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The Most Powerful Name in Corporate News

ADVICENT

Financial Planning Software Solutions

Phil Cunningham
CEO

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Advicent Solutions

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CEOCFO: ***Mr. Cunningham, what is Advicent Solutions?***
Mr. Cunningham: The Advicent Solutions brand is somewhat new to the marketplace; however, our products are not. Advicent provides financial planning software solutions across the globe. Our most dominant markets are the U.S, Canada, and Europe, specifically the U.K. and Netherlands. We are also expanding into other markets, like Turkey and South Africa. We work with everyone, from large financial institutions, banks and broker dealers, to independent registered investment advisors and independent financial planners. Our software helps advisors run their business efficiently and effectively as it relates to creating financial plans for their clients.

CEOCFO: ***Why is your solution the software of choice?***
Mr. Cunningham: We are the leading financial planning provider throughout the globe for a couple of very specific reasons. Number one, our solutions are more comprehensive and complete than anything else in the marketplace. When I say "comprehensive", I mean both breadth and depth. Our tools have the ability to create a financial plan for someone that is still accumulating wealth—someone who we would call mass affluent. It can also scale to create plans for ultra-high net worth clientele who worry about taxes, trusts and estate taxes. Our solutions help advisors create the right plan for each of their clients.

The second unique factor about our solution is that it is very client-centric. We are seeing a big demographic shift take place. Today's millennials are becoming wealth accumulators and today's financial planning landscape is a great deal different than it was two decades ago. Financial planning tools need to be very interactive and provide a greater level of client centricity and goal planning than ever before. This is where our software excels. It allows an advisor to engage in an ongoing experience with their client, verses something that is episodic, and ends up being a once or twice-a-year conversation. Those two things coupled with the fact that we have the only global platform as it relates to financial planning are three distinct differentiators that we bring to the marketplace.

CEOCFO: ***What might be something that your software takes into account that others do not?***
Mr. Cunningham: That is a good question. Number one is the fact that we plan for all major goals, while factoring in cash flow and taxation. For example, our tools help advisors create plans when someone is thinking about education for their children, buying a second home or buying a rental property. These are all things that can be glossed over by an investment advisor, but are very critical to the overall health of someone's financial picture. Superficially, it is not necessarily unique, but the level of detail that we analyze these goals is. Take for example moving your family to a new state, we will sell your current home, account for any capital gains taxes, settle your mortgage and use the proceeds to purchase a new home with a new mortgage, all the while adjusting for the different state income and property taxes. Understanding your financial future as it relates to cash flow makes sense, but ultimately you want to see how you are progressing towards your goals. These are some of the unique factors that we bring into a comprehensive plan that others do not.

CEOCFO: ***Are people turning to financial planners more these days?***
Mr. Cunningham: What we are seeing is a rebirth in financial planning. From an advisor perspective, financial planning was only available for the elite a decade ago. Generally speaking, they focused on the investment management side of their businesses. Now, as disruptive technology has hit the marketplace, robo-advisors have come into the financial planning arena. As a result, advisors have the ability to work financial planning down market and build a relationship with their younger clients as a differentiator. Therefore, from an advisor standpoint, financial planning is going through a bit of a revival, because advisors know that is how they will differentiate themselves with technology from the robo-advisors.

As it relates to the consumer, we are also seeing a change in the way people work with financial planners. We need to think especially about the millennials and the people that are accumulating wealth. They are not seeking the financial planner that works in the same way as their parent's financial planner. They want an online experience. Think about everything that a millennial does these days on Facebook, Instagram, Twitter, Snapchat, Google, Amazon or everything that is on their iPhone. That is the kind or experience they are looking for and this is the kind of service our unique solution brings to the marketplace. We allow advisors to provide that technological interaction. Therefore, we are seeing both advisors and consumers are more focused on creating a comprehensive financial plan for the future.

