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## Automated Follow-Through

**Synopsis:** *Sometimes you have to nag clients to get things done. Here's an automated, time-saving way to do that—and keep track of what tasks have been completed.*

**Takeaways:** *Send reminders on individual tasks instead of four, five or eight at a time, and set up automated reminders to both spouses. Use the templates so you don't have to compose a new message every time, and constantly improve your client communications.*

When we read about all the fancy processes where large firms can trace out client workflows, maximize office efficiency and track the time their advisors spend on their various chores, we tend to overlook the obvious. You can streamline the process of executing trades or implementing a check request. You can create a workflow template for preparing for client meetings.

But in the meantime, there are emails going back and forth between the advisor and client, where the advisor is seeking data for the client intake process, or the advisor is reminding the client to see the recommended attorney about getting documents executed, or to take the required minimum distributions, or file the quarterly tax payments.

A month goes by. Did the client ever go see that attorney? Did

the quarterly tax payment get sent?

You notified the client that the homeowner's insurance policy is up for renewal, and to check the coverage to make sure it's still relevant. Did that actually happen?

The 'technology' to manage

*Tracking clients' action on their assigned tasks has been a big time-waster--until now.*

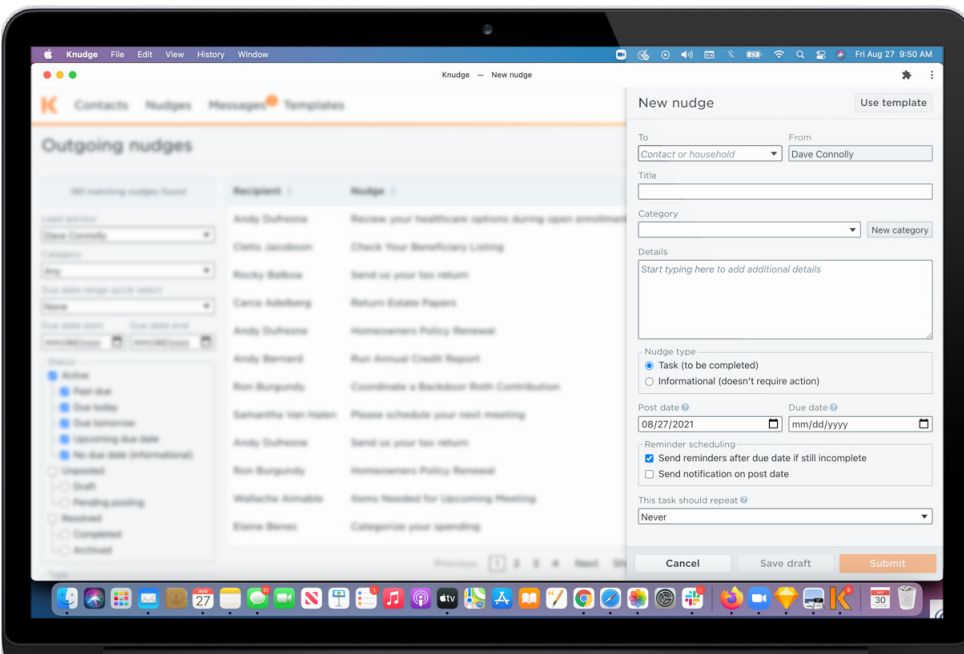
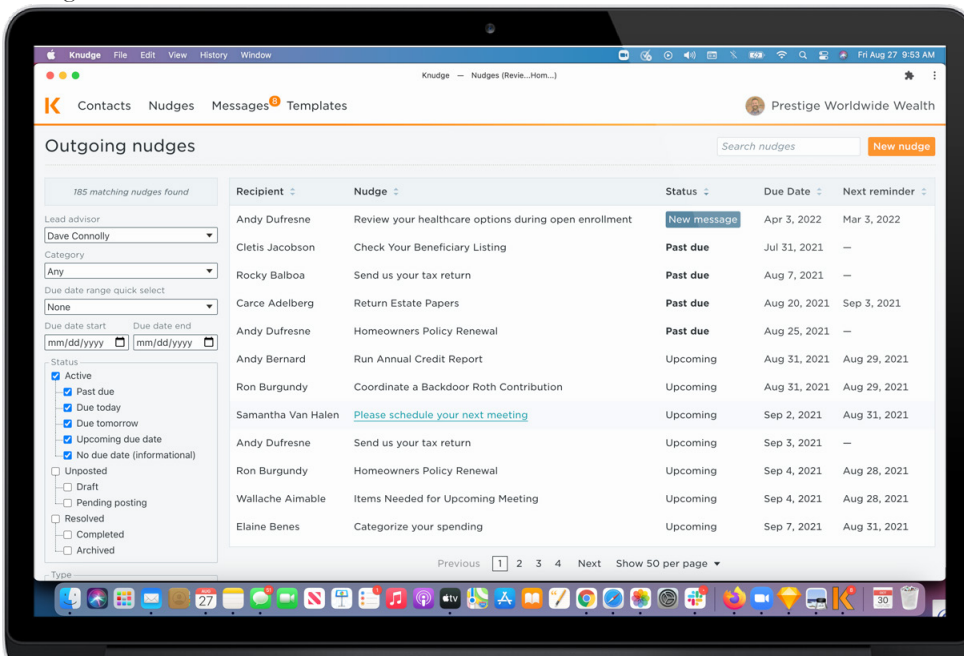
these client tasks is follow-up phone calls, email reminders and straightforwardly asking for an update on every single client task that needs to be completed. But, as you know, a high percentage of clients view these tasks as hassles, and don't always get around to them. How can you, in an efficient

