

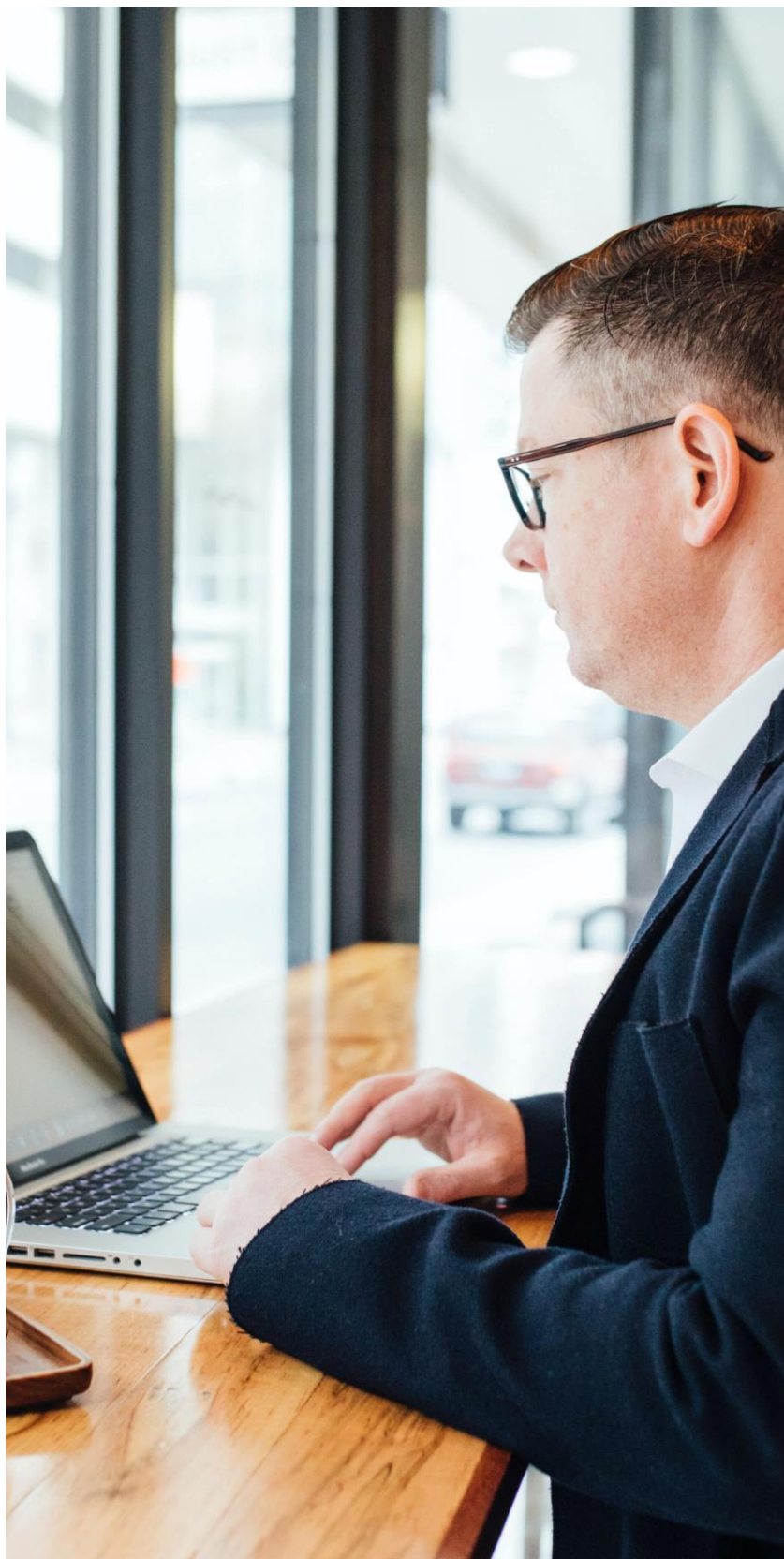


Driving ROI

The Business Case for a Comprehensive Social Selling Solution for Financial Services

Roughly 85 million Americans use social media to learn more about financial advisors, with six in 10 of these consumers using social media sites to research financial services products and services, or to read reviews on financial professionals.¹ Despite the benefits of social media it can be difficult for agents and advisors to stand out and break through the noise, especially if they are reluctant, or simply don't have time, to maintain an active social presence. Corporate marketing teams can help create and distribute content to the field, but the effort can be extensive without a central repository in which to house and share this content. Adding to the challenge of effectively leveraging social media is the need to ensure that all content on advisor/agent sites is compliant, given the heavily regulated nature of the financial services industry.

