

Dragon® Professional Group

# Solving the financial documentation compliance challenge





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Key documentation issues facing financial services professionals, with excerpts from Nuance Communications 2018 Role of Technology in Financial Services Documentation survey.

## Introduction

Like their counterparts in many other industries, financial services has undergone a rapid transformation as advances in technology, from cloud-computing, Artificial Intelligence (AI) and machine learning to automation through digitally-based systems like robo-advisors, have impacted traditional business models, particularly when it comes to how they operate and deliver services to consumers.

One outcome from this technological innovation is financial advisors are increasingly focused on providing personalized services, and honing soft-skills—like communication and time management—to build trust, all while working to meet compliance mandates, and provide better client service. Additionally, new advances like Regulatory Technology, or “RegTech” have emerged to increase transparency and drive standardization of regulatory reporting processes, many of which may be manual.

Financial documentation plays a crucial—if unglamorous—role in meeting compliance regulations and client service. The need for financial advisors to document client meetings, take notes, and prepare disclosures clearly and accurately to better meet governance, while also improving their relationships with customers, is underscored in the **2018 Role of Technology in Financial Services Documentation** survey commissioned by Nuance Communications.

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# Solving the financial documentation compliance challenge

## The business implications of compliance and survey findings

Financial services professionals face unique challenges and opportunities as they balance productivity, client service, and industry compliance requirements. The 2018 Role of Technology in Financial Services Documentation survey highlights several findings:

### Heavy documentation demands burden advisors

Compliance requirements are driving increased demands to memorialize the entirety of the client life-cycle and tie those discussions back into the firms' customer relationship management (CRM) system. In addition, documentation to "on-board" new clients, serve disclosures and furnish a chain-of-custody relative to the handling of assets can limit the time advisors spend on sales, production and client service. According to our survey results, 37% of advisors say they can spend upwards of 3 hours each day on documentation.

### CRM and IR platform systems are cumbersome

While critical tools, these systems can be difficult to navigate and unforgiving, especially as it relates to the time required to enter a record. In addition, ergonomic concerns, and having to navigate through multiple terminals and displays is a cause of concern, according to 57% of survey respondents.

### Reliance on third-party transcription continues

Nearly half of financial advisors responding to the survey report their firms outsource transcription services. These services can be costly and, as such, are frequently limited for particularly high-profile clients or to document special meetings.

### Creating a compliance culture

The new "culture of compliance" that has taken root within financial services firms can come with increased demand on time and, potentially, cost, as advisors are held to a higher standard of accountability. In fact, 96% of respondents to our survey either "agreed" or "strongly agreed" that their firm's compliance culture is placing more pressure to document the entirety of client relationships. Successful firms foster a culture with high-levels of compliance relative to documenting client conversations and capturing shifts in client goals and expectations throughout the customer lifecycle. Instilling a compliance culture throughout an organization can be challenging, yet the potential payoff is high.

Firms may need to rethink their fundamental client strategies to improve the customer experience while still ensuring profitable and compliant operations. Recent research found that more than one-third of advisor's plan to increase the use of digital-based advice technology for small-balance clients (those with fewer than \$100,000 in investable assets) as volume and scale are key to profitability.<sup>1</sup> This tactic will allow advisors to shift their focus to fee-based services that offer higher levels of personalization.

<sup>1</sup> Cerulli Associates, 2016 Marketplace Metrics Report

89%

Of financial advisors say heavy documentation demands are limiting the amount of valuable “face time” with their clients.

48%

Of financial advisors from our survey report that after meeting with a client, they must create at least 1-full page of notes.

57%

Of advisors find their financial CRM system cumbersome to use – too many clicks to navigate and difficult to record.

## Drive better business outcomes

As financial advisors focus on building and nurturing profitable client relationships—whether through digital or face-to-face interactions—they will need to transform their documentation processes to deliver a more cost-efficient, responsive and compliant customer experience. This will require the ability to:

- Capture client plan specificity: Document clear, specific and transparent client action plans and disclosures with greater speed—at the office or while visiting clients.
- Improve record management: Capture and maintain detailed financial documentation to meet regulatory compliance efforts and minimize potential risks.
- Drive operational efficiency: Streamline documentation processes for improved client service, higher productivity and reduced costs.

## The importance of accurate documentation to financial compliance

As regulations make their mark on the financial services industry, the need for personalized service that effectively captures the entirety of the advisor/client relationship will take on new levels of urgency. Advisors will need to accurately document conversations with clients and deliver more thorough, personalized financial plans based on those interactions. In addition, increasingly savvy consumers are asking their advisors to take a chain of custody mindset in the handling of their assets—letting them know how and where their assets are bought, sold

and/or transferred among various investments—all of which requires a detailed documentation trail.

The data needed at each stage in the customer lifecycle will also increase. While advisors have already captured many attributes related to a client, this data is often stored in paper files and must be manually maintained and/or re-keyed into various applications. Increasingly, firms will need the ability to access and update this information in real-time, leaving some firms to look to their CRM system as a possible data collection and maintenance solution.

## How speech recognition can help

Speech recognition solutions can help financial services firms meet growing compliance mandates while reducing costs and improving client services. These tools help firms improve financial documentation by enabling advisors to create more detailed, accurate client plans, reports, disclosures, and other paperwork three times faster than typing and with up to 99% accuracy – all by voice.

