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Newsletter for Financial Advisors

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## Letter From The Editor

Dear Subscribers—

You talked and we listened. In the survey you recently completed, three changes you requested were 1) move the Letter from the Editor to the front of the newsletter (yes, that does make more sense unless the first thing you *don't* want to see upon opening the publication is my ugly mug), 2) provide more coverage of large-firm virtual offices and 3) 50% or more of you said you'd be willing to try podcasts.



So, beginning with this issue, my letter to you has been moved and we will offer you the option of listening to *or* reading one article per month. We produced this month's first podcast by translating my article to audio with the help of [TextAloud](#) and AT&T Natural Voices software. While it worked, the voice was a bit robotic. So I re-recorded the podcast in my own voice, complete with throat-clearing and barking dog (my office assistant). I hope you like it in all its quirkiness.

And, throughout the year beginning with this issue, we will periodically feature large-firm profiles. Immediately following this letter you will find a profile of all the technological advances made by Budros, Ruhlin & Roe — a large, prominent firm in Columbus, OH — over the last six years since they hired a dedicated IT administrator.

One additional word on podcasts: there's not a uniform understanding as to what podcasts are, and we don't want to muddy the waters any further. What we offer you is, strictly speaking, not a podcast, but the end result is the same. You will be given links to audio files which you can choose to listen to right at your computer *or* download to an MP3 device (go ahead... multitask).

Moving on... this month, Joel writes on CEO Executive Assistant, and you'll find a guest column from Mark Farrell, Director of Planning Services for McLean Asset Management Corporation in McLean, VA (another large-ish) firm.

Hope you enjoy this issue with its new features.

*Dave Drucker*



## Budros, Ruhlin & Roe *by David J. Drucker*

**Rather listen to this article than read it? Click [here](#), then click on the filename, then choose to listen at your computer or download to an MP3 device**

Readers have been asking for more large-firm coverage, and [Budros, Ruhlin & Roe](#) qualifies. Now at 34 employees and \$1 billion in assets under management, the firm's principals have a total of over 70 years of experience in financial services. Budros and Ruhlin have each presided over the affairs of several of our major professional associations, and they've frequently been nominated to the "Best Of..." lists of certain trade publications.

With this background, I recently spoke at length with Brian R. Jack, BRR's Director of Information Technology. I first asked Jack when he came on the scene and what the company's technology looked like at that time. "I showed up six years ago in the Fall of 2000 when the partners decided they needed a full-time IT person. Before that, a planner in the firm had been handling IT matters, 'just keeping things running,' as she described her function. BRR had 21 employees at that time but everything was very basic. The firm was using Windows 98 as its operating system, it had a single server, a simple fire-wall — in fact — everything was about as simple as it could get."



Brian R. Jack

Jack went through everything systematically, upgraded the firm's operating system to Windows 2000, introduced new servers, backup procedures, firewalls and user rules to achieve consistency of operations. These were the foundational changes he believed the firm needed to start with to shore up its internal security before moving on to improve other systems.

"I then went forward with changes to BRR's reporting system," he says. "The firm was using dbCAMS but started down the road with TechFi until Advent bought them. Schwab is our main custodian and Advent wasn't getting along with Schwab, so we backed out of TechFi and went back to dbCAMS."

dbCAMS."

Jack wanted to implement Centerpiece but the firm had thousands of accounts that slowed down Centerpiece to the point where it was inoperable. "When Centerpiece went to SQL," says Jack, "we got in on the ground floor. The conversion [from dbCAMS] took 18 months — one of the ugliest I've ever seen — but, as of last August it was complete, encompassing 17 years worth of data."

Budros, Ruhlin & Roe's office, now that Jack has had six years to rehabilitate its technology, looks something like this: (click names below for URLs)

[Junxure-i](#). For its CRM, BRR had been using the old Junxure — the one Greg Friedman and CRM Software sold to Schwab and which Schwab made a part of PortfolioCenter as "PortfolioCenter Relationship Manager." "They never improved it, though, so we later moved over to the Junxure-I developed and maintained by CRM Software."

## Budros, Ruhlin & Roe... *Continued*

[eCopy Desktop](#). “This is a fantastic product,” says Jack. “It’s like owning the full version of Adobe Professional, but at a quarter of the price.” Jack says BRR uses eCopy Desktop for encrypting attachments to emails which open with Adobe, “the same as if we’d *created* the attachments with Adobe.” And instead of paying \$400 per license, BRR pays only \$120. “It also works well with our paperless office and portfolio reporting systems, since all our reports are done in PDF,” says Jack.

*Custom Reporting (Net Worth Balance Sheet from PortfolioCenter)*. Jack says the biggest problem the firm had with PortfolioCenter is that it didn’t offer a balance sheet, or “full wealth statement,” as they like to call it. So he hired [Etelligent](#) to program one for them. Most readers know Etelligent as an outsourced reporting solution, but the company also does custom programming. “With Etelligent’s programming,” says Jack, “we can now keep our clients’ personal assets and liabilities in PortfolioCenter, as well as their investments.”