Hobson & Company, a research firm focused on Return on Investment (ROI) studies, worked with Hearsay Systems to explore these challenges. Hobson & Company conducted in-depth interviews with existing Hearsay customers, testing and confirming the sources of value generated by the Hearsay Social solution, and collecting data points to quantify the impact of a Hearsay implementation. Customers found the Hearsay solution addressed their challenges and delivered measurable results and a strong return on investment. The goal of this white paper is to highlight examples of operational and business benefits that can be realized with a comprehensive social selling solution.



1. Source: <https://www.fa-mag.com/news/consumers-actively-seek-out-financial-advisors-on-social-media-45492.html>.

Social Selling Challenges



Leveraging social media platforms to increase client engagement

A personal and corporate branded online presence, with relevant content across social networks, can be a very effective and efficient corporate advertising tool, increasing overall reach while reducing the cost per impression. Interacting with existing customers in timely, relevant ways via social channels can also be key in helping to drive increased loyalty and retention. However, without an easy, efficient way to create and manage a social media presence, advisors and agents may be reluctant to do so, thus missing out on potential business opportunities.



Reducing the time and effort needed to maintain a social presence

Generating sales opportunities via social channels requires active engagement, but the time needed by advisors/agents to create and manage professional and engaging social profiles can be extensive. Customers interviewed reported that pre-Hearsay it could have taken anywhere from 0.5-2.0 hours each time they needed to find or create a piece of content to publish. Marketing teams do help with this, distributing new and relevant content to the field on a regular basis, but this can take up a significant amount of their time. Without a central location in which to house all of the available content, it was still not always quick and easy for agents/advisors to find content on specific topics or themes to publish to their social profiles.



Improving the ability to monitor social content for compliance issues

Ensuring that agents and advisors are getting Compliance input into all of their communications is key to mitigating risk in the heavily regulated financial services industry. However, creating and maintaining a supervision regime that adheres to the applicable regulatory standards can require significant internal compliance team time when manually managed. Keeping up with changes from multiple regulators, e.g., FINRA, SEC, IIROC and FCA, as well as a company's own policies as they change over time, can also further burden compliance team resources.

Customers identified benefits of moving to Hearsay Social in the areas of increasing operational efficiencies, improving compliance and mitigating risk, and increasing acquisition and retention.

INCREASE OPERATIONAL EFFICIENCIES

Reduce advisor/agent time spent on creating/finding and posting content

Hearsay Social provides easy access to compliant, on-brand company and 3rd party content that advisors/agents need to help build credibility and attract their ideal clients, and reduces the time spent going back and forth with Marketing and Compliance, through network-integrated workflows. Advisors/agents can also subscribe to content segmented by theme or topics of interest to them and their audience.

Customers interviewed reported the potential for:



“Before Hearsay it could take an advisor 30-90 minutes to create their own post, versus 1-2 minutes now to source from the library.”

- Head of Digital Marketing

Reduce marketing team time spent on content distribution and analytics

Hearsay Social makes it easy to select and share compliant content with the field, through categories and hierarchies organized by topic. Analytics provide insight into social posting effectiveness. Corporate teams can also ensure brand consistency, suggest content for individual sections of the profile, and ensure compliance.

Customers interviewed reported the potential for:



“It’s difficult to picture how we could efficiently get content out to the organization without having the centralized library in Social.”

