

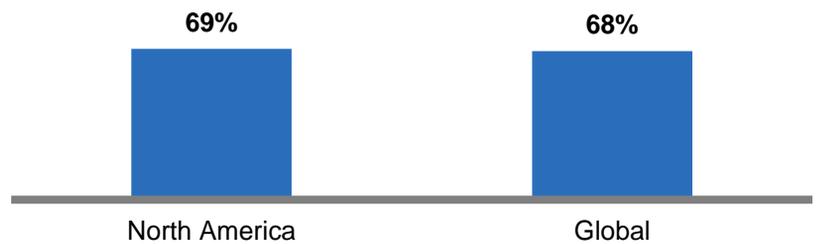
SHIFTING TO THE CENTER: FINANCIAL PLANNING IS THE HUB OF WEALTH MANAGEMENT

1: WEALTH MANAGEMENT CLIENTS NEED GUIDANCE

68%

of surveyed global High-Net Worth (HNW) Clients, and 69% of North American HNW clients do not have a Formal Financial Plan to Achieve Long-Term Goals, indicating tremendous opportunity for wealth firms.

HNW Clients Without a Formal Financial Plan
Percentage of Respondents, 2013



N=4,587

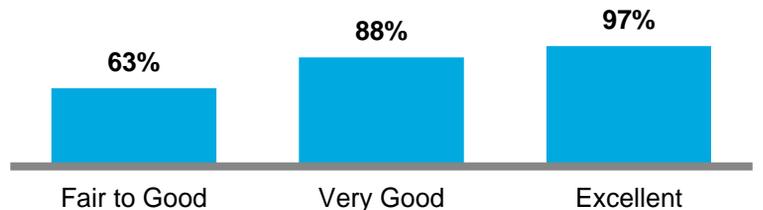
Source: CEB 2013 Customer Experience Survey

2: FIRMS THAT FOCUS ON PLANNING BUILD LOYALTY

97%

of clients who rated their planning experience as excellent are not at all likely to switch to a new firm in the next 12 months, and this loyalty factor is a driving force behind centering planning as the hub of a wealth firm's advisory offering.

Clients Not at All Likely to Switch to a New Firm
By Rating of Planning Experience, 2011



N=2,046

Source: CEB 2011 HNW Client Experience Survey

3: ADVISORS SEE VALUE IN PLANNING, BUT LACK PROPER TOOLS

78%

of advisors rank financial planning technology as important, but only 50% rank that technology as effective. Firms need to provide improved financial planning tools to better enable advisors to serve their clients.

Importance vs. Effectiveness
"Important/Very Important" and "Effective/Very Effective" 2012