[KwikTag](#) for Paperless Office. “When it was time to create our paperless office, we looked at five or six different systems and found KwikTag by accident.” Co-owned by Hewlett Packard, 3M and Iron Mountain, KwikTag is a scanning and paperless office system based upon bar codes. BRR employees create bar-coded documents which an intern picks up twice daily and scans. In addition to the usual features of a scanning and paperless office system, Jack says, “We can also pull up documents from the Web, send documents directly to KwikTag from Microsoft Office Suite products, and create a CD-bootable database. For example, if a client leaves, we could burn his records onto his own version of KwikTag in the form of a searchable CD.”

Jack says BRR has captured in its KwikTag system about 750,000 sheets of paper (front and/or front and back) and 150,000 documents of two or more pages. “We’re halfway done with scanning all our files. We’ve made a significant investment in this software but feel it’s still far cheaper than had we used, say, Worldox.”

IT jobs like Jack’s are taking on greater importance than ever before in a variety of industries, reports the *Wall Street Journal*. For story, click [here](#).

[ByAllAccounts](#). BRR knew it needed some type of account aggregation software when it got up to entering data from almost 600 statements a month for accounts held by clients that couldn’t be downloaded into PortfolioCenter. “Now,” says Jack, “we do about one third of the statements manually and the rest are downloaded directly into PortfolioCenter with



### Jott—Another Great Free Service

Subscriber Russ Thornton tipped us off to Jott.com this month. It’s entirely free, first of all. And, second, it’s really useful.

Just go to [Jott.com](#), open a free account and start sending yourself messages.

Here’s how it works. Jott gets to know you first... that is, your email address and phone number. Then you call Jott’s toll-free number whenever the mood strikes, say something into your phone like, “Pick up an anniversary gift before the weekend or suffer the consequences.” By the time you get back to your email inbox, the reminder will be waiting for you as text in the body of an email. It’s that simple. DD



## Get Your Wiki On

A word that's creeping up more and more these days is "Wiki." A wiki is nothing more than a collaboration site that can be freely edited or added to by anyone invited to the site. Therefore, wikis are increasingly being used by businesses to share ideas, as well as calendars, agendas, etc.

A new beta site — [SocialText.com](http://SocialText.com) — now makes it easy to set up a wiki for your company and it's free for one to five users. It allegedly takes only minutes to set up, although it may take a bit of practice to use since this wiki is very free-form.

Another advantage of a wiki: for group communications, it's much easier than email. DD

## Budros, Ruhlin & Roe... *Continued*

the help of ByAllAccounts." Because much of these data come from password-protected online accounts, BRR must keep up to date all the required log-in information for ByAllAccounts to work, "but overall it's been a fantastic improvement," says Jack.

**Clustered Server Environment.** When it began enhancing its systems, Jack realized that their new paperless office system — with its space requirements — as well as PortfolioCenter and ByAllAccounts, would take lots more space and the one SQL server they had wasn't enough. "If the one box were to go down, we'd all be sitting ducks," says Jack. He began talking to the folks at IBM about a "fiber clustered system," or two servers attached to a drive array by fiber, made for SQL [high-speed database] systems like PortfolioCenter. "It's like a RAID system on steroids," says Jack; "if one server goes down, everything continues to run."

**Blackberry Enterprise Server.** BRR employees work remotely with Blackberries and, using Blackberry Enterprise Server, can communicate in both directions with the office's MS Exchange email system. "While away from the office, I could change a meeting, for example, and the change would flow through to the office calendar, everyone's individual calendars and their Blackberries."

**Barracuda for Spam Filtering.** Jack chose the Barracuda Spam Firewall for BRR's email spam filtering. "It's cost and setup was easy, it works with MS Exchange and it gives some firewall protection. Instead of a few thousand spams a day, we're now in the neighborhood of 100 to 200."

**In-House Trading Database System.** The BRR employee who once wrote the code for the firm's proprietary trading system has just completed the beta of Version 2. "We went through an SEC audit in 2001 when we'd been keeping trades manually," says Jack. "We could sort trades chronologically, but the SEC wanted trades by client. It took four guys going through boxes and sorting their contents in order to meet the SEC's request." After that, says Jack, a system was created allowing each planner to place a trade, have it show up in the system as "pending," have a data team submit the trade to Schwab, and then track everything in a trading database. "And now we can produce trades any way the SEC wants to see them," he adds.

**Cisco VPN Connectivity.** For those employees working outside the office, Jack installed a Cisco VPN which he says is more robust than standard Windows fare. "Actually, we bought the [Cisco Pix 515E firewall](#) which gave us the option to purchase the VPN too; we elected to buy the heavy encryption version."

**Naviplan.** BRR switched from ExecPlan to Naviplan after Jack came on

## Budros, Ruhlin & Roe... *Continued*

board.

