

Foreword

Since 2009 the financial advisory business has gone through some major changes. Most of the changes have occurred due to the ban on entry loads for mutual funds by SEBI (Securities and Exchange Board of India) in August 2009.

Ever since the ban on entry loads was implemented many independent financial advisors (IFAs) have been searching for ways to provide value added services to their clients. In this document, the term IFA is used to cover a wide variety of providers including: certified financial planners (CFPs), independent financial advisors, mutual fund distributors, private bankers, professional financial planners, relationship managers, sub-brokers and wealth managers.

Action

To save time, look for these boxes in the guide

This guide has a lot of good information but if you are short on time you can look for the "Action" box and get the highlights for the section.

The purpose of this guide is to educate IFAs who are looking for guidance on the tools and technology needed to start their own financial advisory firm or grow their existing business. More importantly, the products and services covered are free or very low cost as price is a major concern for any startup.

If you have any questions or need additional help you can always email us at support@mprofit.in.

Sincerely,

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Introduction	4
Area 1: Basic Setup	5
<i>Select a Company Name</i>	5
<i>Design a Logo</i>	5
<i>Get Visiting Cards</i>	5
<i>Register a Domain Name</i>	6
<i>Host Your Website</i>	7
<i>Website Design</i>	8
<i>Email Provider</i>	8
<i>Other Software</i>	9
Area 2: Getting New Clients	10
<i>Blog</i>	10
<i>Email Newsletter</i>	11
<i>Facebook</i>	11
<i>LinkedIn</i>	11
<i>SlideShare</i>	12
<i>Twitter</i>	12
<i>Customer Relationship Management (CRM)</i>	13
Area 3: Financial Planning	13
Area 4: Trade Execution	14
Area 5: Portfolio Monitoring	14
Summary	16
Revision History	17

Introduction

After much thought you have decided to become an independent financial advisor (IFA), there are many things that go into that decision and many more to follow once you start.

For many IFAs the most confusing part of setting up a financial advisory firm is understanding the technology issues. One friend might tell you something, whereas some random blog says another thing, but in the end you are quite confused and really just need some basic knowledge so you can make an informed decision.

This guide will walk you through the decisions that you will need to make and provide the answers so you can focus on what really matters as an IFA - providing sound and useful financial information to your clients.

There are 5 areas that you will be concerned about as an IFA:

1	Basic Setup	The minimum setup needed to start your advisory firm
2	Getting New Clients	Implementing a social media strategy to attract new clients and using customer relationship management (CRM) tools to track potential client leads
3	Financial Planning	Tools to create financial plans for your clients
4	Trade Execution	How to execute the recommendations on your clients behalf
5	Portfolio Monitoring	Methods to review and monitor the portfolios of your clients

Area 1: Basic Setup

Before you begin to get new clients you need to have a basic setup to show the world you are ready for business. The basic setup is a mix of branding and technology.

Select a Company Name

Action

Select a company name

Once you have a new business idea (in this case being an IFA) the next step is to pick a name. Selecting a good name is more of an art than a science and most people tend to pick generic names such as Shah Securities or Anil Advisors. You should pick a name that is professionally sounding, unique and could last for many years. A good example of this is Reliance Industries, it was a brilliant name chosen by Dhirubhai Ambani when he started his company in 1958. He could have just called it Ambani Polyesters but I assume he had the foresight that his company would grow and enter many sectors. He didn't want a name he might have to change in the future...very forward thinking.

For some assistance on picking a company name you can visit "[The Art of Naming a Business.](#)"

Design a Logo

Action

Visit 99designs for logos

For a more professional look you might want to create/design a logo which you can put on your visiting cards, website, stationary, marketing materials and many other things. An excellent website to view other good logos is [99designs](#).

Get Visiting Cards

Action

Get cards printed from Printo.in

Now that you have selected a name and a logo it's time to get some visiting cards printed. We recommend looking at some of the websites listed below to view visiting card designs:

[Moo.com](#)
[99designs.com](#)
[Printo.in](#)

Approximate Cost. Rs. 175 for 100 single sided printed visiting cards from [Printo.in](#).

Register a Domain Name

Action

Register a .com or .in domain name for your company

So what does picking a company name have to do with technology? Once the name is selected you will want to make sure you can get the domain name for it. The domain name will be used for many things such as a website, email, blog and many other things that are related to your IFA practice. This is where having a simple and easy to remember name will be useful. Remember those two generic names from before, the domain names might look like shahsecurities.co.in, shah-securities.com or shahsecurities.co all 3 domain names are easy to forget and more importantly very easy to misspell.