N=709

Source: CEB 2012 Advisor Productivity Survey

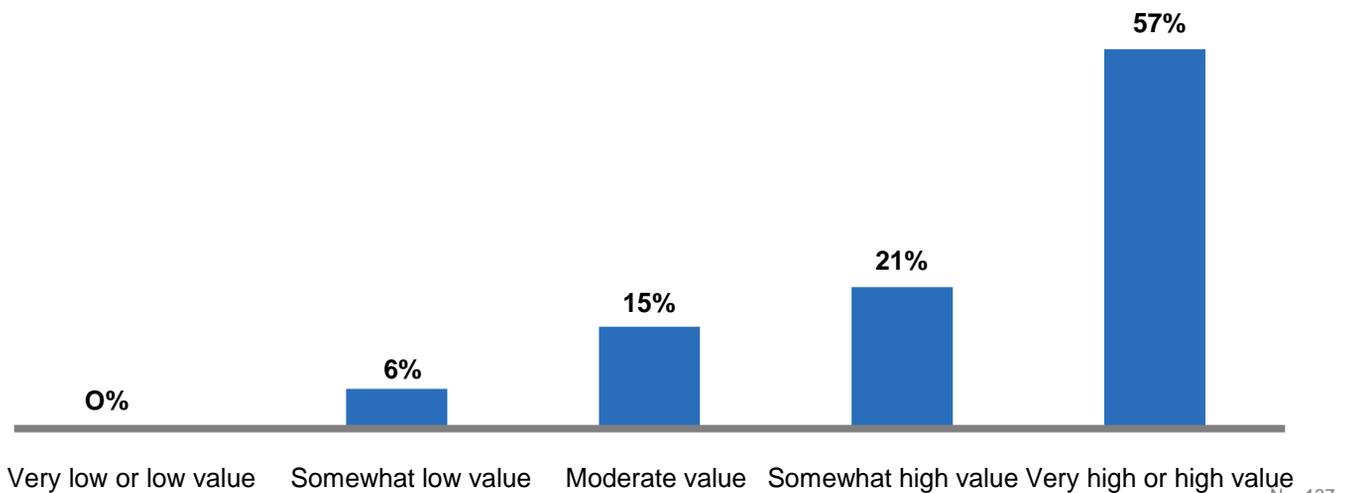
EXECUTIVE SUMMARY

Each year, CEB TowerGroup conducts a detailed adoption and investment analysis of 20 key technologies in the wealth management space. Currently, 46% of surveyed executives indicated that they intend to increase their spend on financial planning technology. Knowing that financial planning is an important component of the overall strategy for most firms, FIS commissioned CEB TowerGroup to create this whitepaper examining current trends in the wealth management space.

In the following pages, readers will learn about how **the majority of High-Net-Worth clients desire financial planning services from their wealth firms**, and also uncover the untapped needs of the many clients who have yet to establish a formal financial plan. Different clients require different planning capabilities and firms that meet these varied needs across multiple channels not only increases client loyalty, but also opens up opportunities to introduce additional product and service solutions. Advisors understand this, and approximately four out of five **financial advisors rank financial planning as an important technology**, but only about half would rate it as effective. One of the obvious shortcomings is that many advisors cannot display planning output to clients via a portal or tablet, and as more than seven out of ten clients own a tablet, advisors realize they are not providing clients with the access and collaboration methods they both desire and prefer.

Financial Planning

Value of Technology Ranking by Firm, 2013-2014

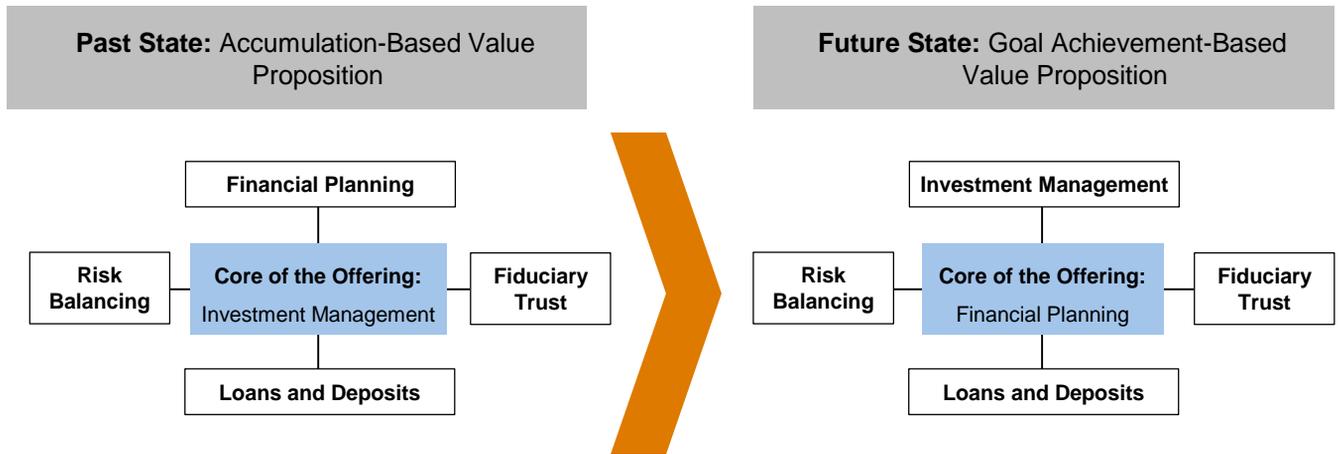


Source: CEB TowerGroup FSI Technology Survey, 2013-2014. N = 137

Wealth firms are realizing the importance of planning technology however, as indicated by the fact that the majority of surveyed executives rank financial planning solutions as a high value tool. An example of a firm putting this value to work can be found in the case study which highlights how **an FIS WealthStation customer, has increased planning output by more than 170% by focusing on goals based outcomes and appropriate solutions to meet client needs**. To assist firms with finding solution partners, CEB looks at providers of technology in the wealth management space and also surveys end users to determine which vendors are preferred by executives and considered most innovative in the industry. Market Leading Firms such as FIS succeed in both of these areas, and have received Best-in-Class recognition across multiple categories in a proprietary financial planning technology analysis.