[Windows Vista and MS Office 2007](#). “We’ve been testing Office 2007 since November 2006,” says Jack. “There are some nice features in Outlook that have made the planning staff’s lives easier, and we’ve had no problems except for formatting, which is always a problem with Microsoft software. Now, [Office Suite] uses XML formatting, but it hasn’t been a major issue.” He says the company has also been testing Microsoft’s newest operating system, Vista, on two machines in the office. “So far, it works with about 80% of our software, but we’re having issues with Naviplan and PortfolioCenter.”

Jack has been busy these past six years since joining Budros, Ruhlin & Roe. In that time, he’s completely transformed BRR technologically and operationally so as to better handle the company’s rapid growth.

I’m guessing that readers from larger companies have just one question on their minds at this point: where can we find a Brian Jack? “It took about six months for BRR to find me,” says Jack. “I was working in the IT department of Borden, the company that produces milk and other food products. Before that, I spent three years at Ohio State in their Athletic Department’s IT office.”

In other words, look outside of your immediate industry; not all of your IT needs will be industry-specific anyway.



*“Can you hear me now?”*



**4Shared.**  
**com**

Sometimes you just want to share one or more large files. They’re too big to email; you don’t want to pay money just to rent Web space for this purpose; and services like [Sendthisfile.com](#) are great, but not convenient when sharing files with more than one person.

Now there’s [4shared.com](#) where you can get — entirely for free — 1GB of shared space with unlimited bandwidth, unlimited access and no software to download. In fact, 4shared is what we’re now using to bring you audio files from some of our articles.

Give it a try. DD

## CEO Executive Assistant—An Update *by Joel P. Bruckenstein*

Most advisors who enjoy technology, myself included, often spend too much time trying to discover the next great technology tool. As a result, we often overlook, or at least we tend to underemphasize, some of the steady, reliable workhorses of our business. One could say that we take these programs for granted. For many *Virtual Office News* subscribers, [CEO Executive Assistant](#) is such a product.

CEO is in many ways the Honda Motors of the document management business. Their products are not sexy; they are just solid, dependable, and reasonably priced. Executive Assistant is CEO's entry level document management system. It is suitable for offices of up to five users. Executive Assistant is a bundle of three modules that work together to: Scan Documents, File Documents and View Documents. All modules are accessible through the Executive Assistant Toolbar.

Executive Assistant (EA) is available in three versions. Today we will primarily be discussing EA Standard, the version we have covered in the past. CEO Image Systems offers two other versions of EA: EA for Scanning, which we have also written about, and EA Barcode Premium.

EA for Scanning was reviewed in the January 2006 issue of VON. It's essentially the scanning portion of EA Standard. Whatever we said about it back then still applies. The only difference is that, as new scanning features are added to EA Standard, they also go into EA for Scanning.

EA Barcode Premium contains all the features of EA Standard. In addition, it can quickly scan and file large batches of documents using industry standard barcodes. It is a good choice for firms dealing with large quantities of paper documents that must be scanned and filed. This version can read the scanned barcodes. These barcodes contain identifiers that tell the software important information associated with a file. This might include a folder name, a folder index and an email value. In addition, it could include document indices and a file description. If you think you are a candidate for EA Barcode Premium, contact CEO Image Systems directly for further details.

Now...on to EA Standard.

### Installation

It has been a while since I last tested CEO Executive Assistant, so I did not have a recent copy of the software on my test computer. I took CEO Executive Assistant off of my computer not because I don't like it (I do), but rather because I perform so many tests that I'm forced to constantly install and uninstall software on my PCs in order to minimize software conflicts. So, when I decided to install Executive Assistant for this article, I was starting from square one, just as any reader would.

I've installed Executive Assistant in the past, and it is not difficult to do, but it can take anywhere from 15 minutes to perhaps an hour for the uninitiated, depending on whether or not you are installing some options and whether or not you already have your scanner drivers installed. There are a few steps that can trip up novice and intermediate users. In addition, CEO now offers connectivity with Junxure, but that involves additional software and configuration.

## CEO Executive Assistant—An Update... *Continued*

Rather than going through the setup process yourself, we highly recommend that you purchase the Quick Start Package. For a single user, this adds about \$49 to the \$247 VON discounted single user price, for a total cost of \$296; but the investment is well worth it. With Quick Start, a CEO technician will connect remotely to your PC, install your CEO software, including the free software that connects Executive Assistant to Junxure (if applicable). If necessary, the scanner drivers will be configured as well. After experiencing a short demonstration of this service, I can't imagine why anyone would even attempt to install EA by themselves in the future.

### Scanning With EA

The Scan Documents module is powerful yet flexible. It offers users the option of using either TWAIN or ISIS drivers. ISIS drivers are generally preferable because they allow the software to perform all of the enhancements discussed below. EA offers the ability to scan into a number of different file formats: TIFF, JPEG, or PDF. When you scan to TIFF or PDF formats, you have a choice of scanning each page to a separate file or scanning multiple pages to a single file. With a modern duplex scanner such as the Fujitsu fi-5120C or the Kodak i1300, you can scan both sides of the page in a single scan. If you have a simplex scanner, you can take multiple pages, scan the fronts, turn the stack over, scan the backs, and the software will collate the pages for you automatically. EA allows users to delete pages from a document or add additional pages without having to rescan the whole document. The program can also create mixed documents. This means that you can scan a color page into a black and white file, or you can scan a black and white image into a color file.

