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Steve Ambuul: One of the things I'm doing right now is making sure that we can get data feeds from Orion, AssetBook, and other competitors of ours.

Ebix may hit a CRM sweet spot for some RIAs

The strategic acquirer bought its way into wealth management CRM in 2009 but the 'rollup' label helped depress the company's shares

11h 46min ago by [Nevin Freeman](#)

When RIAs are ready to purchase customer relationship management software they typically face an initial decision: They can go with monsters of the midway like [SalesForce](#) or Microsoft, or with specialized software like [Junxure](#) or [Redtail Technology](#).

The problem with monster platforms is that they aren't built with advisors in mind and have to be reshaped after the fact. The problem with specialized software is that they *aren't* monsters – especially if you happen to believe that big and hairy is better.

For advisors looking for a happy medium, say a company with some heft whose people – and maybe even the inner workings of its computers – know the difference between an advisor and a carpet wholesaler, Ebix might be worth a look. In the past, the Atlanta, Ga.-based company hasn't had much of a focus on RIAs but that seems to be changing – in late 2010, Steve Ambuul was appointed head of the new RIA division and is in the process of expanding his new team.

In 2009, Ebix, which has offices in the United States, Singapore, Australia, New Zealand, India and Canada, acquired E-Z Data for \$50 million in order to gain entree into the wealth-management CRM business. Before that, Ebix was already a large player in the insurance industry, offering many types of enterprise software, but had no specific CRM platform.

“This is one of our most strategic acquisitions since this will provide us access to a majority of the life and annuity brokers' desktops in the United States,” said Robin Raina, chief executive of Ebix, in a press release back in 2009.

The acquisition has indeed allowed them into the broker-dealer and RIA worlds – CRM is now Ebix's largest

division according to Ambuul. The application has about 120,000 users – 80% from broker-dealer firms, 10% from insurance sales firms and 10% from RIAs.

Wall Street roller coaster

Ebix's growth-by-acquisition strategy has also played a role in recent roller-coaster ride on Wall Street.

A July 16 [article in *Barron's*](#) reported that after an anonymous report on *Seeking Alpha* accused the company of being a rollup (E-Z Data was one of 18 acquisitions according to the *Barron's* article) and employing what it called an “unsustainable” offshore strategy to avoid taxes its stock price dropped sharply from around \$30 per share to around \$22 on March 24th. Since then the price has continued to slide to around \$19 per share.

The article also said that the products Ebix took over after these acquisitions only became profitable for the company after it re-distributed development and support to Singapore and India, where the company now has nearly two-thirds of its employees.

Ebix spokesmen did not respond to e-mails and phone calls with questions on the issues raised by *Barron's*, but Raina did comment in the July 16 article.

In response to lack of confidence from some that Ebix has had any organic growth on top of its acquisitions, Raina told *Barron's* that 11% of revenue growth last year was organic. In response to concerns raised about stretching offshore tax rules, he responded, “We are not running a tax shelter.”

Steep learning curve

E-Z Data, now Ebix CRM, has served some RIAs since the early 1990s with SmartOffice, the same software it sold to brokers. Ambuul says the new emphasis on RIAs has caused the company to concentrate on how to extract data from RIA-centric vendors, particularly in portfolio management.

SmartOffice has quite a history in world of customer relationship management. It was first manufactured by E-Z Data under a different name in 1985 on the DOS operating system, remade for Windows in the early 1990s, then remade for the cloud in 2001, and is now spreading to the iPad and other mobile devices.

SmartOffice seems to have everything an advisor could want and more, but comes at the cost of being hard to learn and unwieldy to use.

“I’m still learning,” says Andy Bodner of Double Diamond Investment Group, a fee and commission hybrid advisory business he runs with his father. The two of them broke away from UBS a year and half ago and have been using SmartOffice ever since.

But Bodner says the steep learning curve isn't a bad thing, and that, in fact, it's a reasonable tradeoff for having an application that can handle pretty much any task he dreams up.



Andy Bodner: I'm pretty active in

“I’m pretty active in [SmartOffice’s] suggestion box, and I will usually get a [SmartOffice’s] suggestion box, and I will usually get a response that says ‘We already have that,’” Bodner says. “We already have that.”

The mac daddy

He also wasn’t fazed by the higher price tag: \$1,500 to \$2,000 per year in his case, versus about \$600 for the cheapest options he looked at. SmartOffice costs between \$55 and \$75 per user per month.

“I thought that SmartOffice was the mac daddy – it was substantially more expensive than the real basic ones, but you get what you pay for, and I was easily willing to spend more money.”