The company name and domain name should be the same thing for brand building (this is not a rule but a good practice). If the name of your company is going to be FinancialPro, then you will want to get the domain name FinancialPro.com or FinancialPro.in. Although Reliance is a great name, they were not able to secure the reliance.com domain name. Reliance does own the Reliance.in domain but they use RIL.com for their website and all their email addresses because the .com domain appears more international. (RIL happens to be the Bombay Stock Exchange scrip ID for Reliance Industries.)

There are 3 domain name types you might consider for your domain name - .com, .in and .co.in (in technical terms these are known as top-level domain names). However, more and more businesses are moving away from the .co.in top-level domain name and moving to .com and .in since it's easier to remember these two top-level domain names since they have less periods and less characters.

After picking a name and selecting the domain name you want, you will have to go online and see if it's available. Don't get frustrated if your first, second or tenth choice is not available. Keep in mind people from all over the world are looking for domain names and even though the .in top-level domain name is primarily associated with Indian websites, more and more companies are using .in for their websites - Indian and international companies alike.

You can check to see if the domain name you want is available by visiting a domain registrar such as [GoDaddy](#) or [BigRock](#) - both offer .com, .co.in and .in top-level domain names. GoDaddy.com is one of the largest

domain registrars in the world. The largest Indian domain registrar is BigRock.in (which is part of the Directi group) and they have very low prices for .in top-level domains. Another large Indian domain registrar is [Net4](#). Domain names are sold on a yearly basis, but many companies buy domain names for 5 or 10 years so they don't have to worry about renewing their domain name on a yearly basis. For most IFAs it's best to purchase a 2 year domain name, this way you will get better pricing and you will not have to worry for the first 2 years of your business about renewing the domain name.

Approximate Cost. At BigRock the total cost for a 2 year .in domain is Rs. 600 and a 2 year .com domain is Rs. 900. At GoDaddy the total cost for a 2 year .in domain is Rs. 1450 and a 2 year .com domain is Rs. 1100.

Host Your Website

Once you have secured the domain name of your choice the next step is to select a hosting provider who can provide you with a website. In the process of buying your domain name you might have visited 2-3 different network registrars who also provide web hosting services.

Action

Select a
2 year
shared
Linux
economy
plan

In the web hosting environment there are two broad types of services you can select:

1. **Shared web hosting** - you will be sharing the server with many other companies which is a standard practice and many sites are configured this way.
2. **Dedicated web hosting** - only you will have access to the server, this is usually reserved for companies that are running an e-commerce site or have highly sensitive data they want to protect from others.

Many of the hosting vendors will also talk about the operating system, hard drive space, the amount of data you can transfer and the number of email accounts you will have. For most IFAs a basic Linux economy package is more than enough to start out with.

Many people might think the website should be Windows since that is what they use on their desktop. But, this is a

web server and thus you should select Linux so you can run many of the freely available software packages on the web server.

Approximate Cost. A Linux economy plan from BigRock.in is Rs. 160 a month (assuming a 2 year contract). The Linux economy plan from GoDaddy.com is Rs. 200 a month (assuming a 2 year contract).

Website Design

A basic website with 4-5 pages is good enough for most IFAs who are just starting out. You might also want to have a blog on your website which we will talk about later in the "Getting New Clients" section.

Action

Hire a WordPress theme designer from Elance

The easiest method to get your website up and running is to use a free software package called WordPress which runs on a Linux web server. It's commonly known as a blogging software but it's also a simple way to create a corporate website. WordPress is built around an idea of having a "theme." A theme is really just the look and feel of your website and luckily thousands of themes have been created and can be used free of cost.

Using WordPress does require a bit of technical skills and the best way to implement WordPress is to hire a theme designer and have them install WordPress and get your theme installed and running. [Elance](#) and [oDesk](#) are two websites where you can find WordPress freelancers.

Email Provider

You can use a Gmail, Hotmail or Yahoo account for your new venture, but that doesn't look very professional. Since you have a domain name you can use that address for your email communications.

Action

Register for Google Apps for email

Google Apps which provides email capability is the best option and free for under 10 users. In addition, you will have access to many other services via the Google App Store which directly works with your Google Apps account.

Google Apps link:

<http://www.google.com/apps/intl/en/group/>

Approximate Cost. Free for under 10 users.

Other Software

There are several other software products you might want to include in the basic setup - Dropbox, Evernote, Skype and TeamViewer.

Action

Download the free versions of the software mentioned

Dropbox is a file hosting service which uses cloud services to enable users to store, share files and folders with other people across the office or the internet using file synchronization.