## Reduce risk and improve compliance

Best practice policies related to compliance are driving financial services firms to rethink how they can build greater transparency into their client relationships, including more explicit disclosure regarding commissions, fees and any potential conflicts of interest. Firms may also need the means to monitor advisor behavior over time to make sure they comply, meaning that each time there is an interaction, a discussion, or transaction, that information needs to be observable and auditable.



Speech recognition solutions streamline documentation processes. When equipped with these tools, advisors are able to quickly capture client conversations, create detailed action plans, document disclosures and transactions, and record asset chain of custody by voice instead of keyboarding. These capabilities help mitigate compliance risk while reducing the liability associated with incomplete or inaccurate documentation.

#### **Capture client notes anytime, anywhere**

The shift toward fee-based services and clients seeking out Certified Financial Planners®—which act as a fiduciary for their clients—will likely increase the volume, detail and specificity of documentation advisors are required to produce. Speech recognition solutions with mobile dictation and transcription capabilities make it easy for advisors to keep up with financial documentation from any location. By integrating cloud-based, professional-grade mobile dictation solutions into enterprise documentation workflows, advisors can complete and share documentation—by voice—directly on iOS® and Android™ smartphones and tablets and seamlessly synchronize documents and customizations with their desktops.

In addition, some speech solutions automatically transcribe recorded notes or voice files of another single speaker into text quickly and easily back at the user's PC. Using these mobile dictation and transcription features, advisors can capture client conversations in

real-time, while details are still fresh in their mind, to create personalized action plans that reflect clients stated financial goals.

#### **Deliver exceptional client service**

Speech recognition solutions streamline document workflows, so advisors can focus on what really counts – providing a personalized and impactful client experience. These tools enable advisors to instantly capture notes, document disclosures, and create clear, customized client action plans—all by voice—to deliver greater value and develop long-term relationships based on trust and transparency. In addition, the ability to document all conversations in detail, including transaction requests, helps advisors keep accurate, auditable records and avoid costly miscommunications that can erode client trust.

As advisors build client volume and scale, they will also need to find ways to serve more clients as efficiently as possible – without compromising responsiveness or quality of services rendered. In addition to helping advisors keep up with increased paperwork, speech recognition solutions can help them complete other daily tasks faster—from setting up meetings and managing emails to creating spreadsheets and preparing client presentations—simply by speaking. The ability to streamline documentation and routine administrative tasks frees up more time for advisors to nurture existing client relationships or grow their customer base.

## Today, many financial services institutions are using Dragon Professional Group from Nuance Communications as a documentation productivity tool to drive business efficiency and facilitate compliance.

For firms relying on their CRM systems to manage customer lifecycle data and capture client conversations, speech recognition can drive new levels of efficiency. These tools enable advisors to navigate within any Windows-based CRM system and enter notes, actions, appointments, and client data just by speaking. Voice-enabled CRM systems also help them improve client service with prompt, efficient follow-up, keep client and prospect data up to date for more effective marketing and avoid complaints or potential legal action due to failure to contact a client about an important matter or miscommunication regarding a transaction request.

### **Customize for business-specific needs and practices**

Advanced speech recognition solutions enable advisors to easily customize words for accurate recognition of client names, financial acronyms, investment products, and business-specific terms they use every day. These tools further boost documentation productivity with voice shortcuts for inserting standard boilerplate text, logos, or signatures into reports, plans, disclosures, and other paperwork. They also enable creation of time-saving macro commands to streamline multi-step processes, such as saving, printing, and emailing documents, by voice. For example, when dictating an investment plan for a client, an advisor might insert standardized investment options within a form-based template; add post-meeting notes within the personal narrative section; and include boilerplate legal disclosures – all by speaking simple voice commands.

Enterprise-ready speech recognition solutions allow IT administrators to easily share these customizations across the organization to reduce duplicate effort and drive significant productivity gains – allowing advisors to spend more time on client service and revenue-generating activities.

### **An enterprise-ready solution for today's financial services firms**

Today, many financial services institutions are using Dragon® Professional Group from Nuance Communications® as a documentation productivity tool to drive business efficiency and facilitate compliance. This enterprise-ready speech recognition solution streamlines documentation processes by enabling advisors to dictate and edit all kinds of documents—in the office or on the road—all by voice. Robust transcription further speeds and simplifies documentation creation while powerful customization capabilities automate repetitive manual tasks through simple voice commands. With a next-generation speech engine based on Nuance Deep Learning technology, Dragon Professional Group achieves high recognition accuracy during dictation – even for users with accents or those working in open office or mobile environments.

The Nuance Management Center (NMC) simplifies centralized deployment and administration of Dragon. NMC makes it easy for IT staff to manage licenses, track usage to measure return on investment, and manage and share customizations, including custom words, commands and auto-texts, across multiple advisors.

Dragon Professional Group, which scales easily to meet growing requirements, is available through flexible volume licensing programs designed to help financial services firms realize improved documentation productivity and compliance at an affordable price.

## Conclusion

Best-in-class speech recognition solutions like Dragon Professional Group can help financial services firms stay competitive and compliant by streamlining documentation processes and automating routine administrative tasks – all by voice. Dragon empowers advisors to keep up with expanding compliance and governance mandates while driving operational efficiencies and delivering a personalized, impactful client experience.

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### **About Nuance Communications, Inc.**

Nuance Communications is reinventing the relationship between people and technology. Through its voice and language offerings, the company is creating a more human conversation with the many systems, devices, electronics, apps and services around us. Every day, millions of people and thousands of businesses experience Nuance through intelligent systems that can listen, understand, learn and adapt to your life and your work. For more information, please visit [www.nuance.com](http://www.nuance.com)

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