The Wealth Management Shift

Due to a variety of changes in the economic and regulatory environments, and availability of data, today's wealth management client is vastly different than the wealth client of a decade ago. The current wealth client has fears developed by economic uncertainty and the financial crisis, but also has access to an increasing amount of data, personal devices, and social collaborative products. A key trait of today's new wealth client is the desire to collaborate with wealth firms when planning for their financial future. Wealth management clients demand tailored and customized advice that can meet their needs and financial goals. The wealth client is no longer interested in comparing their finances to a simple benchmark or historic average. Gaining buy-in from today's wealth management client can be a challenge for firms stuck in the past, but a highly rewarding opportunity for firms willing to put in the time and effort to meet the broader needs of their clients. Due to this high reward potential, many firms are now migrating away from an investment management approach focused on past performance, and instead shifting toward a financial planning centered approach. This focus not only allows firms to provide the tailored advice clients desire, but also creates opportunities to introduce additional products, provide more services, and even offer advice on held away assets to better meet a client's holistic goal planning needs.



Firms that now focus on financial planning as the hub of the wealth management offering can more easily attract and retain new clients, satisfy advisor demand and create loyalty and cross-sell relationship opportunities. Without the proper technology platform to support financial planning as a core offering, this transition can be difficult, so firms must understand both the drivers and responses to properly shift to a planning centered environment.

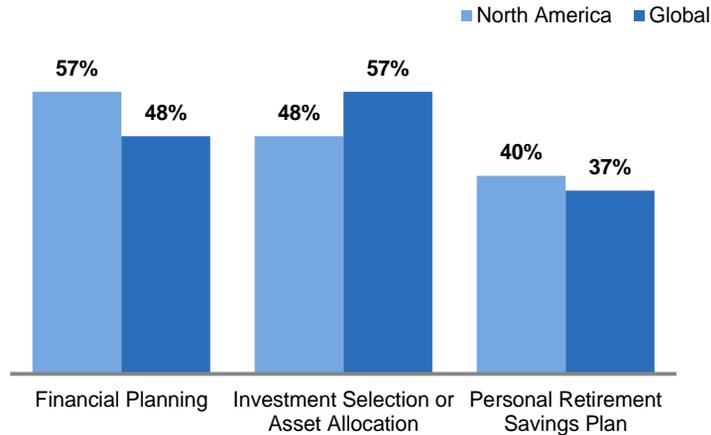
To capitalize on the importance of planning, financial institutions should:

1. **Provide Appropriate Guidance.** Firms will uncover that most clients are not receiving the help and advice that they require.
2. **Build Loyalty to Create Opportunity.** By examining the investment others are making in planning technology, firms will see how ROI is driving investment into platforms that support this need.
3. **Enhance Advisor Efficiency Tools.** Although financial planning is critical, half of wealth firm advisors believe their technology is ineffective.
4. **Change the Role of Planning at Your Firm.** Learn how other firms have shifted their financial planning model and determine how planning best aligns with your firm's culture.
5. **Choose Partners Carefully.** Research financial planning providers, third party rankings, and client opinions, to gain a better understanding of the solutions available today.

I. PROVIDE APPROPRIATE GUIDANCE

Only 32% of global HNW clients have a formal financial plan. This is not indicative, however, of a lack of interest from clients, as North American HNW clients choose Financial Planning as the most selected service employed at their primary wealth firm. Although financial planning is the most used service by HNW clients at their wealth management firm, **firms should focus on the untapped opportunity consisting of 43% of clients who don't leverage financial planning as a resource at their firm.** In addition to Financial Planning as a whole, North American Clients also gravitated toward specific planning modules offered by their firms, such as Retirement (40%), Estate (17%) and Tax (17%). Firms are seizing upon this opportunity by creating a new financial-planning centric model.

Planning & Advisory Services Used at Wealth Mgmt. Firm
Percentage of Respondents, 2013



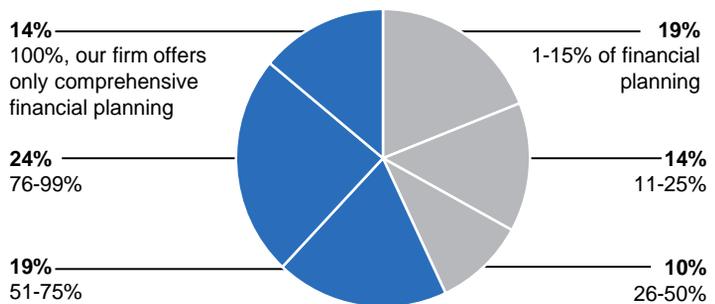
N = 299
Source: CEB TowerGroup Wealth Management Client Experience Survey, 2013.