manner, track the completion of these tasks as they happen? How do you automate a gentle nagging process?

You might think that this inefficient followup is an inevitable part of the advisor experience, until you see a new program/app called Knudge (<https://knudge.com/>). "Knudge provides a way for advisors to assign action items to their clients," explains David Connolly, Knudge's co-founder and CEO, "and allow those clients to have a place to check in to see what their ongoing to-do list looks like. It's a way for clients to ask questions about these action items, or easily mark them completed, so the advisor knows when things are done."

Connolly is the tech overseer on the team that developed this automated task-tracking app, having previously worked at Bain & Co., as the user interface designer for internal communications before co-founding HourlyNerd (now Catalant Technologies) in 2013. He started with Knudge in June 2018, and managed to get a beta version out around this time last year.

The other co-founder is Shaun Erickson, founder of Single Point Partners, a fee-only firm in Boston. Erickson came up with the idea of Knudge as he found himself taking on the role of "accountability partner" with his clients. "Execution



the client get a power of attorney document completed. You might have made this recommendation in a client meeting, and now, as a followup, you want to remind the client and provide a link to the attorney’s website.

You open Knudge, and right there on the opening screen is a list of clients, which you can group as individuals or households. Click on any of the clients (or households) to see your past recommendations or action items, which of them have been marked “completed,” and which of them not. To add the power of attorney followup, you click on the tab that lets you assign a task, and the screen fills with a user experience that looks exactly like a traditional email screen—with a few added features. When you click on the “to” bar, you get a drop-down menu of your clients (or households). If it’s a household, say a husband or a wife, then you select one of them to be the primary contact for this task, but the ‘knudge’ will also arrive at the other’s email address. As you’ll see in a minute, this is important.

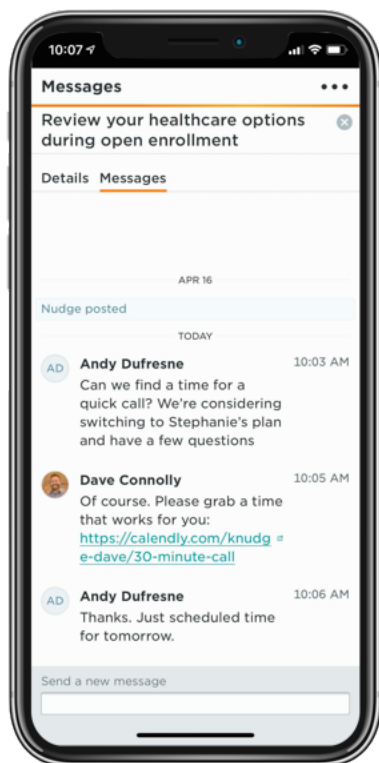
There’s a drop-down menu for the header, including things like “Review Your Auto Policy,” or “It’s Time to Pay Your Life Insurance Premium,” or “Log in and Reallocate Your 401(k) Plan.” There are others, but in this case, you type in your own header: “Getting That Power of Attorney Completed.” You set a timeline for when this should be completed, and in the text box (again, looking exactly like the traditional email text box) you type in something like: “This is a followup for what we

is a key component of the role we play with clients,” he says. “But increasingly, I found that the things that were keeping me up at night was worry about something important falling through the cracks on my watch. I found myself wondering, which of my clients has something important coming up that I need to remind them about, that I need to remind myself about, and why isn’t there a solution for communicating

this shared to-do list with our clients?”

