



Revitalize Your Financial Advisory Practice: Harness the Power of Professional Money Management & Outsourcing

Introduction

In the rapidly changing world of RIAs, achieving optimal performance requires a strategic blend of expertise, comprehensive management, and adaptability. As firms continue to seek robust frameworks for optimal outcomes, one key strategy is outsourcing critical activities to specialized firms. Outsourcing professional money management, back-end technology, and other essential services allows financial advisory firms to save time and resources while accessing top-tier services for a fraction of the cost. Firms like AdvizorStack provide a comprehensive solution that includes Unified Managed Accounts (UMAs) and integration with leading platforms, enabling advisors to focus on client relationships and growth.

By collaborating with specialized providers, advisory firms can enhance scalability, improve efficiency, and potentially drive superior investment results. In this article, we explore the benefits of outsourcing and how leveraging relationships with firms like AdvizorStack can transform the operational dynamics and profitability of financial advisory firms.

Helping Enhance Investment Performance with Professional Money Management and Unified Managed Accounts (UMAs)

In the ever-evolving landscape of investment, optimizing performance requires a strategic approach that combines expertise, comprehensive management, and flexibility. Two powerful tools that stand out in this regard are professional money management and Unified Managed Accounts (UMAs). These elements, when used in tandem, provide investors a robust framework for helping achieve superior investment outcomes.

The Role of Professional Money Management Expertise and Experience

Professional portfolio managers bring a wealth of knowledge and experience to the table. Their deep understanding of investment strategies, market dynamics, and risk management allows them to make informed decisions that can enhance returns and minimize risks. With access to advanced tools and resources, they conduct thorough research and analysis, identifying lucrative opportunities and potential pitfalls in the market.

Diversification and Risk Management

By spreading investments across various asset classes, sectors, and geographies, professional managers can mitigate the risk of significant losses. They construct balanced portfolios tailored to



an investor's risk tolerance and financial objectives, ensuring a comprehensive approach to risk management. By leveraging the expertise, resources, and strategies of professional managers, investors can achieve more stable and potentially higher returns while minimizing risks. Diversification reduces individual security risk and enhances return potential, while robust risk management practices protect the portfolio from market volatility and unforeseen events. In the dynamic and often unpredictable world of investing, the value of professional money management cannot be overstated.

Strategic Asset Allocation

Professional managers excel in dynamic asset allocation, adjusting investment strategies based on market conditions, economic outlooks, and changes in the investor's circumstances. This flexibility allows for tactical shifts to capitalize on short-term opportunities or mitigate emerging risks, helping ensure that the portfolio remains aligned with the investor's goals.

Continuous Performance Monitoring

Regular monitoring of investment performance is crucial for achieving desired outcomes. Professional managers provide continuous oversight, making necessary adjustments to help optimize returns. By benchmarking performance against relevant indices, they ensure that the investment strategy remains on track to meet the investor's objectives.

The Advantages of Unified Managed Accounts (UMAs)

Comprehensive Investment Solutions

UMAs provide a streamlined approach by consolidating various investment strategies and products into a single account. This simplifies management and reporting, providing a holistic view of the investor's portfolio. The extensive customization available with UMAs allows for tailored solutions that meet specific needs and preferences.

Tax Efficiency

Tax considerations are integral to maximizing investment performance. UMAs incorporate tax-efficient strategies, such as tax-loss harvesting, to minimize the investor's tax burden. Personalized tax management within UMAs considers the investor's overall tax situation, further enhancing after-tax returns.

Enhanced Flexibility and Integration

UMAs provide unparalleled flexibility by accommodating multiple investment strategies, including mutual funds, ETFs, and individual securities. This flexibility enables quick adjustments in response to market changes or shifts in the investor's goals.



Transparency and Control

Investors benefit from detailed reporting and transparency provided by UMAs, allowing them to see how their money is being managed and where it is invested. This transparency fosters trust and enables advisors to have more control and involvement in the decision-making process, if desired.

The Synergy of Professional Management and UMAs

Combining professional money management with UMAs creates a powerful synergy that can help enhance investment performance. Here is how:

- **Optimal Allocation:** Professional managers utilize their expertise to select the best investments within the UMA structure.
- **Efficiency:** UMAs streamline the management process, making it easier for professional managers to implement and adjust strategies.
- **Customization:** Investors receive tailored investment solutions that align with their unique goals and circumstances.
- **Performance Tracking:** Continuous performance monitoring and reporting ensures that investments stay on track to meet objectives.

Professional money management and UMAs provide a compelling combination for potentially improving investment performance. By leveraging the expertise of professional managers and the comprehensive, flexible nature of UMAs, advisors can achieve better diversification, tax efficiency, and overall portfolio management for their clients. This integrated approach can lead to enhanced financial outcomes, providing investors with the confidence and clarity needed to navigate the complexities of the investment landscape.

In a world where market conditions are constantly changing, the strategic use of professional money management and UMAs can be a game-changer, paving the way for sustained investment success.

Increasing Scalability and Profitability through Outsourcing:

The future of financial advisory firms lies in mastering data management and prioritizing the nurturing of new and existing client relationships. By outsourcing professional money management and back-end technology, advisory firms not only save substantial costs but also reclaim valuable time. This allows advisors to focus on client interactions, leveraging platforms that provide timely alerts instead of constant monitoring. Collaborating with firms like AdvisorStack provides premier access to the Adhesion Wealth Unified Managed Account Platform (UMA) and a centralized operating system built on Salesforce, ensuring all client data is seamlessly integrated and easily accessible.