In addition to financial planning, investment management is still a major component of the planning process, as 48% of HNW Clients in North America are also looking to their primary wealth managers to provide investment selection services. Although investment management remains an important service, firms cannot ignore the growing importance of financial planning, and still need to take action as even the expectation of portfolio construction has changed.

In the past, clients were content to measure performance against benchmarks, looking back at static performance from the quarter before. Now, clients are shifting their behavior and looking to compare their portfolio performance relative to their personal financial goals as well. HNW individuals are less interested in how their performance compares to their peers, and are instead monitoring their portfolio to determine if it is performing strongly enough to support their customized goals.

As clients measure their portfolio performance against personal life goals, the need to clearly define goals and plan for them is imperative. In the past, firms have tried to solve for this by offering targeted modules, such as college savings, retirement income, or estate planning. **As clients discover that all aspects of their financial life are interconnected, the need for a comprehensive plan that encompasses all facets becomes a top priority.** Modular plans still play an important role, and clients may not complete a comprehensive plan in one session, choosing instead to build it over time. As a recent polling survey indicates, however, most wealth firms are now delivering comprehensive planning to the majority of their wealth management clients.

Percentage of Clients that Receive Comprehensive Financial Planning, Not Modular
Percentage of Respondents by Firm, 2013

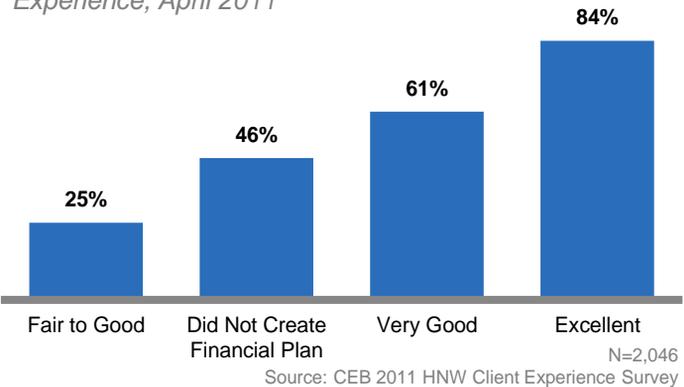


N = 50
Source: CEB Forum Polling, 2014.

II. BUILD PLANNING LOYALTY TO CREATE OPPORTUNITY

An advisors ability to retain clients is key to the success of a financial planning experience. For advisors, building client loyalty is just as important as gaining new clients. In fact, 84% of clients who rated their planning experience as excellent are very satisfied with their firm. This planning must be excellent however, as clients who receive a fair to good experience are actually less likely to be satisfied than those who received no planning at all. **As firms are realizing the potential effect of a positive planning experience, more than one out of every three surveyed firms intends to adopt or replace financial planning technology.**

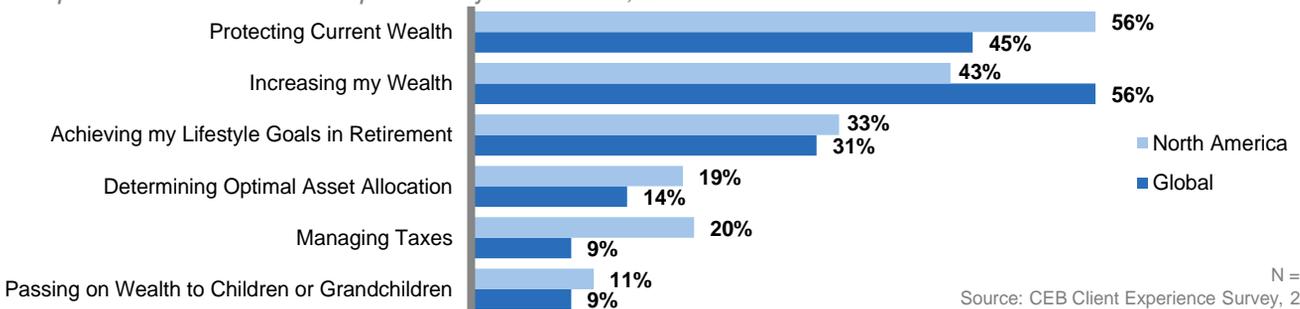
Clients Who Are Very Satisfied with Their Firm
Percentage of Respondents by Rating of Planning Experience, April 2011



