financial plan.

6. Assessment and Analysis:

- The advisor analyzes the client's financial situation, including risk assessment, to determine suitable investment strategies and financial planning recommendations. The risk assessment considers the client's level of investment sophistication, risk appetite, age, retirement plans and types of investments that would suit their profile.

7. Proposal and Recommendations:

- Based on the analysis, the wealth manager creates a detailed proposal that outlines recommended investment strategies, asset allocation, and other financial planning recommendations. This proposal is given to the client for discussion and approval.

8. Account Setup and Funding:

- Once the client approves the proposal, the wealth manager assists in setting up investment accounts, transferring assets, and implementing the recommended strategies. Here, several internal steps likely need to be managed across multiple team members, and that's where Phundex helps streamline efforts and help you manage your regulatory compliance requirements.

9. Ongoing Monitoring and Reporting:

- The wealth manager provides ongoing monitoring of the client's portfolio, making adjustments as needed to align with changing financial goals and market conditions. Regular reports and meetings are scheduled to keep the client informed.

10. Education and Communication:

- Throughout the relationship, the wealth manager educates the client about investment strategies, financial markets, and relevant financial topics. Clear and open communication is crucial to maintaining trust.

11. Review and Adjustments:

- Periodically, typically annually or as needed, the wealth manager reviews the client's financial plan and investment portfolio to ensure they remain aligned with the client's evolving goals and changing circumstances. Adjustments are made as necessary.

12. Client Relationship Management:

- Building and maintaining a robust client-advisor relationship is essential. The wealth manager will focus on the client's needs, provide responsive customer service, and be available for inquiries and discussions.

13. Documentation and Record-Keeping:

- Accurate record-keeping of all client interactions, agreements, and financial transactions is crucial for regulatory compliance and maintaining a transparent client-advisor relationship. That's where Phundex comes in, as the process is tracked from start to finish in one central location, with all documents available for review at any time by the relevant members of the team.

Throughout the onboarding process and beyond, the wealth manager must meet regulatory requirements while acting in the best interests of the client. The goal is to help the client achieve their financial objectives while minimizing risks and providing the highest level of service.

In our next article, we discuss the Phundex Client Onboarding Pathway and how it helps you manage the background administration to meet all of the above simply and efficiently.

You can find more articles on our website, at [Phundex Resources](#), on LinkedIn at [Phundex LinkedIn](#), or for other questions, please email us at: hello@phundex.com.

To book a demo or do a trial, you can either use the link on our website or email support@phundex.com, and they will be happy to set it up for you.