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TECH UPDATE

AIG's B-D network keeps its eye on technology

A reformulated platform gives advisers more streamlined and accessible tools, and a more efficient work flow

By Davis D. Janowski

The AIG broker-dealer network, now called Advisor Group, has managed to invest in and enhance its technology, despite the turmoil surrounding its parent company, American International Group Inc.

Made up of FSC Securities Corp., Royal Alliance Associates Inc. and SagePoint Financial Inc., Advisor Group has introduced a slew of major changes to its shared Vision 2020 technology platform.

The reformulated platform, initially launched in late April, provides users with tools that are more streamlined and accessible, and improves the work flow for every day-to-day management task you can think of.

Royal Alliance is "the first broker-dealer I've worked with in my career that gets it," said Craig DuVarney, a certified financial planner who manages $56 million in assets. "They know that freeing me up as much as possible from non-revenue-generating work allows me the time to take on more new clients."

Mr. DuVarney — and several other advisers — said they are pleased with the way Vision 2020 integrates an e-forms library with a back-office document management system.

No kidding, you can really go paperless.

The application behind the digital compliance-approved forms is Laser App Software, which fills in information on documents automatically, thanks to integration with Advisor Group's Client Central system.

At the end of the trail is Docupace Technologies Inc., a third-party provider whose signature document management application has been embedded in the Vision 2020 platform and its work flow process.

It lets advisers, administrators and compliance officers archive documents for compliance, and search and access files easily.

Advisor Group has a pilot program under way to test digital and e-signature technologies, including one from Topaz Systems Inc.

Mr. DuVarney, who is among the pilot participants, said paperless operations rock.

"I'm one of the first people to actually be completely on the system and routing documents straight through to the back office without having to lay my hands on a piece of paper. It is saving me time, postage — and no more faxing," he said.

There are other big improvements.

The Advisor Portal, a single-sign-on web portal, provides personnel from all three broker-dealers access to the same Client Central account system. It also provides access to many resources that have been aggregated and are accessible from one place.

Client Central provides tools that allow advisers to track both their fee- and commission-based business. There is also access from there onto Pershing LLC's NetX360 brokerage account platform.

Rachel Knaggs, a client services specialist with Vahanian & Associates Financial Planning Inc., which manages $88 million in assets, said that these changes have made navigating the broker-dealer's systems much easier.

"I spend hours there every day, and instead of bouncing from one place to another and having to log in and out in different places, things have become much more centralized," she said,

The e-form system alone substantially curtailed the number of errors, Ms. Knaggs said.

Other components to be added by year's end include expanded managed-account offerings, which will be brought out in two phases.

The offerings will allow advisers to have access to separately managed accounts, unified managed accounts and model portfolios with third-party strategists.

There will also be a new set of proposal generation tools, additional access to research along with better security classification, new client-reporting tools and new trading features.

Advisor Group will also implement new security practices and technology this year. This includes multifactor authentication for access to the portal and the embedding of both automatic and on-demand e-mail encryption in the e-mail system provided by LiveOffice LLC.

Each adviser's personal computer will be inspected when he or she logs on to the portal to make sure it is running updated antivirus software and up-to-date virus definitions.

Another ambitious and highly anticipated aspect of the project that is to be rolled out by year's end is support and integration for several popular third-party CRM applications.

About 5,000 advisers from the three different broker-dealers use Vision 2020 every day — accounting for more than 10,000 unique logins.

Rita Robbins, president of Affiliated Advisors Inc., an advisory firm that works with Royal Alliance, acted as liaison between the adviser steering group in the field and the advisory board of Royal Alliance and Advisor Group itself.

The redesign and re-engineering of the system had its genesis with the adviser users, she said.

Specifically, Ms. Robbins, along with Randy Epright, executive vice president and chief operating officer, said that advisers were asked what they would want from a technology standpoint to make their lives easier.

"We weren't shy about telling them what we wanted," she said of Advisor Group.

Although he declined to put an exact price tag on the revamp, Mr. Epright said that the sum amounted to "multiple seven digits," none of it originating from federal bailout funds.

Visit our blog (InvestmentNews .com/technology) for additional reporting on this topic, including an interview with Cindy Posipanko, the OSJ for 23-rep Legacy Financial Services Group, who talks about the way changes to supervisory tools on the platform have made her life easier.

(Visit the online version of this story for a slide show and links to companies mentioned in the story.)

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