Surveys show that clients who receive planning are twice as likely to increase investments compared to those who do not, but planning is not the only source of ROI for firms. A recent poll indicated that clients who visit a wealth firm’s web site frequently are far more likely to stay with a firm (56%) if their advisor leaves, than those who don’t visit (40%). To build on this loyalty opportunity, many firms are determining how to deliver planning to clients via a client facing portal. In order to support this, firms are looking for solutions that can support multiple users. **The need to differentiate experience and access for novice (client), moderate (advisor) and advanced (planner) users requires a flexible and customizable tool supported by a powerful common engine.** In addition, workflow and BPM should be considered as clients should be able to start a plan online, and share the plan with an advisor who may then involve a centralized planning team. As a financial plan transforms from a calculator tool to the core of a client’s financial experience, firms should be prepared to deliver a full spectrum of capabilities.

HNW Individuals’ Top Financial Concerns for the Next 6-12 Months

Respondents Could Select Top-Two Major Concerns, 2013



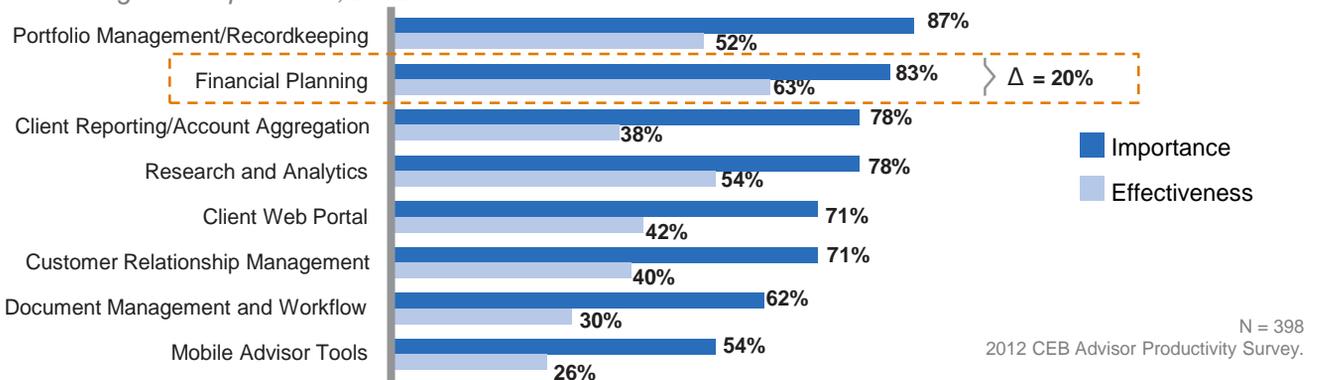
By supporting multiple client types, financial planning solutions can help advisors identify cross-sell opportunities for different products and services. Firms who have an understanding of their clients’ most pressing concerns are well-equipped to use planning as a foundation for offering additional tailored and customized services. For example, clients worried about tax management might be offered a Unified Managed Account that takes advantage of tax optimization. Clients interested in increasing wealth can be steered toward appropriate managed account or investment solutions, while those seeking to protect wealth may be offered more conservative banking or insurance products. **Planning will allow firms to not only introduce a variety of products, but also introduce a new set of services and channels within an institution.**

III. ENHANCE ADVISOR EFFICIENCY TOOLS

In a recent advisor benchmarking survey, advisors were asked to rank the technology applications that improves advice quality, and the majority of advisors (53%) chose financial planning as the most important tool. Financial planning ranked above categories including research and analytics, portfolio management, client reporting, CRM, portals, and other common advisor tools. In addition, when asked to rank applications that improve the sales process, advisors ranked financial planning as the second most important tool, with CRM as the most important. **As wealth management firms determine where to invest, executives should consider financial planning due to its high importance in improving advice and the overall sales process.**