If you are scanning multiple pages in the duplex mode, but some of the pages are only printed on one side, the software will automatically remove the black pages from the file if you want it to. EA also has the ability to use blank pages as file separators. If you want to scan multiple distinct documents at one time, you can put a blank sheet of paper between the documents. EA will divide the documents wherever a blank page is inserted.

EA does an excellent job of filtering out background colors. If you have ever received a newsletter printed in black ink on blue, red or green paper and tried to scan it, you may have found the resulting scan illegible. With EA, you can filter out the background color. The resulting scan appears as black printed on white!

EA includes numerous other filters that improve the image quality of your scans. For example, when you scan a document that is smaller than the area scanned, inadvertent borders can sometimes form around the document. EA will automatically remove these if programmed to do so. Character dilation can be applied to sharpen indistinct text.

De-skewing automatically straightens documents that have scanned at an angle. EA will de-skew automatically if the function is enabled. EA can remove backgrounds, remove noise (like the black dots that often appear in a fax) and remove holes from pages stored in a three ring binder.



## CEO Executive Assistant—An Update... *Continued*

### Filing with EA

EA allows you to create as many cabinets and folders as you need. Each can be assigned its own set of indices. Advisors generally do not have much trouble creating cabinets and folders. For example, a typical firm might set up a “clients” cabinet and, within that cabinet, they might create a folder for each client. They might set up a separate cabinet to house all of the business operations documents and create the appropriate folders within that cabinet (accounts payable, accounts receivable, business insurance, etc.).

Historically, advisers have had more difficulty creating their indices, so CEO decided to help. Now, EA ships with a built in indices template for financial service firms. You can either use it as is or, in a more likely scenario, you can use the template as a starting point to create your own unique structure by editing and adding to the indices provided. Getting the indices right is important because it is through the use of indices that you can customize your searches to easily pinpoint the document you need. With the sample supplied by CEO, you are well on the way to successfully constructing your indices.

Once the indices are set up, you select a cabinet to scan to in the scanning module and you select a naming convention. This might be a number and a date, for example. As documents are scanned, they will be placed in the filing queue. You can then go to the queue, select a document, rename it if necessary, assign it multiple indices, then move on to the next document. If you prefer, as you scan, you can use the Save-As command to name documents and then later assign them indices as needed.

### Searching with EA

If you know where you filed each and every document, you won't have much use for EA's search feature; however, if you have many documents to search through, or if you need to find multiple documents quickly, the “View Documents” button comes in very handy. EA can perform simple searches on any one index (for example Date Created, Date Filed, Client Name, etc.) or on multiple indices (all documents for the client in the 33027 zip code that were filed between January 1 and February 15, 2007). EA's search capabilities should meet the needs of even the most demanding users.

### Junxure-i Integration

If you are a Junxure user, or you plan on becoming one, this feature adds

### Need Help with Junxure?

If you need help with Junxure, Shannon Clark knows it well because, not only has she had a close working relationship with CRM Software — she did the last two updates of their online user manual — but she's trained many of their clients.

Having been in the financial planning industry for a decade, Clark has worked with many different styles of planners, providing not just blanket solutions but, in many cases, going on-site to evaluate their present use of Junxure.

If you would like to check out Clark's services, her company is Catalyst Consulting Solutions LLC and she can be reached at 612-298-9191 or shannon@catalystconsultation.com. DD

## CEO Executive Assistant—An Update... *Continued*

a great deal of value at no additional cost. With Junxure integration, EA allows you to create a separate file cabinet called Junxure and to then move all of your Junxure documents, with the exception of email, to EA. This is a one-time process, which CEO employees can do for you provided you pay for the Quick Start service.

By default, EA recognizes the type of Junxure document you are importing (actions, financial statements, notes, quarterly reports, etc.) and it already includes search fields for those indices. So, for example, if you want to search through financial statements for those containing the name "Smith," you just go to the financial statements search line and type in the name "Smith." According to CEO President Conrad Foster, email — the one missing connectivity feature — will be added in a future version.

After the initial import takes place, users are instructed on how to scan new documents directly into the new Junxure cabinet within EA. If you create a new MS Word document within EA, it will automatically be created within the Junxure cabinet within EA provided that functionality is turned on. If you create a new client within Junxure, the client folder will be visible in EA once the user left-clicks on the folder icon on the Junxure Toolbar. This Toolbar is created when the free software linking EA to Junxure is installed.

