

CASE STUDY

Streamlining Operations and Increasing Revenue in a Wealth Management Department

A regional bank with multiple locations sought to streamline and grow its wealth management department. Its specific goals included improving outcomes for private clients, increasing the department's revenue, and strengthening its research capabilities.

Ellwood's Wealth Management Advisory Services' team designed and delivered a custom solution that led to the following outcomes for the department.

THE CHALLENGE

To achieve its core business goals, the bank's wealth management department had to overcome three core challenges.

First, the department's employees didn't have enough time to devote to new business development because they were saddled with responsibilities in research and operations. As a result, they found it difficult to carve out time to recruit new clients, meet with existing clients or explore other new business opportunities.

Second, because the department relied on research from third-party resources, bank employees were limited to

looking at quantitative data from across the entire universe of investments and making investment decisions only based on historical information about risk/return tradeoffs, sector performance and the like. In addition, without firsthand access to managers, the employees couldn't consider qualitative information that was relevant and important. The team also lacked experience in researching managers, which made it difficult to identify top-tier investment managers.

Third, the client's investment portfolios were dissimilar. Two clients with similar risk tolerance might have entirely different portfolios depending on which advisor they worked with. In addition, there was little continuity in the service because there was no defined process, while investment philosophies varied by individual advisors.

THE SOLUTION

To address these issues, our team partnered with the bank to serve as an extension of the wealth management department's staff. In this role, we designed and delivered a custom solution that included asset allocation modeling, dedicated research insights, streamlined operations and more.

For example, our asset allocation team provided the

department with a set of different asset allocation models—featuring a range of conservative and aggressive investments—based on research insights from our capital markets team. As a result, the department was able to assign individual clients to a specific model based on their risk tolerance.

To improve the department's efficiency and effectiveness, we analyzed the team of investment managers based on a number of qualitative and quantitative tools. We also offered our list of approved managers and made recommendations based on direct relationships with managers. Ultimately, we lowered the number of managers and added indexing and passive strategies, which further streamlined operations, lowered fees and built structure into the department's processes.

In addition, we helped the department establish a Statement of Investment Policy, which helped advisors and clients stay on the same page and set expectations for the portfolio and market. Finally, we delivered capital markets updates and other educational resources to help the advisors communicate market events and drivers more effectively to their clients.

THE OUTCOME

Our suite of custom services and solutions led to several positive outcomes for the bank.

First, our services and recommendations helped streamline, simplify and stabilize the structure of the wealth management department. We helped improve the team's access to new research insights and increased the efficiency and

consistency of its service offerings. This also helped lower investment management fees and led to a more cost-effective investment portfolio. In addition, it provided more stability to the department in the event of staffing changes.

Second, outsourcing research to our team gave the department's employees more time to spend on activities that had revenue-boosting potential—that is, meeting new clients, building relationships with existing clients, asking for referrals and pursuing other new business leads. Our research insights helped inform a stronger investment portfolio with greater potential for alpha.

Third, our resources helped enable the department to deliver better service and communication to its clients while increasing the continuity of its service offerings. This, in turn, increased client satisfaction and boosted retention rates. **E**



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About Ellwood

For four decades, Ellwood has customized investment programs that are practical, grounded in fundamental research, and focused on bottom-line performance. Our consulting practice is national in scope and is focused on serving seven primary practice areas: Healthcare Systems and Hospitals, Corporate Defined Benefit Plans, Corporate Defined Contribution Plans, Endowments and Foundations, Public Funds, High-Net-Worth Clients, and Wealth Management Advisory Services.

Ellwood was founded in 1977 and is a 100% employee-owned, independent investment consulting firm with no parent or affiliate organizations. Ellwood is based in Chicago, IL with a regional office in the Denver, CO area.

Wealth Management Advisory Services

Ellwood's Wealth Management Advisory Services is designed for wealth advisors who seek to streamline research and operations, have a desire to bring institutional investment opportunities to their private clients, and who want to spend more time focusing on building their client relationships.



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