Evernote allows you to create, collect and sort notes using cloud services. It's a convenient way to keep track of to do lists, client interactions, follow-ups and many other things you want to track.

Skype is a chat, voice and video calling software that enables you to talk to your clients that might be in other countries. If your client is also using Skype then all your communications between the two are free. Also, when a face to face meeting is not possible in the same city then you might consider using Skype as an easy alternative as well.

TeamViewer is a screen sharing application that allows you and your client to see the same computer screen. Suppose you want to show your client your new website but cannot meet them in person. Instead, you both would run TeamViewer and then you could remotely show your client the new features of your website.

Approximate Cost. The downloads are free.

Dropbox - <http://www.dropbox.com/>

Evernote - <http://www.evernote.com>

Skype - <http://www.skype.com>

TeamViewer - <http://www.teamviewer.com/>

Area 2: Getting New Clients

Many IFAs initially start out with several friends and family members as clients. However, at some point you will want to externally market your services to a wider audience.

You can go via the traditional route of print advertising, but for a startup that is very expensive and not cost effective. In this era of social media, there are several things you can do at zero cost to potentially attract new clients. Since there are many social media options it's best to pick and choose what works for you. You also have to understand who your target audience is, if you are targeting HNI's then using Twitter might not be the best option. However, if you are targeting young IT professionals then Twitter might be the perfect social media for you. Pick your medium and stay consistent, nobody wants to start reading a blog and then after 2 months the author stops writing. The social media options are presented alphabetically and not in order of preference.

Blog

A blog is part of website that allows you to write about topics you feel are of interest to your clients. The real benefit of a blog is to highlight your knowledge to potential clients who might come across your blog on the internet. An excellent example of this is [JagoInvestor](#) which is run by Manish Chauhan. Manish writes in-depth articles on a wide variety of topics such as equity investments, health insurance, ULIP's and everything else in between.

There are several large blogging platforms you can use such as [WordPress](#), [Tumblr](#) and [Blogger](#). If you have your own web server you can install WordPress for free and make it part of your company website such as:
<http://blog.advisorname.com>

Approximate Cost. Free. The only cost will be your time to create in-depth and informative content.

Action

Install WordPress on your server to maintain your blog

Email Newsletter

Action

Send out a monthly newsletter using MailChimp

An email newsletter allows you to provide informative and timely information to your clients on a frequent basis. Some IFAs send out weekly updates while others send out a monthly newsletter. The frequency of the updates depends on how often you have useful information to send. If over time you start to send non-relevant information people will quickly delete the newsletter.

Many people send the email newsletter from their email address but there are email marketing companies which are a better option. [MailChimp](#) is one example of an excellent service to use for your email newsletter. Other companies include [MadMimi](#) and [ConstantContact](#).

Approximate Cost. If your email list is under 2,000 email addresses then MailChimp is free.

Facebook

Action

Create your Facebook, LinkedIn and Twitter accounts

It appears the whole world is on [Facebook](#) and thus it would make sense to have a presence on the world's largest social networking site. Although Orkut is quite large in India, the trend is that more and more people are leaving Orkut and joining Facebook.

Facebook is a good way to update your clients and potential clients on the things you are doing. If you wrote a new blog post or attended an investor forum, then you can use Facebook to update clients.

An excellent resource is the [Facebook for Business](#) page that provides information in using Facebook for your IFA practice. It guides you through the process of creating a page to build your community and also many other things that might benefit you.

Approximate Cost. Free.

LinkedIn

[LinkedIn](#) is a business-oriented social networking site, in essence its an online resume. By creating your profile on LinkedIn it allows you to connect to other business-oriented people. There are two benefits you can gain from LinkedIn.

The first benefit is it allows potential clients to find you via LinkedIn and view your social connections and work history. The second benefit is it allows you to screen potential clients and give you an idea of the type of client they are.

Approximate Cost. Free.

SlideShare

[SlideShare](#) is a website to share PowerPoint presentations. As an IFA if you create PowerPoint presentations and want to share it with the world then SlideShare is the best way. It's also an excellent resource to find other presentations that were uploaded by others. If you want to learn more about Reliance Industries you will find many presentations about the company.

Approximate Cost. Free.

Twitter

According to [Twitter](#) they are a social networking and microblogging service. Most people view Twitter as a way to quickly express their thoughts directly to the entire world. There are many uses for an IFA, you can experiment and decide if Twitter is right for you.

Approximate Cost. Free.