### Sophisticated nagging

Knudge has only been available since the start of this year, which is why you haven’t heard of it until now. Let’s suppose you’re one of the growing number of early users, and you are recommending something to a client—say, that



talked about regarding the power of attorney document. The lawyer we recommend for this kind of work is Joseph Smith, and here's a link to his website: "*honest(mostly)lawyer.com*." His office number is 555-555-5555."

Below that text box, where the Knudge interface differs a bit from the traditional email, you select one of two buttons. The first would designate this as a purely informational message, rather than a task—if, for instance, you were sending a summary of the recent client meeting. In this case, where you're reinforcing a recommendation, you click the second button, which designates this as a task.

This does several things. First, it opens up another drop-down menu where you assign a deadline

for the task. And in another drop-down menu, you designate whether there will be periodic reminders before and after the due date.

Finally, you can designate when that message will be sent. Why this feature? In some cases, the action item didn't come from a recent recommendation, but is off in the future. "I recently created one for a client who is currently 62 years old," says Erickson. "It was reminding him to sign up for Medicare, and he would receive it two months before he turns 65—so the 'knudge' will go out a few years from now. I didn't want him alerted today," Erickson adds. "But I happened to be thinking about it today, so I wanted to make sure that he would be reminded when the time came."

Click "send" and the message goes out via email to both husband and wife—and so do the reminders. Why both? "We've learned that the member of the household who is not the assignee becomes a really good ally in helping the assignee get it done," Erickson explains. "Andy will ping Elaine: *could you please get this done? I'm sick of getting these reminders.*"

Think of this as polite, sophisticated, automated nagging.

Through the same interface, you can also send the same message to the client's phone, as a text message, and it will be recorded in the same way on the Knudge system. Early in the relationship, you can ask clients how they prefer to be contacted, and set them up either to receive emails or texts whenever you want/need to 'knudge' them. Clients can even specify the time of

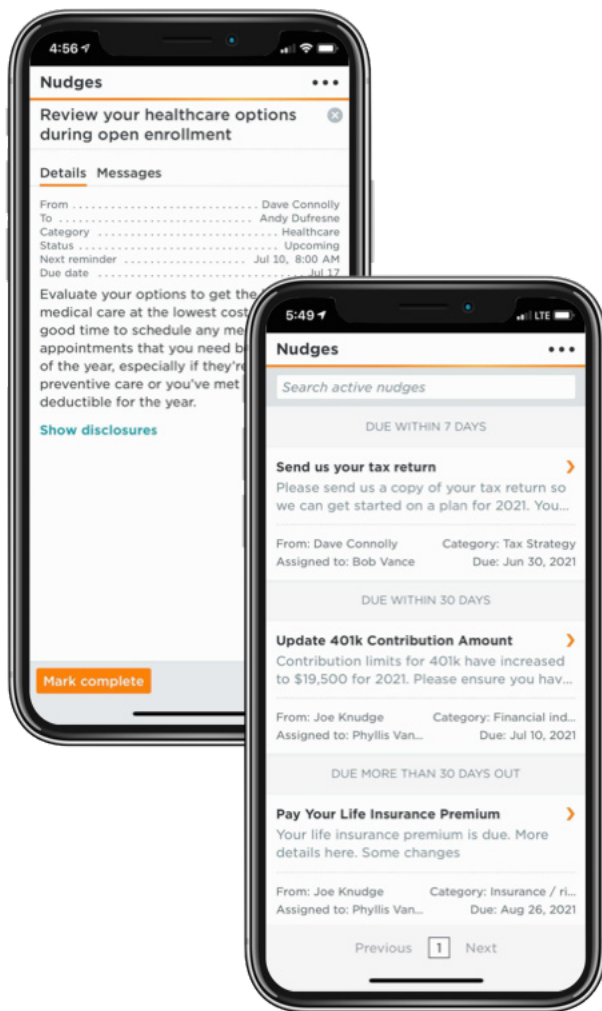
day they would like these messages to come in. "Let's say a client knows that he will have some free time to take on a task this Saturday morning while his kids are at soccer practice," says Erickson. "He can ask for reminders to be sent at that time."