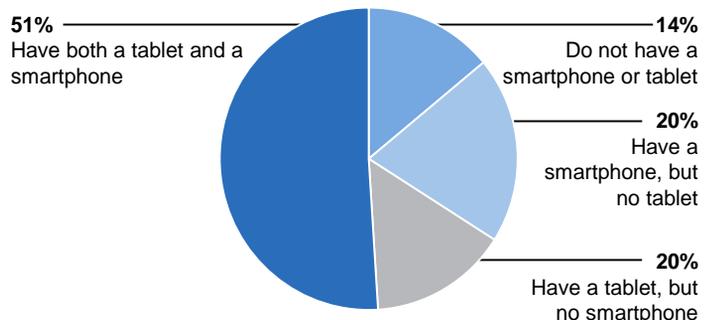
Despite advisors acknowledging the importance of financial planning, the majority feel they are not getting the support they require to be successful. Recently, CEB studied the most successful advisors at wealth firms, and 83% of those advisors selected financial planning as an important tool, second only to portfolio management/recordkeeping. When evaluating the effectiveness of financial planning, however, only 63% of advisors believe that this tool is effective. **Firms must address the 20% gap between importance and effectiveness, and should enhance their advisor’s efficiency tools to maximize productivity.**

Most Successful Advisors’ Ranking of Technology Importance and Effectiveness
Percentage of Respondents, 2012



Not only do advisors require better and more effective financial planning solutions, but they also require support in presenting, posting, and accessing the planning output. More than half of advisor clients (51%) own both a tablet and a smartphone, and will soon desire access to their plans via these devices. **Since only 14% of HNW clients do not own a smartphone or a tablet, wealth firms should focus on selecting financial planning systems that can easily integrate with digital channels.** Preparing for integration with critical channels and staying ahead of emerging client trends will help differentiate the most innovative financial institutions.

HNW Ownership of Tablets and Smartphones
Percentage of Global Respondents, 2013



N = 420
Source: CEB TowerGroup Wealth Management Client Experience Survey, 2013.

IV. CHANGE THE ROLE OF PLANNING AT YOUR FIRM

Learn how a financial institution shifted their financial planning model and determine how planning best aligns with your firm's culture.

Challenge: A bank's Financial Advisors engaged in transactional conversations and most planning was modular/asset allocation related, which limited the firm's ability to increase share of wallet.

Tactic: The bank shifted advisors to goal based planning, using FIS' Wealth Station offering, which allowed them to tier advisors based on planning comfort level and introduce Investing & Retirement at every meeting.

Transition from Modular Based to Client Centric, Goal Based Financial Planning

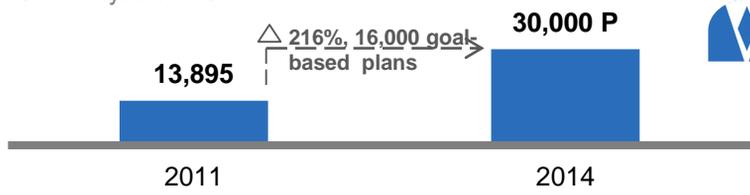
Illustrative, 2014



Modular/Transaction Based Financial Planning:	Imperatives			Client Centric Holistic Financial Planning:
<ol style="list-style-type: none"> Financial Advisors relied heavily on asset allocation plans or simple modules Advisors spent more time entering data than having a planning conversation with clients Conversations started with transactions that tried to tie to a goal Managers focused on quantitative number of plans, not quality of the output 	Focus on clients and use planning to uncover goals	Identify cross-sell opportunities through financial plan	Increase loyalty and grow revenue by offering appropriate solutions	<ol style="list-style-type: none"> Advisors deliver multi-concept goal based plans, supported by planning team which has grown from 2 to 18 Organizational structure changes so advisors spend more time client-facing Plans start with goals and support with appropriate products to increase share of wallet Managers analyze planning based on new accounts, new assets, and quality
Firm's Technology-Enabled Tactics				
	Provide comprehensive planning solution flexible enough to support tiers of advisors with different planning comfort levels	Add data entry specialists and increase planning staff to run additional analyses to detect cross-sell opportunities	Determine product offering gaps through financial planning software integration with internal sales metrics and reporting	

Future Vision: The bank shifted to FIS WealthStation, setting the stage for a planning continuum that would allow clients to easily transition from Investment to Wealth offerings without needing to start the planning experience from scratch. The bank's goal was to make an attractive and profitable investing and retirement offering to every customer, across all lines of business.