Bodner has been pleased with SmartOffice’s integrations. “I use [Allbridge Investments](#) for performance reporting, which feeds right into SmartOffice, and that works really well,” he says. “I also use [MoneyGuidePro](#) and that does the same, so essentially all of the information flows through to MoneyGuidePro. When I open my certified financial plan, all of the assets and everything are already in there, pre-filled, and then it’s up to me to put in risk-tolerances and things like that, so it makes my job that much easier.”

Bodner uses SmartOffice for a range of tasks, from finding phone numbers to e-mailing customized letters to a certain segment of clients when there is news to share. For example, Bodner says he might want to target everyone from ages 55 to 64 for an IRA-related bit of information. The system will then generate a custom e-mail for each client within that range that appears to be hand-written by Bodner, addressing them by first name. The system allows Bodner to avoid duplicate e-mails to a single household, and even supports generating a paper letter for the e-mail-averse.

No more morning meetings

Bodner’s also a big user of the feature that schedules correspondence with clients – a feature that many CRM vendors have been talking up of late. He says the ability to map things out in advance helps him never forget about a call, and that taking notes that can be accessed for the next call is useful for maintaining continuity with clients.

But more than anything else, Bodner says SmartOffice has been invaluable for all-but completely eliminating time spent discussing workflow issues with his sales assistant. They used to have a meeting every morning to talk about open items and what to prioritize to make sure nothing slipped through the cracks. SmartOffice, he says, has rendered the morning meeting a thing of the past.

CRM-focused

SmartOffice actually does a lot more than just CRM – it’s capable of portfolio management, performance reporting, rebalancing and trading, but only about 8% of customers use these features, according to Ambuul.

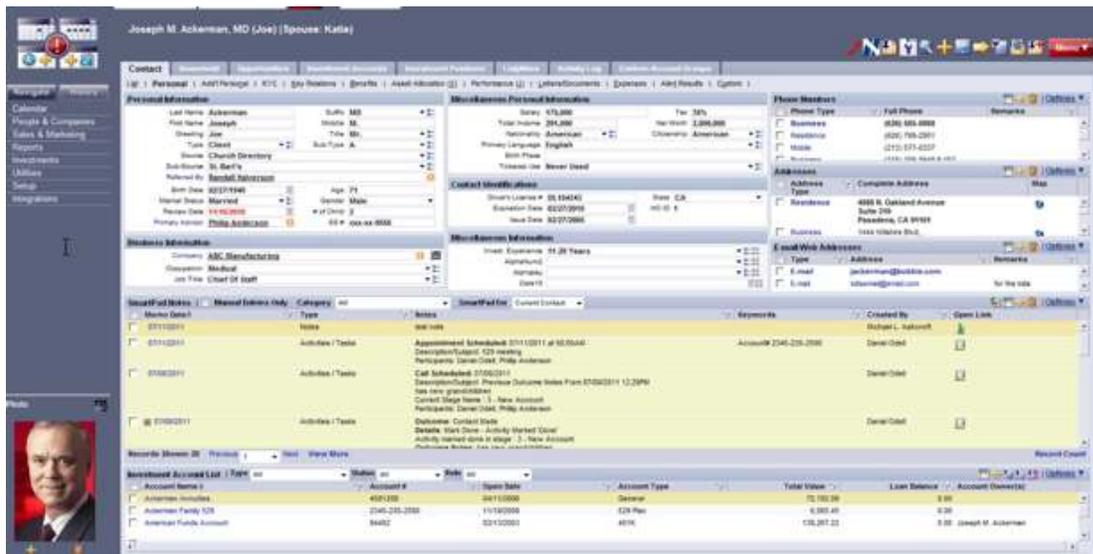
“No one’s ever succeeded in [being better than everyone else in every category],” he says. “So we focus mostly on CRM, [which is] the hardest thing to get right.”

Instead of trying to win in all categories, Ambuul says, Ebix goes to great lengths to make sure the system can integrate with other vendors that excel in other areas.

“One of the things I’m doing right now is making sure that we can get data feeds from [Orion](#), AssetBook, and other competitors,” says Ambuul. “That’s not our core focus, so if their services are a better fit for our users, then by all means they should use them.”

Data model

SmartOffice has a leg up on non-wealth-management-specific CRM systems that have been custom-tailored to an advisor when it comes to integrating with outside applications, according to Ambuul. The reason for this difference, he says, is that SmartOffice has a well-defined data model that never changes.



SmartOffice’s view of a client, including notes from all conversations, account info, and a photo.

What constitutes a well-defined data model?

Generic CRM systems usually have sets of fields that can be used to store different data points for each contact. A system might have TextField1, TextField2 and TextField3, which the user can configure to represent any information they see fit.