- Manager, Marketing

Reduce time spent managing profile quality and branding across profiles

Hearsay Social helps marketers passively monitor profile changes to ensure that agents’/advisors’ social presence are on-brand at scale, with the ability to create static fields, and to share branding/profile updates with just a few clicks.

Customers interviewed reported the potential for:



“Without Hearsay we would have had to rely on each user to update their own social media sites when changes occurred.”

- Marketing Director

Reduce advisor/agent time spent on administrative tasks

Hearsay Social allows agents/advisors to: delegate work to the right resources without a disjointed customer experience; manage content approvals without needing to use other systems, documents, or screenshots; and use action lists which quickly guide them through the most important tasks and reminders.

Customers interviewed reported the potential for:



PERCENT of advisor/agent admin tasks that the admin/office team could do on their behalf

“The ‘delegate’ feature allows others on an agent’s team to help manage their social presence, giving the agents more time to focus on their book of business.”

- Marketing Director

IMPROVE COMPLIANCE AND MITIGATE RISK

Ensure Compliance is focused on reviewing/pre-approving the right content

Hearsay’s Supervision Dashboard aggregates field activity in a single contextual view, streamlining compliance processes with pre-approval workflows, real-time alerts, supervision and approval trails, and infraction resolution. Compliance can approve content once and have multiple advisors/agents publish individual copies without the need for separate approvals.

Customers interviewed reported the potential for:



REDUCTION in time spent reviewing/pre-approving content and addressing issues

“We’ve been able to reduce compliance team time spent on pre-approvals and alert/issue resolution by as much as half, as approvals, across social platforms, are now managed in one place.”

- Director, Advertising Compliance

Reduce time spent making changes to profiles/supervision standards due to changing regulations

Hearsay has flexible policy controls so compliance leaders can: easily create/adjust policies based on evolving standards and changes in regulations; apply/manage differing policy elements across different advisor/agent bases; and pre-approve and passively monitor advisor/agent profile changes, ensuring they remain in compliance at scale.

Customers interviewed reported the potential for:



REDUCTION in time spent implementing regulation changes across sites

“We can reduce time needed to update all sites with a disclosure change, from 1-2 weeks to a day at most, by being able to deploy centrally rather than each user having to do so individually.”

- Director, Advertising Compliance

Reduce the risk of regulatory fines/penalties and lawsuits

Hearsay offers built-in compliance for FINRA, SEC, IIROC, FCA, MiFID II, and CASL-regulated firms, and can efficiently capture, monitor and archive digital advisor/agent-client communications. Compliance teams can also suggest, require, and remediate any profile field. This helps Compliance to be more confident and consistent in its management of the risk of profiles being out of compliance.

“The ability to monitor posts, via the supervision dashboard, helps mitigate the risk of fines and penalties, as well as potential lawsuits.”

- Manager, Marketing

Customers interviewed reported the potential for:



↓ **1 less**

DECREASE in the risk of incurring a fine/penalty or lawsuit

INCREASE ACQUISITION AND RETENTION

Help deliver increased organic impressions and cost effective new leads

Hearsay provides access to corporate and 3rd party content, with seamless distribution across channels, and suggests new content based on what advisors/agents choose to post and each post's engagement. Advisors/agents can post organically or as a Facebook Ad to improve corporate reach. Agents and advisors can also personalize content in a compliant way, with modifiable post structure, and they can supplement their more personalized posts with a drip of corporate content that helps to expand their overall visibility and engagement as well.

“Network size has increased by more than 10X, and about 25% of the team's business opportunities start through social media engagement.”

- Sales Representative (Agent/Advisor)

Customers interviewed reported the potential for:



↑ **2 more**

INCREASE in the number of posts per advisor/agent per week

Help increase lead conversion

Hearsay provides outcome-focused insights into program success, leveraging customized analytics to better understand advisor/agent and client behavior across digital channels to inform a strategic approach, and can also suggest content based on which posts get the most engagement from clients and prospects.

“Engagement is much better post-Hearsay, it definitely helps increase the size of the sales funnel at the top, so this should help increase conversion as well.”