With the toolbar, if you are working within a client record in Junxure, the corresponding folder in EA opens automatically, provided that you have activated the Junxure Toolbar. Left-clicking on the folder icon allows you to search through the corresponding client folder in EA. If you right-click on the folder icon, it exposes the Junxure document indices. For example, if you are working within the client "Jones" in Junxure, you can left-click to launch a search for that client folder. If you right-click, you can select "correspondence" and documents identified as Jones correspondence will be displayed in the search results. During my tests, the Junxure Toolbar performed flawlessly.

### **Other Noteworthy Features**

EA offers excellent annotation tools. Users can rotate documents, draw lines, insert arrows, highlight text, insert text, insert pop-up notes and more. The annotations are saved separately so they do not compromise the integrity of the underlying document.

At the request of customers, CEO added "Navigate to Folder" in the Options menu of the File Documents module. When users select this option from the menu (Alt-O-N) or by using the right mouse key over the list of folders, they are prompted for the first characters of the folder name for browsing. This option is handy to use when there are several folders available.

If you have Adobe Acrobat Reader or a full version of Adobe Acrobat, you can check the Display PDF files with the Acrobat menu item in the Options menu to view PDF files within File or View Documents.

Many advisors are concerned with maintaining the integrity of documents stored in the document management system, also known as an optical imaging system (OSS). For regulatory purposes, it

## CEO Executive Assistant—An Update... *Continued*

may be necessary to store certain files in a non re-writeable, non-erasable format. In addition, advisors may be required to verify the quality and accuracy of the optical storage recoding process, providing regularly scheduled backups (on separate optical storage disks) of all information originally preserved and maintained in the optical storage system, as well as to maintain an audit system to identify the individuals who have accessed the documents. Executive Assistant includes features that provide the user with the capability to address these needs.

EA now includes a backup-to-WORM feature. This feature allows you to create a duplicate copy of an existing cabinet. This folder is essentially a copy of the original cabinet; however, it has different properties in that it cannot be edited or deleted. Once this WORM folder is created, it can be burned to CDs or DVDs. An audit log keeps track of which files, associated data, and media the files are stored on as well as when the transfer was done.

### Service and Support

We have a fairly large sample of readers who have dealt with CEO Image Systems on some level. Of all the vendors that we receive feedback about, CEO Image Systems ranks in the very top tier with regard to service and support. All companies make an occasional mistake from time to time, but according to our readers, CEO makes less than most. When the rare problem does occur, we expect it to be handled promptly and professionally. Again, the feedback we receive indicates that CEO is more successful than most at keeping advisors happy.

### Our Recommendations

There are a number of good document management software products that target the one- to five-user market, but Executive Assistant is still one of our favorites. No other product in this niche sports a better scanning interface than EA. For those who value good, clean scans, as well as the flexibility to perform a wide variety of “touch-ups” on scans, EA is second to none.

Personally, I like the segregation of the scanning, filing and search/view modules. For the single user, it does not add much; however, when you move from a single user to multiple users, this division can make a huge difference. If you like, you can assign one or two users to scan and file. This means that the rest of the group only needs to learn how to search and view documents.

The Junxure integration is a huge bonus for those who use Junxure as their CRM system. The new interface and toolbar work well. I'd like to see the email feature added sooner rather than later, but even in its current form, the Junxure integration is very valuable.

Since we first examined the beta version of EA 1.0, CEO Image Systems has continuously upgraded the product. Since the initial release, they've added annotation features, an improved scanning interface, WORM support, easier backups, indices templates for advisors, Junxure integration and a great deal more. Over the same period of time, the price has, if anything, declined for VON readers. The single-user version of the initial release retailed for \$299. VON readers can purchase the current single user edition for \$247; multi-user licenses for VON subscribers cost \$227 per user.

## CEO Executive Assistant—An Update... *Continued*

Dollar for dollar, you'd be hard pressed to find a better document management solution that CEO Executive Assistant. We continue to recommend it as a top option for one- to five-person installations.



## *Conference Sightings*

During the next 12 months, Dave and Joel will be appearing and speaking at the following conferences:

- April 19-21, 2007, Financial Advisor Symposium, Las Vegas, NV (Dave & Joel)
- May 2-6, 2007, NAPFA National Conference, Chicago, IL (Dave)
- June 2-5, 2007, Securities America National Conference, Salt Lake City, UT (Dave)
- Fall 2007, Financial Advisor Symposium, Chicago, IL (Dave & Joel)

### **Virtual Resource List**

Don't forget to access the VON Virtual Resource List frequently! We are constantly updating the List with new entries. You will find the link and the password to the List re-printed each month in the body of the email you receive giving you the link to the latest issue of VON.

### **Back Issue Indexes**

Responses to our recent VON Subscriber Survey indicate to us that many of our subscribers didn't know we create an index of past articles every year (we try to tell you, but not everyone hears). Just go to [www.virtualofficeneeds.com](http://www.virtualofficeneeds.com) and look under the Subscriptions tab. You'll find links to the indexes on the left side of the page.

## What We Use: Motorola HT820 Bluetooth Stereo Headphones

*by David J. Drucker*

What's the fastest-developing segment of the technology market these days? It just might be Bluetooth technology.