CEOCFO: ***Are people across the globe looking the same way or might someone in the Netherlands have an approach that is different from someone in the US?***
Mr. Cunningham: At a high level, there are many similarities across the globe when people think of wealth management. However, we are absolutely seeing some distinct differences in the pockets that we serve across the globe. For example, in the Netherlands, the point solutions that we provide around mortgage advice are much more relevant than what we see in the United States. Today in the U.S., if you want to refinance your home you can in a couple of clicks. The next thing you know, you have ten mortgage providers with rates and you can do most of your research online. We consider this to be straight through processing. On the other hand, in the Netherlands you actually have to get financial advice in order to obtain or receive a mortgage. You have to have a certified financial advisor provide you with advice on your mortgage; it is a requirement. Therefore, we are seeing trends like mortgage advice being much more important in the Netherlands. In the U.K., there are tremendous amounts of regulatory changes going on with pension and they just had what they call "Pension Freedom Day". This is now allowing consumers to make choices on what happens with their pension and where they invest it. We are now seeing very specific pension regulations being implemented there and they are drawing to the point solutions that we have in our tools. Then as you get into other areas such as South Africa, Belgium and Turkey, planning does tend to be more solution-based, verses holistic financial planning.

CEOCFO: ***You have a number of different products. Do your customers pick and choose or are these tools that they have to work with?***
Mr. Cunningham: All our different products are actually tools in a comprehensive solution set that they have to work with. We have a few core financial planning solutions that allow them to better connect with their clients. We also have Web based tools for larger institutions that allow for lead generation and reporting. However, rather than it being a situation where they pick one set of tools or the other, they typically are going to use one of our core financial planning solutions and then we wrap that with several modules that enhance that financial planning experience for advisors.

CEOCFO: ***What is your marketing strategy?***
Mr. Cunningham: We are business to business, and our mission statement is to, "Enable everyone to understand and impact their financial future." When you hear that, you may think that we are going business to consumer, but we are not. We sell our solutions to financial advisors. Then they utilize our solution to sell and attract the end user, which is the consumer.

CEOCFO: ***Are your customers coming directly to you or through third parties?***
Mr. Cunningham: We are almost 100% direct sales, which are to large banks large institutions. We also sell to the independent marketplace.

CEOCFO: ***Many financial advisors are selling products. Is your solution agnostic?***
Mr. Cunningham: Excellent question. You are right. Many financial advisors are looking to ultimately sell a product, whether that is insurance or an annuity or just getting more assets under their management. That is another area in which our solution excels. We can

take our solution and implement it in a very large institution that has its own products to sell, such as mutual funds and insurance products. This allows advisors to present their own company's products to the consumer. We also have the ability to integrate into other proprietary tools that also support the product sale. So yes, in addition to being holistic, we allow our customers to position single needs products to their clients.

CEOCFO: ***Do you need to stay ahead of trends and if so how?***
Mr. Cunningham: We do need to stay ahead of trends. We have a research team and an innovation team. Our research team is following those trends that we might be seeing in mortgages, social security optimization or healthcare optimization. We then provide solutions for the trends that they are seeing; those are the things that are not as front-and-center, such as how to optimize a 529 Plan or an HSA account. We also have an innovation team based in the Netherlands, but they are not necessarily following current trends. They are doing research on what is the next trend. This is a team focuses on trying to solve what is going to be the next problem we can solve, and we have done some phenomenal work around big data, analytics and what we call monitoring and alerts. If a client is using our solution, they have the ability to have their goals keyed into their financial plan. They can then get alerts on their iPhone or their tablet when they are on track or off track. We are beginning to utilize the terminology, "fit bit" in financial planning, similar to the way people are checking to see if they have burned enough calories for the day. This is the same concept that our innovation team is working on.

CEOCFO: ***What is your strategy for the next year or so?***
Mr. Cunningham: We know that in order for us to achieve our mission of enabling everyone to understand and impact their financial future, we need to be the undisputed leader in financial planning software across the globe. In order to get there from where we are today, the undisputed leader in North America and the Netherlands, it is all about developing world-class tools. Therefore, our short-term goals are continuing to focus on an experience for advisors that allows them to use Advicent tools to operate effectively and very efficiently, as well as ever-changing client demands. We are continuing to build upon the market share that we have now and the leading position that we have, and building our tool set out for clients and advisors.

CEOCFO: ***Put it all together. Why pay attention to Advicent Solutions today? Why is the company noteworthy?***
Mr. Cunningham: Advicent Solutions is noteworthy because we are leading the pack in our industry and marketplace, core financial planning, which is very dynamic right now. There is a tremendous amount of activity in both mergers and acquisitions, new technology entrants and startups in the marketplace, and we are by far the leader across the globe. We are innovative. We have solutions that are very advisor and client-centric, which is where we see the trends in the marketplace going. For anyone in and around the financial services or financial technology space, pay attention to what we are doing because we are going to continue to lead the pack with our solutions over the next decade and beyond.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine