



How a North American wealth management firm **accelerated** their regulatory disclosures change cycle to meet compliance deadlines



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BACKGROUND

SEC adopts the Regulation Best Interest

As with all financial institutions, wealth management firms must adapt to constantly changing regulations. In June of 2019, the US Securities and Exchange Commission (SEC) adopted a new regulation specific to wealth management firms. The Regulation Best Interest requires investment advisors and broker-dealers to act in the best interest of retail customers when recommending an investment strategy or securities transaction. In addition, communications with customers – whether print or digital – must include a Form Client Relationship Summary (Form CRS) disclosing the advisor duties and the nature of the relationship between the advisors and retail customers. The SEC set June 30, 2020 as the deadline for all registered broker-dealer investment advisors to comply.



INTRODUCTION

Concerns over meeting the deadline

When the Chief Compliance Officer (CCO) at a leading North American wealth management firm learned about the Regulation Best Interest, he was immediately concerned about the firm's ability to meet the deadline. Failing to meet the deadline would increase their risk of violations, fines, and costly remediation events.

The Form CRS would need to be added to all their customer communications, across all channels. After some investigation, the CCO concluded the system and process they used to manage customer communications was simply not up to the task.



CHALLENGE

A fragmented process creates bottlenecks

In the client's words, the process they used to manage customer communications was a homegrown "sausage factory" that had been cobbled together over years of use. It was fragmented and complex.

Disparate systems

Each communication channel – for print and digital – was a separate and distinct system. This meant applying the new disclosure requirements would be a complex task with different teams each updating content for their designated channel. In addition, the use of disparate systems and disparate teams would slow the process and increase the risk of inconsistency and error.

Duplicated content

Within the individual platforms themselves there was no sharing of content between communications. Each communication was managed as a separate file or template and updated individually, one at a time. This method of managing content, and the lack content sharing, resulted in considerable duplication of content across files.

IT reliance and bottleneck

The process for creating and updating customer communications also relied heavily on the IT function to manage rules, create proofs and produce output. Required changes were placed in the queue alongside all other IT projects. The volume of disclosure updates required, coupled with IT's backlog of work and the complexity of the IT testing and QA processes, meant IT's portion of the change cycle could take between 6-18 months.

Lack of insight and approval of changes

Amplifying the CCO's concern about the firm's ability to meet the Regulation Best Interest deadline was the inability to track the progress of each change through to completion. The CCO required an approval workflow that would give him greater insight into the changes.

Benefits

- + Eliminated reliance on IT and lengthy change cycles by giving full control to the Customer Experience team
- + Dramatically increased the speed of change cycles — enabling changes to be made within minutes to shared disclosure content across all channels and communications
- + Improved insight into the change status and increased collaboration between stakeholders
- + Reduced compliance risk



SOLUTION

An intelligent content hub delivers simplicity and speed

The wealth management firm needed to modernize their approach to customer communications management in order to add the new disclosure content by the Regulatory Best Interest deadline. Speed and accuracy would be the keys to success.

They turned to [Messagepoint's Customer Communications Management \(CCM\) solution](#) to modernize their management of regulatory disclosures and address their challenges head-on. Here's how:

A centralized hub

Messagepoint centralized all the client's customer communications and disclosure content in its intelligent content hub, eliminating the complexity of managing content in disparate systems.

A single point of change

Within the central repository, advanced content sharing capabilities dramatically simplified the client's change management processes.

Content sharing / SmartText

In Messagepoint, SmartText enables a block or snippet of content to be shared across multiple communications. By using SmartText, the client created a single instance of the disclosure content and shared it across the required communications. In future, edits can be made once to this single content object and the change automatically applied everywhere the content object exists.

Content inheritance / variation management

In Messagepoint, variation management also works to share content and eliminate duplication – allowing content in a master template to be inherited by variants and sub-variants of the communication. Variation management enabled the client to reduce the number of templates managed, to eliminate untold hours of manual work, and to apply changes with 100% accuracy.

The client also used Messagepoint's Rationalizer to migrate existing letters into the platform and to consolidate duplicate and similar content to fully leverage the new touchpoint framework.

Omni-channel delivery

Messagepoint's omni-channel touchpoints enable content to be delivered through traditional printed experiences, page-oriented experiences such as PDF, or through dynamic experiences such as web, email and mobile. This has enabled the team to standardize on Messagepoint for omni-channel communications, to greatly simplify the change management process by eliminating back-and-forth between disparate teams, and to dramatically increase their speed and agility.

Control to the business user

Messagepoint also enables the business user to take full control through business user authoring, by-passing lengthy change cycles with IT. Even the management of rules is simplified and streamlined for business user management. This client was very excited to fully transfer control of this process to the Customer Experience (CX) team in marketing. By giving the CX team full control, they were able to remove IT from the mix and make the disclosure changes faster and accurately.

Improved insight and approval workflow

The final breakthrough for the client involved the approval workflow. Approval workflows in Messagepoint can be easily customized and configured to the clients' needs and preferences. This client ensured the compliance team was defined as a stakeholder and reviewer for each disclosure change, giving them the visibility they desired for tracking regulatory changes to completion.

The ability to quickly create and modify regulatory content is important for highly regulated firms.

If you're still depending on IT to manage customer communications and battling a slow outdated process, contact [Messagepoint](#) today.

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