This stuff is finding its way into everything. In the market for a new laptop or desktop computer? Chances are whatever you buy will have Bluetooth in it. *Want* Bluetooth in your old computer? Just buy a Bluetooth USB device and it's done.

For those who haven't used Bluetooth, it's probably still a bit of a mystery, but it's pretty easy to understand. When you think Bluetooth, think wireless. That's really what it's all about. Most Bluetooth devices claim to give you a connection between two devices at distances up to 30 feet. In practice, you may sometimes find the connection isn't much greater than from your desk chair to your desk, but that's still good if it allows you to dispense with one set of wires.



Bluetooth has thus far been used mostly in cell phone technology. We've all seen the folks in airports (and restaurants and malls) with those chrome and plastic blinking devices on their ears. For the uninitiated, that's a Bluetooth device. As municipalities begin legislating the end of hand-held cell phone usage in cars as they just did here in Albuquerque last week, you'll be seeing even more of these things.

(After all, who wants to run into a bunch of wires while driving, talking on the phone *and* trying to change the station on your satellite radio)?

So getting to the point, above is one example of the latest in Bluetooth technology: the stereo Bluetooth headphone. Whaaa? OK, it's like this... look at where cell phones are going. They're dividing neatly into three categories, as far as I can tell. First, there's the business phone. In this group you've got Treos, Blackberries and all their imitators; these phones combine speech and PDA technology.

Second, you've got entertainment phones like the [LG Chocolate](#) and other phones designed to download music through Verizon VCast and competing services. These phones combine speech and music.

Last, you've got your basic phones that don't combine anything except perhaps speech and low cost.

## What We Use: Motorola HT820 Headphones... *Continued*

So stereo Bluetooth headphones are for the second category of phone. The idea is... you slip on the headphones, listen to the music you've either downloaded to the phone from VCast or transferred to the phone from your PC (much as you would load any MP3 file onto a flash drive MP3 device) without wires getting in your way.

What happens when a call comes in? The music is automatically paused, you take the call by pressing a button on the headset, you end the call by pressing it again, and the music comes back — all in digital, stereophonic sound. The [Motorola](#) version of these phones is one of the few on the market right now (I bought them and they work as advertised) but I suspect we'll see many new versions to come.

Drawbacks? The better-made phones can be pricey. The Motorola sells for \$120 at Radio Shack and other stores, but I found mine on eBay (new in box) for \$40. In fact, if you're not buying all manner of computer and phone accessories on eBay (I recommend only new or refurbished by manufacturer) then you're missing out on some great savings.

My best guess is we'll see these headphone offerings branch out to lower-priced models (because cheaper versions will be produced and because prices will generally come down) and we'll get some ear-bud versions on the market soon (if they aren't available already).

Does all this seem like an extravagance? Maybe, it just depends on the kind of lifestyle you want to have. For me, I'm trying to replace my email fixation with music to stay more relaxed and do a better job when I choose to work, so I've moved on from business phones to entertainment phones. The choice is yours.



*"Oops—I think I hit 'enter.'"*

## *Q&A With Joel & Dave*

**Question re Sharing Large Audio or Data Files.** There our times that I have a large audio or data file that I'd like to share with our teammates around the country. The files tend to be too large to attach to an email. I need a page (space) on a website (other than our own site) to temporarily post the file(s). What method do you recommend?

Dave: Here's a tidbit I'm going to write up for our March issue. Check out <http://www.4shared.com/planGold39-95.jsp>. I think you'll find it gives you just what you want, and there's a free version (with a few restrictions, of course).

**Question re Emailing Portfolio Reports.** We are wanting to offer our clients the options of having their quarterly reports emailed to them rather than snail mailed. Do you know of a system that would help automate this process? Currently we print from PortfolioCenter to a PDF file, then using Outlook and Attach Plus, we create the email and attach a password-protected PDF to it and send to a client. This has to be done for each client separately. If we are successful in converting a majority of our clients to email, the number would be several hundred clients. We batch print the PortfolioCenter reports to the PDF files and have an email template for the body of the email.

Joel: There are a few technology solutions that exist to help with this, but we have not reviewed them yet. CRM Software produces something called ClientView that allows you to batch-load reports onto a secure website. You can just email clients notification to download the files. I believe LightPort also offers a product that allows you to post reports to a secure website and notify clients.

Dave: Another consideration... While doing reports individually as you are is labor-intensive, you're much less likely to make that dreaded mistake of sending one client's report to a different client. Batch processing is more likely to cause such an error unless the right safeguards are in place.

**Question re Upswing CRM vs. Redtail CRM.** Just read your newest article on Upswing. You have made me rethink using them. I'll sit through a training session to see particulars. I had decided on Redtail, but I'll look at Upswing again. I am a sole proprietor but will add two assistants this year.

Joel: I don't want to leave you with the impression that Redtail is inferior; it is not. I just get a lot of email from advisors complaining that their software is too difficult to learn, navigate, etc. Upswing is easier to use than most, and for a sole advisor, the price is very competitive. I like both products. Each is suited for a particular niche.