### Completing tasks

That message you just sent will be automatically added to the household's record in Knudge, and clients can respond to the email to ask for more information. (That message, too, is captured.) More likely, they'll visit the attorney, and then reply to your message by clicking a button that marks the task as "done." The task is then so-labeled in that household's record, so advisors using Knudge don't have to wonder whether the client ever got around to meeting with the attorney—or any of hundreds of other tasks that are assigned to various clients. All open tasks, and "done" tasks are listed. The advisor can also call up all tasks that have not been marked "done" across the entire client base, or simply call up the tasks where the due date is approaching.

And, of course, as soon as a task is marked 'done,' the reminders are automatically stopped as well.

Different clients will have different experiences, depending on whether or not they log into the Knudge website or app. "One of the most important things we learned from our beta users," says Connolly, "is that advisors were hesitant to ask all of their clients to have to log onto this new site. Every firm has



at least a cohort of clients who have login fatigue,” he adds, “who will be damned if they’re going to log into another tool.”

As a result, some clients—including roughly a third of Erickson’s—will only interact with their advisor, through Knudge, via text message or email. They can still receive messages and mark tasks as “done” in their return messages—which are still automatically logged into the Knudge database.

But if they’re willing to log into Knudge, clients will get a somewhat richer experience. (*See the difference, next page.*) For one thing, they’ll be able to see all of their open tasks at a glance, listed

down the page of their portal. If they’re interfacing through their phone, they get the same list, and when they’ve completed a task, they can click “done” and the task immediately moves over to the ‘completed’ list. “There’s behavioral science to the effect that it’s satisfying to check off a task,” says Connolly.

In addition to the advisor-to-client functionality, Knudge also allows the advisor to assign outside professionals like attorneys and accountants to individual clients or households, and include those outside professionals in the Knudge communications. In fact, some client-related messages might only

be sent between the advisor and the outside professional, which will be added to the advisor’s paper trail inside the program, and which will add to the open tasks that will be marked ‘done’ by the accountant or attorney.

Erickson says that this feature-set has dramatically reduced his time spent on back-and-forth client communications, and a lot of confusion. “We used to send out an email with seven to-dos on it,” he says, “and typically the client would take care of a couple of them, and they might write back with a question about the third one, and then two weeks later they would finally get around to the fourth one, and there were these email chains all over the place. And we would wonder, *did they ever really do the fourth one?* Because they wouldn’t necessarily tell us.”

Now, he says, clients can see their discrete tasks all in one place, in what might be called a remote shared working environment. “I have had clients tell me that Knudge helps them take action,” Erickson explains. “Having a list of seven things sent to them all at once makes them feel overwhelmed, and they give up.”

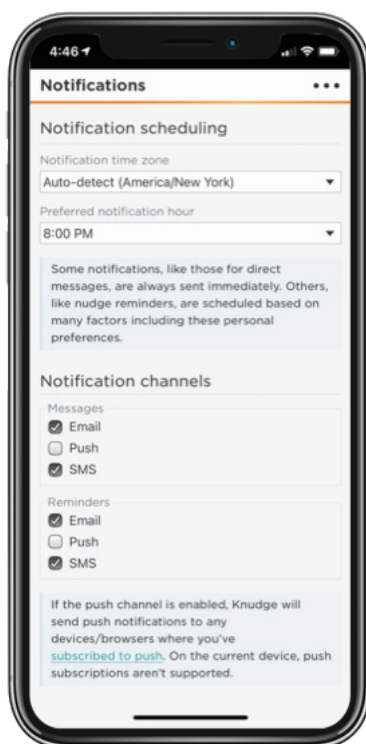
Erickson says that the tool has also improved the quality of his client meetings. “I wasn’t expecting this benefit,” he admits, “but prior to having Knudge, clients might come back to that semi-annual meeting with their tail between their legs. They would report back to us on all the stuff that they didn’t get done. But with Knudge,” he says, “whether they got it done or not, at least we’re all

