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Reprint

Trumpet Update

By Joel P. Bruckenstein

It's been quite a while since we last visited with Trumpet, Inc. For those of you who are unfamiliar with Trumpet, the firm was founded almost ten years ago by the husband/wife team of Kevin and Jo Day. From the very start, the couple had a good understanding of the financial planning and wealth management businesses since Kevin's parents are principals at the Enrichment Group, a comprehensive financial planning and holistic, values-based wealth management firm located in Miami, FL. Now, with almost ten years of experience consulting with advisors primarily on work flow and document management challenges, the Days have a good sense of what does and does not work in the typical advisory practice today.

I recently spent some time chatting with Jo Day to find out what, if anything, is new. As it turns out, Jo had quite a few interesting things to say. One thing I wholeheartedly agree with (since I came to a similar conclusion from a slightly different perspective in last month's issue of VON) is that advisors will have to become more efficient. Putting the current market downturn in historical perspective, Jo says: "During the downturn of 2001, we found advisory firms experienced a substantial increase in clients, but with flat revenues. Adding volume while stretching resources required advisory firms to become more efficient. As a result, we saw that technology spending actually increased among successful firms as an outcome of the downturn." Jo expects that history will repeat itself. She thinks firms that are willing to invest in technology now will prosper in the years ahead because they will be able to handle the growth she expects independent advisors to experience without, adding additional staff.

One area of renewed interest for Trumpet is the "small firm" niche which Day describes as "about five employees." I say "renewed interest" because over the last several years, Trumpet tended to shy away from servicing smaller firms, apparently due to frustration on their part.

There was a time not all that long ago that selling a comprehensive document management and workflow system to a small office was challenging. According to Day, for many years, the majority of smaller firms were content to use a very rudimentary "document management" system, such as relying on the Windows directory tree combined with the scanning capabilities of Adobe Acrobat. (Results of the 2007 and 2008 *Financial Planning* magazine

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Technology Survey appear to support this contention). That being the case, the amount of marketing and advisor education the niche required did not justify the limited number of sales they were making to smaller shops.

In addition, the Trumpet business model was not ideally suited for the small advisor niche. "We started our business with a very service-oriented mentality," says Day. As a result, she says, Trumpet has historically always been a comprehensive shop. The level of service that Trumpet wanted to provide was perhaps beyond what advisors thought they needed, and it meant that their pricing would invariably be higher than much of the competition. Even though it was not an apple to apple comparison, many prospects just looked at the bottom line, without differentiating the value being offered.

Now, however, Trumpet is sensing a change in the marketplace. Jo thinks that firms are starting to realize the value of having a real document management system and that they are willing to spend a reasonable amount for service and training. As a result, Trumpet has developed a small firm offering that provides a degree of customization not found in off-the-shelf solutions, while keeping the total cost of the solution manageable.

Although the package can be refined to meet the needs of the individual firm, a typical small firm engagement might include:

- A custom design of their filing system for client records specific to the firm's needs
- A guided rehearsal
- Short training classes for different types of users
- Training materials written specifically for an advisory firm's back office.

One aspect of the offering that sounds particularly enticing: Trumpet claims that a small firm can typically "go live" on document management within a two week time frame following their kick-off meeting.

As for cost, an engagement that includes custom design, up to five one-hour training sessions, training materials, Worldox software licensing and annual maintenance for a five-employee firm would cost just over \$5,000. That price includes everything a firm needs to go paperless except the actual scanner or scanners.

At first blush, this cost may seem a bit high, but when you factor in the knowledge that you're getting professional help configuring the system to work the way your office works, including a custom-designed filing system, training tailored to your unique workflows, the ten years of experience that Trumpet brings to the engagement and their claim that you can be up and running fast, then the total cost would seem very reasonable. Furthermore, Trumpet has the ability to offer additional customization such as integrating the document management system with contact management systems and client Web portals. They also have the capability to convert advisors from other document management systems to Worldox.

So who is a good candidate for the Trumpet small business solution? We think the ideal candidate is a firm with between four and ten users that want to rapidly deploy a proven, robust document management system without having to commit too many in-house resources. The solution is also appropriate for firms with fewer users if the firm is committed to growth in the future because this system, once in place, can grow as your firm grows.

We think Trumpet's solution is less appealing to those who prefer another document management software solution, those who are detail-oriented and capable of creating their own filing systems and workflows, and those who are in less concerned about deploying a system quickly.

The bottom line is that we think Trumpet fills a gap between the do-it-yourself service model and the highly customized (and much more expensive) service model. Our research shows that the typical firm of roughly five employees that lacks a document management system, or one that employs an inferior system, can enjoy at least a 10% productivity increase by moving to a highly efficient document management system and, in many cases, the productivity increase can be substantially higher. That being the case, we think the Trumpet offering, as well as other similar offerings, can pay for themselves in a matter of months and are, therefore, well worth considering.