When the system is customized for Advisor A, that advisor might choose to label TextField1 “First Name,” TextField2 “Last Name,” and TextField3 “E-mail Address.” But for Advisor B’s customization, the labels might end up “Last Name” for TextField1, “First Name” for TextField2, and “Account Number” for TextField3:

CRM software’s name for field	Advisor A’s use of field	Advisor B’s use of field
TextField1	First Name	Last Name
TextField2	Last Name	First Name
TextField3	Email Address	Account Number

This means that if another vendor wants to integrate its software with these two systems, it will have to make a custom version of the integration for each custom version of the CRM, so that the software doesn’t accidentally ask for TextField3 when it needs a client’s e-mail address only to get the client’s title.

SmartOffice gets around this problem by maintaining a list of wealth management-related default fields, each of

which can only be used for one thing, allowing firms to flip them on and off rather than offering a smaller number of fields that must be repurposed.

In terms of the previous example, this would mean one field can *only* represent First Name, one can *only* represent E-mail Address, and so on. If a user didn't want to store e-mail addresses, they would just flip that field off instead of using it for something else. This way any other system that needs to integrate with SmartOffice always knows what field to ask for when it wants an e-mail address or some other attribute of a client record.

The software also allows the kind of do-it-yourself fields that are difficult to integrate with, just in case its list don't cover everything.

Open API

Redtail and Junxure, the other two dedicated CRM software platforms that we've reviewed, take the same approach of shooting for as many wealth management-related fields as possible for the sake of integration friendliness, but include the ability to add custom user-defined fields as well, just in case.

See: [How Redtail got hot fast among RIAs and how it plans to leapfrog itself](#) and [Junxure moving to the cloud amid market pressures](#).

SmartOffice also exposes its programming interface to all of its users, which means that users of the software can build their own custom integrations with other software by sending data in and out of SmartOffice in a structured way.

One advisory firm used the programming interface to create a

tool that automatically generates leads from information sucked up from Facebook users who ask to "friend" an advisor, but the marketing consultant that was in charge of the project told me that Facebook is taking steps to stop people from doing this and so the firm has discontinued the practice.

Brain pain

After the demo I understood why Bodner was willing to climb such a steep learning curve in exchange for the ability to manage his business with one central computer program. But still, it's clear that CRM technology

Objects

AUMDashboard
Released By:

Main Table	Data Object	Top
CONTACTBENEFIT_AUMDASHBOARD_ALIAS1	ctsDef	false

Properties

Name	Type	Length	Object	Lookup	Search	ReadOnly	Column
AssetContact1	integer				true	false	AUM_ALIAS1_OtherNo
AssetContact2	integer				true	false	AUM_ALIAS1_OtherNo
AssetContact3	integer				true	false	AUM_ALIAS1_OtherNo
AssetContactPer1	double				true	false	AUM_ALIAS1_OtherPrem
AssetContactPer2	double				true	false	AUM_ALIAS1_OtherPrem
AssetContactPer3	double				true	false	AUM_ALIAS1_OtherPrem
Assets1	double				true	false	AUM_ALIAS1_CrnllPrem
Assets2	double				true	false	AUM_ALIAS1_CrnllPrem
Assets3	double				true	false	AUM_ALIAS1_CrnllPrem
AssetsPer1	double				true	false	AUM_ALIAS1_CrnllVen
AssetsPer2	double				true	false	AUM_ALIAS1_CrnllVen
AssetsPer3	double				true	false	AUM_ALIAS1_CrnllVen
AssetsPerContact1	double				true	false	AUM_ALIAS1_CTDCost
AssetsPerContact2	double				true	false	AUM_ALIAS1_CTDCost
AssetsPerContact3	double				true	false	AUM_ALIAS1_CTDCost
AssetsPerContactPer1	double				true	false	AUM_ALIAS1_CTDValue
AssetsPerContactPer2	double				true	false	AUM_ALIAS1_CTDValue
AssetsPerContactPer3	double				true	false	AUM_ALIAS1_CTDValue
BondAsset1	double				true	false	AUM_ALIAS1_BondValue
BondAsset2	double				true	false	AUM_ALIAS1_BondValue
BondAsset3	double				true	false	AUM_ALIAS1_BondValue
BondAssetPer1	double				true	false	AUM_ALIAS1_BondCost
BondAssetPer2	double				true	false	AUM_ALIAS1_BondCost
BondAssetPer3	double				true	false	AUM_ALIAS1_BondCost

Only the beginning of SmartOffice's nearly endless list of standard data fields.

hasn't reached its full potential make our business brains redundant. As we were ending our phone conversation, I asked Bodner to send me a photo. As the computer was already shutting down, he scribbled a reminder on a piece of paper.

He forgot to send it.

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