## *Q&A With Joel & Dave... Continued*

**Question re Morningstar Advisor Workstation.** I have been considering Morningstar's Advisor Workstation Office edition (MSAWS) for some time now. There were a few early reviews of the office platform prior to the new version release, but nothing since the portfolio accounting functionality was added. Do you have any plans to review for an update on this program? We are currently using Investigo for fee billing and performance reporting purposes, and it has been unsatisfactory. We like the idea of having a more complete package like MSAWS, but any change would be a huge commitment of time and money. Morningstar has copious amounts of information, but I have not been able to locate any current user or professional reviews.

Joel: At this point, MSAWS' portfolio accounting functionality is fairly new, and in my opinion, it is not fully developed yet. Depending upon your situation, what they offer may or may not be sufficient. If what Morningstar offers in the way of portfolio accounting is sufficient for you, the Advisor Workstation is a bargain. If not, be patient... I have a high degree of confidence that Morningstar will expand the portfolio accounting capabilities over time. As for Investigo, I've received a number of reports from readers lately about unsatisfactory experiences with this firm. I was initially optimistic about Investigo's prospects, but feedback from readers has cooled my enthusiasm — at least for the time being.

**Question re Upswing.** I looked at them the first time you talked about them and they have had huge growing pains. They still don't have a workflow capability. I was wondering why I have never heard you mention EZ Data's Smart Office online or Redtail technology? These both seem to have a superior product. But they do cost a lot more also. I really want an online CRM and respect your insight a lot. After an hour on the phone today with Upswing, I still would want to wait until their next update. I also am scared of a CRM that requires you to hit save after every data entry and, if you change views, your data could be lost without warning.

Joel: They are experiencing some growing pains, and I did mention that in the article. True workflow capabilities are not there yet, but some advisors don't want them. I have written about Redtail on numerous occasions, and I like them very much. For CRM, Redtail is competitively priced. Some of the other features, like integrated email and document management cost more, but overall, Redtail is very reasonable. I have not done any work on EZ Data recently. I am aware of them, but I just don't get a lot of requests for information about them.

Dave: We did an in-depth analysis of Redtail in our August 2006 issue.

## Guest Columnist: *Mark Farrell, McLean Asset Management*



Mark Farrell

### **Financial Planning Software: Not Putting the Cart Before the Horse**

When I introduce myself at industry conferences and local gatherings, I am frequently asked what financial planning software I use. Through these conversations, I have observed that few financial planners are completely satisfied with their planning software. They seem to be continually searching for a compelling reason to abandon their current systems.

I believe this is true because planners want things a certain way: theirs. Using an out-of-the-box solution requires a planner to surrender a degree of independence and conform to the limits of the software. Based on the “most common denominator” look of the planning software and limited customization features, it is not apparent that software providers appreciate how much advisors value their independence. Ideally, a firm should be able to define its value proposition for its clients and find a software solution to fit that need.

One of my responsibilities at our firm is to continually evaluate planning software solutions, enabling us to achieve our client and corporate objectives. Our main priorities in selecting software center on a strong technical foundation, firm-wide efficiency and the ability to customize and provide visually appealing outputs. In this article, I offer a few insights gleaned from trying to incorporate financial planning software solutions into our organization.

Although I realize many advisors have their own thoughts about priorities and features they require in financial planning software, I will focus on how we have tried to find a solution for our firm and trust that planners will be able to identify with our journey.

### **Strong Technical Foundation**

A strong technical foundation is the most vital feature of any software solution. Our firm utilizes Monte Carlo analysis as the foundation of our financial planning advice; any viable software solution must have a powerful Monte Carlo engine. While other planners may have differing priorities, we want to illustrate our firm’s challenges in finding a software solution that meets this requirement.

In my experience, the primary calculations within financial planning programs are usually done in a standard straight-line forecast. Monte Carlo is just added as a periphery afterthought that provides interesting side charts to offer clients. Thus, few planning software providers seem to take advantage of the Monte Carlo engine they have in place.

As evidenced by the lack of integrating Monte Carlo throughout all planning modules including life insurance and estate planning, most software providers are seemingly providing lip service to this form of analysis. If the developers properly understand the theoretical shift associated with utilizing Monte Carlo, shouldn’t it apply to all of the modules and not be relegated only to savings goals? A software vendor’s response to this is, “Well, when someone dies, usually the surviving spouse is fairly conservative with their investment portfolio, tending towards a more conservative approach.” My rebuttal is

## Mark Farrell, McLean Asset Management... *Continued*

that out of all of the widows we serve, none of them receive a guaranteed return. Sure, their portfolio may shift to be more conservative, but there is still inherent volatility.

The few software providers I have found that closely parallel our firm's view on Monte Carlo analysis are Financeware, MoneyGuidePro, and Wealth Strategies, produced by Impact.