The next generation of Ultra-High Net Worth Individuals (UHNWI) demands high engagement and quality relationships with their advisors, moving beyond traditional investment performance metrics. As these clients face increasingly complex financial situations, the role of outsourced services in providing comprehensive financial management has become crucial. Professional investment



managers, accountants, and estate professionals are now essential for retaining clients and driving new asset inflows, transforming firms from struggling entities to thriving businesses.

Historically, outsourcing was viewed skeptically. Today, however, it is recognized as a strategic advantage. Professional asset managers, estate planners, outsourced Chief Technology Officers, and CPAs collaborate to not only retain clients but also can significantly increase Assets Under Management (AUM). The objective is clear: foster relationships where each expert focuses on their strengths, collectively addressing the firm's and clients' needs. This approach mirrors the family office model but at a fraction of the cost, providing a scalable and efficient alternative.

As firms look to grow and attract new business, the importance of having repeatable investment management processes and back-office efficiencies cannot be overstated. Currently, over 50% of top performing RIAs have integrated at least 3 systems into their CRM and over 60% of top performers have automated tasks generated from Workflows. This has resulted in a decrease of time spent on a client basis from 17 hours per client in 2020 to 15 hours per client in 2024. (Schwab Advisor Services, 2024)

Outsourcing, therefore, is not just a cost-saving measure but a critical strategy for scaling operations, enhancing client satisfaction, and driving long-term profitability. As the financial advisory landscape continues to evolve, the integration of specialized external services will be indispensable for achieving sustained success and competitive advantage.

Ensuring Seamless Integration and Satisfaction - The AdvizorStack and Adhesion Connection:

In the evolving landscape of financial advisory, Outsourced Investment Management Service Platforms have gained prominence due to their simplicity and efficiency in managing diverse portfolios across multiple custodians. Outsourcing enables advisors to concentrate on client relationships and growth. As firms expand, the necessity for custodial-agnostic platforms that integrate best-in-class technology becomes imperative.

Collaborating with a firm like AdvizorStack, your outsourced CTO, provides advisors an innovative technology stack that rivals the capabilities of top-performing RIAs. This relationship not only provides a competitive edge but also helps differentiate firms in the market, attracting top-tier talent and driving growth.

AdvizorStack leverages Adhesion's UMA platform to centralize allocation, account, and rebalancing alerts within a Salesforce-based operating system. This integration ensures advisors receive timely notifications on necessary actions, streamlining operations and enhancing efficiency. The synergy between money managers, advisors, and custodians fosters a cohesive workflow, allowing advisors to focus on revenue-generating activities.



As client needs evolve, the relationship between AdvizorStack and Adhesion continues to adapt, ensuring that advisors have the tools and support required to meet these demands. This ongoing development underscores the commitment to unification and simplicity, empowering advisors to deliver exceptional service and help achieve superior outcomes for their clients.

The collaborative efforts of AdvizorStack and Adhesion are geared towards creating a seamless, integrated experience for advisors. By staying attuned to the changing needs of clients and the industry, this collaboration is poised to provide innovative solutions that enhance scalability, efficiency, and overall satisfaction.

Conclusion:

AdvizorStack, in collaboration with Adhesion Wealth, provides an innovative technology stack integrated into a centralized Salesforce-based operating system, empowering advisors to streamline operations, enhance efficiency, and focus on nurturing client relationships. This relationship not only provides a competitive edge but also attracts top-tier talent, helping drive organic growth and increase firm valuations.

At the heart of this innovative approach is a commitment to the financial advisor. AdvizorStack and Adhesion recognize that their success hinges on the satisfaction of the advisors they serve. By staying attuned to the changing needs of clients and the industry, this collaboration provides solutions that enhance scalability, efficiency, and overall satisfaction. As we look to the future, the strategic use of professional money management, UMAs, and outsourcing with firms like AdvizorStack will help pave the way for sustained investment success. Together, AdvizorStack and Adhesion provide some of the best tools, resources, and support to navigate the complexities of the investment landscape, helping ensure growth, scalability, and profitability for your firm and clients.



About AdvizorStack (www.AdvizorStack.com)

AdvizorStack was conceived by advisors, for advisors, with the mission to provide an Outsourced Chief Technology Officer for the everyday Registered Investment Advisors (RIA). Historically, only larger firms possessed the capability to craft unified experiences and dashboards. However, AdvizorStack extends this capability to the everyday advisor by creating institutional level contracts and hand selecting vendors to fit the firms' specific needs. As for financial advisors, AdvizorStack recognizes the challenges of breaking away from the norm and selecting the technology that aligns with your needs.

About Adhesion Wealth (www.AdhesionWealth.com)

Adhesion Wealth®, celebrating its 25th anniversary in 2024, is a leading provider of outsourced investment management solutions for registered investment advisors (RIAs). Adhesion Wealth empowers advisors with the ability to build their own multi-manager (UMA) strategies, access SMA strategies and use other turnkey investment solutions on the Adhesion Manager Exchange. Adhesion Wealth also provides advisors with personal and direct indexing, tax management, tax transitions, portfolio administration, practice analytics and client reporting. With Adhesion, advisors gain access to a scalable, multi-custodian platform upon which to grow successful practices.

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