FIS Bank Client, Annual Financial Plans Delivered 2011-Projected 2014



"With every interaction we have with our clients, we want to increase their financial well being, helping them effectively manage their economic life to reduce stress and increase their feeling of financial security" - Director of Strategy, FIS Bank Client

V. CHOOSE YOUR PARTNERS CAREFULLY

COMPETITIVE POSITIONING MATRIX METHODOLOGY

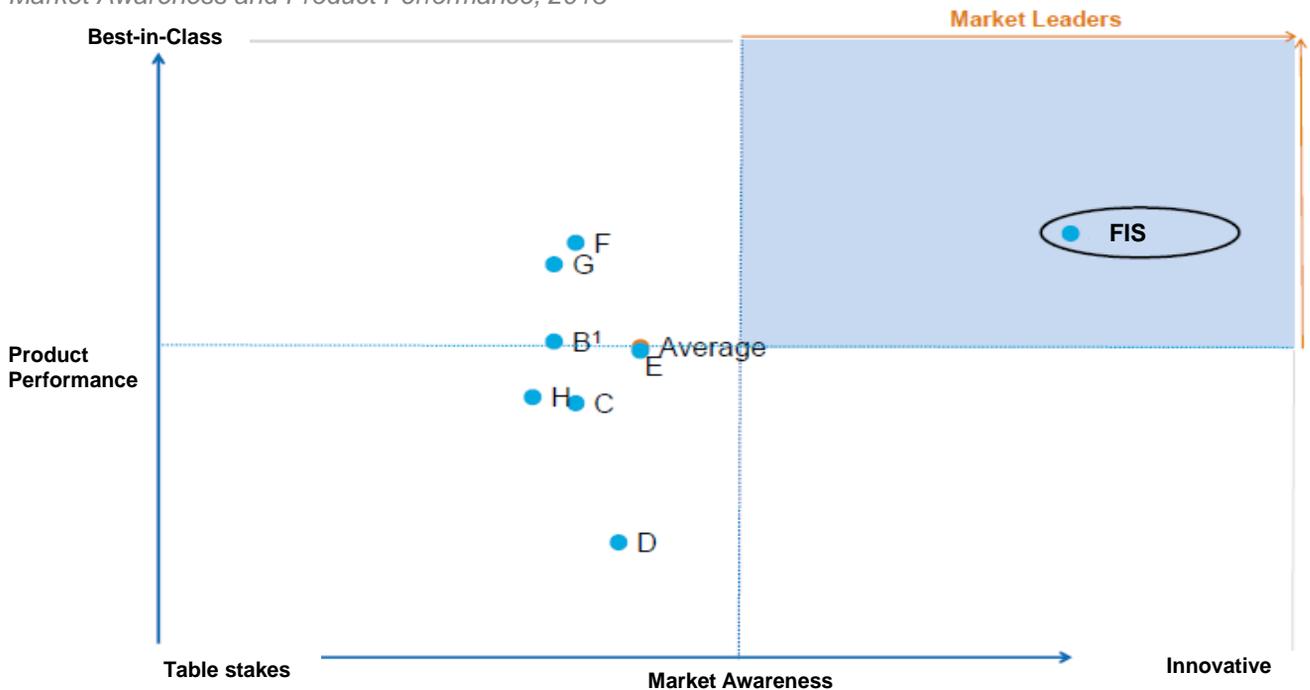


Market Awareness: In 2013, CEB queried financial services professionals across 115 technology sectors as a part of our proprietary Financial Services Technology Survey. Executives were asked which technology provider they preferred and which will have the most innovative products and strategy. The outcomes of this survey were compiled to provide a custom Market Awareness score for FIS WealthStation.



Product Performance: Product performance scores were based on the solution's average performance in four categories of evaluation in CEB TowerGroup's Financial Planning Technology Analysis.

FIS: Competitive Positioning Matrix
Market Awareness and Product Performance, 2013



"Market Awareness" Source: CEB TowerGroup FIS Technology Survey 2013; n= 43-46.
"Product Performance" Source: CEB TowerGroup Financial Planning Technology Analysis 2012.
Competitors include: FIS, Finance Logix, Finantix, Fiserv, PIE Technologies, Polaris, Voyant, and Zywave.

FIS ANALYSIS

In CEB TowerGroup Wealth Management's Financial Planning Technology Analysis, WealthStation received Best-in-Class recognition in four categories of Client Engagement Tools, Advisor Experience, Advisory Tools, and Enterprise Support. WealthStation gained recognition for its extensive and customizable reporting and modeling options, native integration with a variety of products and systems, and configurable branding and user interface.