### **Firm-Wide Efficiency**

Advisors should continuously analyze their systems to determine ways to more efficiently operate. This applies to the small firm, which serves only a few clients, as well as to large institutions working with many families. As our firm decided to focus on scalable growth, we confronted a few philosophical questions. Should our firm use a cash flow or goal-based planning software and does choosing either one hinder the quality of financial advice?

We find cash flow-based planning software takes considerably more time and is rather cumbersome relative to goal-based planning. We feel sufficient precision is realized with a goal-based approach. In addition, the time saved using the goal-based method generates greater operational efficiency. If our firm grew while utilizing a cash flow-based approach, I would need to replicate someone similar to myself for every X number of new clients. From a business standpoint, we would have to ask ourselves, why bother growing if it will not lead to a commensurate profit increase? For us the key is creating efficiency within the practice and it is very difficult to scale with cash flow-based planning software.

Recent efforts have been made to efficiently integrate financial planning and other industry-related software, such as portfolio management or client relationship management programs. This integration can ably assist the advisor reduce data entry redundancies and potential errors. Our firm has used some of these features, especially the PortfolioCenter import into Financeware, which has been helpful. However, planners can encounter problems because importing data requires that you be using a given software solution. For example, we cannot import data from Junxure into Naviplan because we use their more customizable Windows-based version.

I was attracted by EmoneyAdvisor's work in this area, especially the CashEdge account aggregation software. Account aggregation allows advisors or clients to view all of their holdings in one location. So, rather than asking the client for their most recent 401K statements or the balances of other outside holdings, the data is readily available for the advisor once the aggregation process has been set up. Unfortunately, in my test of the software, the added efficiency from the integration feature is lost to the inefficiency of being forced to use a cash flow-based planning system. Currently, we are observing how integration will be implemented by different planning softwares because we feel this can add considerably to firm-wide efficiency.

### **Customization**

Many independent advisors become disheartened by customization constraints in their search for planning software. I have found that while everyone advertises customization features, beyond adding a company logo or changing return rates, there is usually little that can be customized. Customization allows for differentiation. For instance, if a new client comes to me from XYZ Wealth Management, I would prefer my Naviplan outputs not look almost the same as XYZ's.

## Mark Farrell, McLean Asset Management... *Continued*

I ranked MoneyguidePro very high in its goal-based Monte Carlo planning and efficiency but, while not taking themselves seriously is the company's prerogative, it is not congruent with our style of client interaction. We would be embarrassed presenting our clients a financial plan containing trite clip art such as a middle-aged man with a life preserver around his waist, another man standing on a pyramid of gold bullion, or a highway leading to a mountain of money. As with most planning software, MoneyGuidePro doesn't allow you to reformat this layout or eliminate the dingbats. [Editor's Note: In my own use of MoneyGuidePro, my experience is that the clip art Mark refers to is part of MoneyGuidePro's "Save the Boomers" marketing campaign and hasn't appeared on my plan output pages].

Naviplan does allow a great deal of customization in its Windows-based, desktop software. However, customizing the Windows-based version can lead to frustration. In order to provide a Monte Carlo analysis of any scenarios other than the base or proposed plans, one is forced to create single reports. Once these reports are created in Microsoft Word (which allows the customization), the outputs have font and spacing inconsistencies, which must be edited. When many different scenarios are created, it can take upwards of one hour to simply reformat the outputs. Invariably, we will overlook some of the formatting problems, leading to inconsistency in our deliverables to clients. So while customization is possible in Naviplan, it compromises efficiency.

While many would debate the content of the outputs produced by brokerage firms, the layout and visual appeal is far superior to any planning software marketed to independent advisors, in my opinion Large brokerage firms have the capital to develop this aesthetic, but I think many times independent advisors have a ready-made excuse to forsake their professional image. For our firm, a financial plan deliverable serves to provide advice and a critical marketing function. Since referrals constitute a large portion of our business, the quality of our deliverable to potential referral sources is paramount.

### Conclusions

Having defined our priorities, we have yet to find a panacea. Currently we have resigned ourselves to a combination of Financeware and Naviplan. Financeware allows efficient Monte Carlo analysis for our clients with visually appealing outputs. Its shortcomings include the lack of life insurance and estate planning depth. While "work-arounds" are possible, they are not very efficient. We use Naviplan for more detailed analysis. Eventually, we will stop using two planning softwares because updating two silo databases is a suboptimal solution.

Our firm has explored the option of developing our own planning software. Ultimately, though, we are in the business of delivering financial advice, not developing software. One option that may be more manageable for our firm is working with some of the software providers mentioned in this column to develop our own custom model. It is certainly something we wish to explore.

While I realize I have not provided an ultimate solution, hopefully a mutual recognition of our plight may help other advisors recognize that they are not alone in actualizing their own wish lists. This may ultimately lead to financial planning software providers identifying flexible ways to improve their offerings to the independent advisor. An all-in-one solution is not realistic but a solution that allows advisors to take a financial planning engine and modify it according to their objectives may be a viable alternative.

## *The Last Laugh*



*"Will you turn that TV down? Can't you see  
I'm on the phone?"*

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