

Outsourcing to Grow: Is a Virtual Administrative Assistant Right for Your Practice?

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As competition for investor assets increases in intensity and advisory margins shrink, the imperative to grow a practice has never been so urgent. Yet, growth does not come without its costs as advisors hire staff and invest in technology to meet the service demands of an expanding client and asset base.

In a previous white paper—*The Hiring Dilemma: A Guide to When, Why and How*—we discussed the relative merits and disadvantages of hiring new staff versus engaging an independent contractor to meet the heightened workload of a growing practice, briefly touching upon an entirely different alternative ... outsourcing.

In this white paper—*Outsourcing to Grow: Is a Virtual Administrative Assistant Right for Your Practice?*—we explore the unique advantages of the outsourcing alternative, focusing on the virtual administrative assistant option, how such a program works in practice and the right questions advisors need to ask of any potential virtual assistant service provider.



The Benefits of Outsourcing

There are any number of financial services functions that can be outsourced, from compliance and social media marketing to client servicing and communications. It's important to remember that while the work involved in each function can be outsourced, the responsibility cannot. That's why it's so important to find the right service provider when outsourcing a particular business function.

The benefits of outsourcing are many, including:



Cost Savings

Adding new staff involves costs, ranging from direct compensation and benefits to added administrative burdens and new hire training. Outsourcing also eliminates the need to find office space and the stress of having to terminate an employee. Additional cost savings may be realized from an outsourcing model that requires an advisor to pay for only when work is performed, as opposed to paying for a full-time employee.



Scalability

Outsourcing more easily meets the incremental demands of client and asset growth than the alternative of hiring new staff.



Maintain Quality Control

While an outsourced function may be performed by a third party, service delivery remains transparent to the advisor, allowing him or her to maintain an oversight of—as well as exert an influence on—the quality of service his or her clients receive.



Maximum Flexibility

Outsourcing engagements often do not involve long-term commitments; indeed, some are available on a monthly or quarterly subscription basis. This gives advisors exceptional flexibility in starting and terminating the services they receive from a service provider.



Greater Efficiency

Advisor productivity is most effectively enhanced when the advisor can shed low-value activities and focus more time and energy on the highest value aspects of the job, like advising clients, managing money and new business development. Outsourcing can relieve advisors of many of those low-value duties so advisors can concentrate on being more productive.

What is a Virtual Administrative Assistant?

The reason for this paper's focus on virtual administrative assistant services lies in the uniquely strong correlation of a financial practice's growth to the volume of the labor-intensive functions of account paperwork, answering phones, and other operational and administrative functions.

The virtual administrative assistant's responsibilities may vary with the service provider, but generally include scheduling appointments, responding to client requests for documents, basic client assistance on using technology and processing minor account updates. They may also assist with reviewing an advisor's e-mail, asset transfer requests and effecting major account changes (e.g., beneficiaries).



Signs That You Should Be Considering a Virtual Administrative Assistant

There are a number of “can’t miss” signs that indicate you may want to explore the possibility of engaging the services of a virtual administrative assistant. The top indications are:

1

Your current staff has been handling high work volumes for an extended period of time. Excessive work burdens over a sustained period will lead to losing talented employees, costly mistakes and lower productivity.

2

You are ramping up your new business development activities or are soon planning to. The last first impression you want to make with new clients is bungled paperwork because the practice is not properly staffed to handle the higher volumes.

3

You find that you are personally spending too much time on administrative and operational tasks to the detriment of spending time with clients, managing money or developing new business.

4

You have a special project that you'd like to have done, but no resources to do it.

5

Emerging demands are straining the ability of you or your staff to meet their primary responsibilities.

6

You're looking to retain talented employees by assigning them greater responsibilities and relieving them of the more mundane work.

7

You've reached a point in your career where you've become tired of dealing with the administrative and operational minutiae and would love to offload it.

Questions to Ask of a Virtual Assistant Service Provider

Client relationships can often be harmed by the poor execution of the little things, like an unanswered email or a delay in a service request. Identifying the right service provider can help to raise the level of the client service experience even as it improves advisor productivity. An advisor's initial research of virtual administrative assistant providers and subsequent due diligence should seek the answers to some very important questions, including:





American Portfolios Virtual Administrative Services

At American Portfolios, we offer a comprehensive menu of virtual assistant services to advisors, providing a maximum of flexibility through our unique monthly subscription.

This industry award-winning program** is comprised of highly trained assistants familiar with the forms, processes and technology platforms required to conduct business with American Portfolios, including knowledge of other custodial platforms that may be used by advisors, such as direct business, Pershing, TD Ameritrade and Charles Schwab.

Among the time-consuming tasks our virtual administrative assistants can relieve advisors of are:

- Preparation for client meetings
- Blottering a direct purchase
- Opening new NAFs
- Informing of NAFs needing certification and/or failing Homeland
- Following up on commissions/fees
- Following up on promotional material submissions
- Helping clients with online access to and navigating HomePort
- Signing up for paperless delivery
- Generating reports
- Addressing open items in STARS, such as BD Console NIGOs, drift alerts and failed mail
- Completing proposals
- Completing service agreements
- Handling accounts that need binning
- Obtaining missing client UCSs
- Doing principal comments in T-Blotter
- Closing pre-approved transactions and sending them to a vendor/issuer
- Opening new accounts in direct business, Pershing, TD and Schwab
- Addressing operational or maintenance items and IFAs from Pershing
- Addressing operational or maintenance items on TD, direct and third-party accounts



If you believe a virtual administrative assistant can help your practice reach the next level, we invite you to talk to one of our business consultants to get the conversation started:

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American Portfolios Financial Services, Inc. has just the resources in place to help its advisors on many fronts. Reach out to *Business Process and Technology Platform Manager Michael Paxson* at **631.439.4600, ext. 234**, or via e-mail at mpaxson@americanportfolios.com to strike up a conversation today on programs and needs of the advisor.

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company supports independent investment professionals—including of registered assistants and non-registered associates—throughout the nation.

American Portfolios has numerous recognitions by a number of industry publications and organizations. Such acknowledgment includes: multiple Broker-Dealer of the Year* (Division III) wins by Investment Advisor magazine; multiple finalist and award wins by WealthManagement.com Industry Award in multiple categories**; Corporate Citizen of the Year by Long Island Business News; multiple top placements as one of the Best Companies to Work for in the state of New York by the New York State Society for Human Resources Management (NYS-SHRM) and the Best Companies Group (BCG); and one of the Top Long Island Workplaces by Newsday.

*Based on a poll of registered representatives conducted by Investment Advisor magazine. Broker/dealers rated highest by their representatives are awarded "Broker/Dealer (B/D) of the Year."

**Wealthmanagement.com Industry Award finalists are selected by a panel of independent judges made up of subject matter experts in the industry. Award is based on support provided to AP's affiliated people and does not reflect public customers nor their account performance.