

Broker Dealer

Compliance Director speeds response times, improves field compliance

Situation

It was a Broker Dealer's worst nightmare...

A local district Attorney targeted one of their most successful Registered Representatives for misleading sales practices. The case was highly publicized.

Though acquitted, the suit tainted the company's reputation. And it highlighted significant shortcomings in the company's compliance review and approval processes. The Director of Compliance had to make improvements fast.

Critical Issue

Many companies take a "reactive" approach to compliance. They instruct Registered Representatives or agents to submit materials to compliance for review and approval before presenting them to the client.

Such an approach often causes backlogs and delays. Sometimes days, even weeks, go by as representatives submit, edit, and resubmit materials for approval. They, and their clients, become frustrated by the delays. Confusion abounds and mistakes occur (sometimes costly ones) as was almost the case for this company.

Reasons/Causes

It is difficult to anticipate the needs of hundreds or thousands of Registered Representatives. Particularly today, when Broker Dealers encourage their representatives to expand beyond Assets under Management. Representatives look for opportunities to cross-sell life insurance, annuities, etc.

The problem only snowballs in growth companies. They recruit more representatives. The representatives become more active and diversified. This increase in activity puts more pressure on a "reactive" compliance department.

Such a process is highly vulnerable to mistakes unless carefully policed, at quite a cost.

Vision

What if there was a way to streamline the compliance review and approval process? What if the company could replace its "reactive" approach with a "proactive" approach? What if they could give representatives access to a database of pre-approved client education and presentation materials? Would this reduce the burden and costs to compliance? Would it improve the representative's ability to respond to clients and sales opportunities?

Our Solution

Advisys gave the company access to its patented compliance approval solution. This solution lets the broker dealer's staff control access to thousands of pages of concept pieces and client education materials.

The process is easy. Staff log onto the web based Compliance Center and Advisys presents them with redlines highlighting changes and updates to content. They can "approve" or "reject" the content with a click. The content is then automatically updated or removed from the application.

Results

Within weeks the Broker Dealer had completed its compliance review of the Advisys application. They even were able to custom brand the application.

The Broker Dealer also discovered an added bonus. They increased their recruiting success. In fact, Advisys became a center-piece of their efforts to recruit new representatives.

How? By convincing representatives at "compliance reactive" competitors to join them and leave their compliance frustrations behind.