Customer Relationship Management (CRM)

If everything goes as planned, you should have more clients than you can handle which is a good thing. However, you will need an efficient way to manage all these contacts and that is where a customer relationship management (CRM) package comes into play.

Action

Use Insightly from the Google App Store

A CRM package will allow you to manage your interactions with existing clients, potential clients and business associates. If you are already using Google as your email provider then you can quickly start using [Insightly](#) which is part of the Google App Store.

Other companies that offer CRM solutions include [Salesforce](#), [Zoho](#) and [Highrise](#). You can try these as well but from a cost and ease of use perspective Insightly is a great first choice.

Approximate Cost. Insightly is free for up to 3 users.

Area 3: Financial Planning

One of the reasons that clients come to an IFA is because they need guidance on how to invest for the future. A financial plan is a blueprint for your clients where you take an inventory of what your client has, what their goals are and how to achieve those goals.

Action

Use Excel to create your financial plans

Some of the companies that offer financial planning software packages include: [Figlo](#), [FinPlan Writer](#), [FiscAlmanc](#), [OMNIMax](#) and [REDVision](#).

However, most IFAs still use Microsoft Excel to create these financial plans for their clients. The reason is because each IFA is different and might want to present the plan in a unique format. An excellent source of information for IFAs is [NetworkFP](#), in addition they have workshops where you can learn to create comprehensive financial plans for your clients using Excel. The plans are very detailed with over 30+ calculators you create during the workshop.

Approximate Cost. Microsoft Excel.

Area 4: Trade Execution

Many clients want their IFA to not only recommend what products to buy, but complete the transactions for them. The 3 categories you might be asked to execute trades for you clients include: insurance, mutual funds and stocks.

Action

Apply for an ARN number

For insurance you can have a couple agencies in the name of yourself and other family members.

For mutual funds you will want to contact AMFI (Association of Mutual Funds in India) to get your ARN (AMFI Registration Number) number. Once you have an ARN number you can approach all the mutual fund companies and directly work with them. Another option is to use the mutual fund platforms from companies such as [iFast](#), [NextAdvisors](#) or [NJ Fundz](#).

Lastly, when dealing with stocks for your clients you can become a sub-broker of a large brokerage company. Some of the larger brokerage companies include Angel Broking, India Infoline (IIFL), Kotak Securities, Motilal Oswal, Network Stock Broking and Religare Securities.

Area 5: Portfolio Monitoring

The ability to monitor and review your clients portfolios is just as necessary as creating a financial plan for them. Some clients may want up to the minute monitoring whereas others might be comfortable with a monthly report.

Action

Download the free trials of the products and compare them

The first decision when picking a portfolio monitoring solution is if you want to manage all assets or a specific investment domain such - stocks, mutual funds or insurance. Many of the solutions available are very good at tracking a single investment domain but fall short when trying to track all the various assets your clients may have.

The second decision you will have to make is where do you want your clients financial data to be stored - on an internet server (online) or your office computer (desktop). Most of the desktop products also provide internet access for clients to view their portfolios. If you believe your clients data is highly sensitive then you should look at a desktop solution that stores the financial data on your office computer.

More than likely when starting out you will want to personally meet your clients when reviewing their portfolio on a monthly basis. Then as your practice grows you can provide web access for clients that request real-time access to monitor their portfolios.

Low cost desktop products include Microsoft Excel and [MProfit Advisor](#).

Other products include [ACE Wealth Tracker](#), [EasyFE](#), [FinnSys](#), [Fundz Magic](#), [iFast](#), [InvestWell](#), [Moneycontrol](#), [Perfios Advisor](#), [Vijya Comtech](#), [Wealth E-office](#), [WealthERP](#) and [Wealth-Track Auto](#).

Approximate Cost. MProfit Advisor is as low as Rs. 3,000 a year. Many of the other products have detailed pricing plans and hence it's better to visit their website for up to date information.

Summary

We hope this guide has given you a good understanding of what tools and technologies are available for IFAs. It might seem overwhelming but over time you can slowly implement these tools into your organization.

Even with all these tools, remember what really matters as an IFA - providing sound and useful financial information to your clients.

If you have any questions or need additional help you can always email us at support@mprofit.in.

Sincerely,

MPROFIT

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Revision History

Date	Version	Notes
September 2012	2.0	Added several more companies that offer products for IFAs'
February 2012	1.6	Removed the information for Moneytouch which is no longer in business. Added the information for NextAdvisors a trading platform.
January 2012	1.5	Added information on logos and business cards
October 2011	1.0	Initial Release

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