

The Best Technology of 2006

Joel P. Bruckenstein | 12-14-06

This January, join Joel in Miami Beach for the [2007 Technology Tools for Today Conference](#). Learn how today's latest technology can improve your practice.

At the close of each year, after a careful review of all the year's columns, we elect to honor some of the best technology tools.

Here are the ground rules: Software and hardware candidates can be either new products, or improved versions of existing products, that are capable of having a positive impact on an advisory practice. Industry-specific products qualify, as do general purpose products. Rookie of the Year contestants are new products used by financial professionals that may not yet be perfected, but that either break new ground or hold great promise for the future.

Also, Morningstar has no involvement in the selection process. Nor does Morningstar endorse any product mentioned in this article. This is just my way of highlighting my favorite products of the year. And no, I don't present the winners with actual awards.

This year, selecting my winners is a little more difficult than usual for a number of reasons. First, I've made a conscious effort over the past year to address a few big themes, like convergence and technology trends. Second, I spent a month talking to mutual fund managers instead of technology geeks in June for the Morningstar Investment Conference. The result was fewer product reviews, hence less candidates to choose from. I had to stretch a bit to arrive at the hardware winner this year, but it is a product I can enthusiastically endorse.

I've also anointed a Disappointment of the Year. One could argue that the addition of this category is long overdue. On to the winners...and the loser.

Software Product of the Year

There are two software products worthy of honors this year, and as it turns out, both of them are new, so both qualify for Software Product of the Year and Rookie

of the Year honors. After careful consideration, I decided to award Software of the Year to IPS AdvisorPro.

This Web-based application, developed by Norm Boone and Linda Lubitz, two highly gifted financial planning professionals, fill a real need for many financial-services firms: It helps them create highly professional, compliant investment policy statements (IPS).

An IPS is a written document that explains the relationship between an investment advisor and a client. An ISP discusses the client's goals, the investment procedures that will be followed by the advisors, the responsibilities of the client, and the responsibilities of the investment professional. One point should be emphasized: An IPS is not a contract; rather, it is a roadmap that governs the behavior of an investment advisor and the client with regard to one or more investment portfolios.

Readers who have never tried to construct an IPS might question the need for an application that can automate this task, but trust me, to do it right, you need IPS Advisor Pro, or something like it. There are a number of reasons for this, but the primary reason is that there is no "one size fits all" IPS. You cannot just create a single IPS and then use it for all of your clients. You will need a different IPS for individuals than you will for a trust, and yet another one for a small retirement plan. Second, there is certain language that you should include in each IPS, or at least certain language that you should consider using. IPS Pro presents all the relevant information to you, and then it lets you decide exactly what to include and what not to include in your documents and templates.

IPS AdvisorPro comes in two distinct versions: The professional version has an annual license fee of \$495; the standard version has an annual license fee of \$395. The professional version produces detailed IPSs that typically run 18 to 20 pages. Executive summaries can be generated for internal use. The standard version creates compact IPSs that only run a few pages. Users of either product entitles them to 100 new IPSs per year, and they can maintain an unlimited number of IPSs. For large firms, institutional pricing is available.

IPS AdvisorPro is Web-based, so there is no software to install and no upgrading required. All you need is a Web browser and a license to use the product. It is highly customizable, so it is adaptable to a very wide range of needs. If you use IPSs in your practice, or if you want to add them to your practice, take a look at IPS AdvisorPro. Here's the company's Web site.

Hardware Product of the Year

My coverage of hardware was limited this year, but in my telecom convergence piece, I mentioned inexpensive webcams. One that I absolutely love is the Logitech QuickCam Fusion. This particular webcam is not the latest or the most expensive camera in the Logitech line, but it packs a lot of features into a reasonably priced

package. It lists for \$99.99, but I've seen it on sale occasionally for less than \$60.

The QuickCam Fusion, while not designed specifically for laptop use, is small enough to take with you on the road, but large enough for use with a desktop computer. It is a 1.3 megapixel camera that zooms, has a built-in microphone, and has TrueLight technology that helps with the exposure. Setup is simple thanks to the software wizards that ship with the product. Logitech also includes software that makes video conferencing a breeze. In addition, it allows you to effortlessly create video e-mail.

QuickCam Fusion opens up new avenues of communication to you.

Videoconferences using IM software, dedicated video-conferencing software, or video through collaborative applications become possible. Rather than sending text e-mail all the time, you can mix in some video reports you create to clients. The possibilities are limitless!

The software also has a fun side to it. It allows you to use Avatars and face animation to change the way you look on the screen. Having a bad hair day? Put a crown on your head to hide the problem or use an avatar to morph into an alien on the screen.

The Logitech QuickCam Fusion is a great investment. It is a product I own, use, and endorse. Find out more [here](#).

Rookie of the Year

Upswing, the new CRM platform [we introduced to you](#) in September, exemplifies what a Rookie of the Year should be. It is new, and it was a little rough around the edges when we first tried it, but it is an application that generated a lot of enthusiasm from readers. (The folks at Upswing tell me that the response from readers of my story was very enthusiastic.)

There are a number of good online CRM applications available to advisors, but none are easier to learn and use than Upswing is. Many firms claim that you can master their application in less than a day, but Upswing is one of the few that delivers. One way Upswing developers did this was by not trying to be all things to all people. They worked on making the core functions (contact info, data entry, navigation, calendaring, etc.) easy to use, and they stayed away from things that make CRM complex, such as work flow, integrated e-mail, and document management. Of course, as they add new features (and a number are in the works at the moment), it may be a challenge to keep things simple, but I believe that Upswing will be up to the task.

Upswing makes good use of AJAX technology, which helps it deliver an intuitive and responsive Web-based application. The quick contact screen is a great idea; it allows you to capture the most relevant information about a new contact (name, telephone, e-mail) from just about anywhere within the program. Adding to

Upswing's appeal is the price. At \$35 per month, it offers a lot of bang for your buck.

If you are looking for a very comprehensive CRM application, there may be better choices, but if you are looking for a good balance of features, price, and usability, Upswing is a great new option available to you.

Disappointment of the Year

Without a doubt, the biggest disappointment of the year was Intuit's entry into the portfolio management software market in February, and its subsequent departure about seven months later. Personally, I had high hopes that a firm of Intuit's size and stature could bring some new innovation, creativity, and competition into a market segment that was ripe for change. Unfortunately, it didn't take Intuit managers long to figure out that the premise they built their business model upon (essentially a self-service model) was not going to fly in the advisory world. As a result, they chose to withdraw rather than start over.

The best that can be said for this seemingly abrupt decision is that it happened before Intuit built a large customer base. The decision offered little in the way of solace for the approximately 75 advisory firms who put their faith in Intuit, however. While we begrudgingly credit Intuit for their damage control efforts, I'm sure most advisors wish, as I do, that they had never ventured into this territory.

There you have it, the best and the worst of 2006. Congratulations to all of our winners, and bah humbug to our loser.

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