- Sales Leader

Customers interviewed reported the potential for:



↑ **10%**

INCREASE in number of leads converted into clients

Help reduce churn rates

Hearsay allows agents/advisors to communicate across social networks with relevant content, such as market moves or key opportunities that match up to changing client needs, allowing advisors and agents to engage with clients more often, or at key times, to deepen client loyalty.

Customers interviewed reported the potential for:



↓ **1 percentage point**

REDUCTION in annual churn rate

“With a presence on social media, customers can now reach out to their agent directly to get their questions answered, which can help with retention.”

- Sales Representative (Agent/Advisor)

Help increase share of wallet

Hearsay allows advisors and agents to nurture clients with prompted, authentic touchpoints across the digital client journey, and allows them to trigger timely, relevant outreach to engage clients with the right message at the right time to grow their business.

Customers interviewed reported the potential for:



↑ **0.5%**

INCREASE in revenues due to increased share of wallet

“A social media presence allows advisors to see the different activities in their clients’ lives that could create opportunities.”

- VP, Strategy & Communications



KEY ROI FINDINGS

The value of a comprehensive social selling solution is immediate and demonstrable. The following case study illustrates this potential value based on a sample organization which is migrating to the Hearsay Social solution from less formalized social selling processes, with the following inputs (pre-Hearsay):

- 1,500 advisors/agents using social media platforms
- An average of five publishes per advisor/agent per month, taking 30 minutes each to find/create and post
- 160 hours per month spent by the corporate marketing team distributing and analyzing content
- 80 hours/month spent by Compliance pre-approving content, and 80 hours/month on alert/issue resolution
- An average network size per advisor/agent of 300
- Average of 20 new leads per advisor/agent a month, and average annual revenue per new client of \$1,000

For this organization, the annual benefits could be as much as \$2.8M from increased operational efficiencies alone. With improved compliance and risk mitigation, and increased acquisition and retention, annual benefits could be as much as \$4.3M.

The three-year investment totaling \$2.3M, generates positive cash flows in 5.7 months. The three-year net present value (NPV) and return on investment (ROI) are strong at \$5.98M and 325%, respectively. The key financial metrics for the sample organization were calculated by standard methods and are shown below.

FINANCIAL METRIC	3-YEAR VALUE
Payback	5.7 months
NPV	\$5,975,405
ROI	325%

FIGURE 1: TABULAR DISPLAY OF KEY FINANCIAL METRICS

The chart below shows the extent to which each value driver contributes to the total value of a comprehensive social selling solution. For the sample organization, increasing operational efficiencies represents the majority of the value.

Benefits by Value Driver

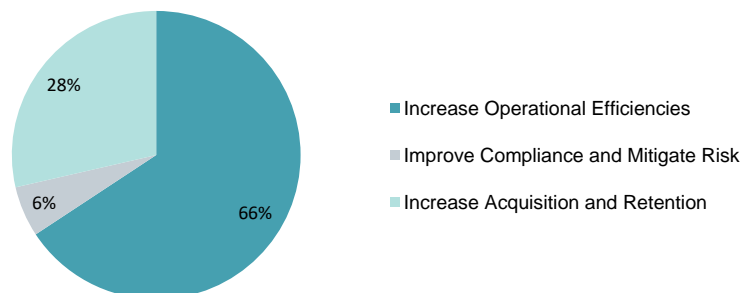


FIGURE 2: PIE CHART DISPLAY OF VALUE DRIVERS



About Hearsay Systems

Hearsay Systems is reinventing the human-client experience in financial services. The Hearsay Client Engagement Platform empowers over 200,000 advisors and agents to authentically and intelligently grow business relationships by proactively guiding and capturing the last mile of digital communications. The world's leading financial firms—including Allstate, New York Life, Morgan Stanley, and Charles Schwab—rely on Hearsay's SaaS platform to scale their reach, optimize sales engagements, and deliver exceptional client service in a consistent and compliant manner. Hearsay is headquartered in San Francisco, with locations throughout North America, Europe and Asia. Connect on [Facebook](#), [Twitter](#), [LinkedIn](#) and the [Hearsay blog](#).

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy to use ROI tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com.

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