on the same page starting out. Now I'm able to say, *hey, I saw that you got to X and Y, but you didn't get Z done.* That allows us, as advisors, to have a discussion about whether Z is really still a priority, or if there is something else that is preventing the client from taking action on that. Maybe we didn't do a good job of explaining the 'why' of why that's important. Maybe we didn't listen to the client carefully enough about whether or not it was really a priority for them."

### *Demonstrating your value*

The administrative side of Knudge is, as mentioned earlier, pretty straightforward. Erickson says that he will send out meeting summaries after his clients leave the office, and there always seems to be the need to roadmap what needs to be done next. It's optional, but he'll also send notifications when he's completed the things that he or his advisors have been assigned to do, which creates a paper trail in Knudge that helps demonstrate the value of the advisor relationship.

"The nice thing, from an advisor's perspective," says Connolly, "is that when the client completes something, it doesn't just go away and get forgotten. It moves over to this 'completed' list, which becomes a reminder of all the things that have been accomplished with your clients. We think that is very compelling from a client retention perspective. If an advisor is charging a fee for services, and they ever have to point to what services were rendered over a period of time, with Knudge, they have that at their



fingertips."

The list of 'knudges' has grown in Erickson's firm, and as it does, the program's drop-down menu expands for all users. Knudge also comes with templates, which are pre-written 'knudges' about different topics that are sent out more frequently. One talks about how to do a backdoor Roth contribution; another reminds clients to fund their HSA, or clean out their FSA before the end of the year, or make their required minimum distribution. "I can grab this template and pick who to send it to," says Erickson. The same message can be sent to many clients at once. Just like the customized ones, these template messages may or may not include a deadline, and may or may not include reminders before and after that deadline.

Most often (Connolly says in virtually every case) the advisor will modify the language in this template, and can then save the template that

is now reflective of his or her unique voice. This offers the opportunity to, over time, constantly improve the quality of the messaging, as advisors modify and upgrade their messages about consistent topics, perhaps by simple wordsmithing, or by adding a sentence or two of clarification or explanation.

Connolly and Erickson have recently brought on Dr. Moira Somers, author of "*Money, Mind and Meaning*," and "*Advice that Sticks*," as a deeply-engaged consultant, to expand their list of templates so that they relate to commonly-experienced life events. "A client family is having a baby, or a client is going through a divorce, or is recently widowed. We think there are whole groups of templates that we could share with our advisors, that would give them some kind of footing on what things might be relevant in each of those situations," says Connolly. "We might potentially even open up a forum for advisors who are using Knudge, where people could share templates that they're finding effective with their clients."

Erickson says that he can open up Knudge at the beginning of the week, and see the full list of client tasks that are still open and approaching the set deadline. He can also check the Knudge list for clients who are coming in for meetings that week. "When clients come into the office," he says, "they can see how on top of everything I am in their financial lives." In many cases, the Knudge advisor users will open up the app in the client meeting. "And then the client might say, *I actually DID run that credit*

report,” Erickson adds. “And so the advisor can mark it complete, live in the meeting. Or the client might say, *you know, I’m not going to have time to do that. Could we push the due date on that out a month?*”

The cost for Knudge is \$99 a month for the first user seat, and \$49 a month for each additional seat. But that’s if you pay by the month. If you agree to be billed yearly, the price falls to \$79 and \$39 respectively.

If you pay at all. Meaning? “We recognize that it takes some time to get used to using the software,” says Erickson. “I know from our own firm, it took a couple of months to get all of our advisors up and running. You have to get comfortable with how you’re using it, and you have to get your clients comfortable with sending communications back and forth through the program.”

As a result, Knudge is free for the first 13 client users. The payments kick in when the 14th contact is entered into the system. “That lets people use it for a period of time, without the pressure of a limited time trial,” says Erickson. “We opened up that free tier to make sure that advisors can feel good about using it. If we can become really smart about how to give advice that triggers action,” he adds, “then we think Knudge can become indispensable to the profession.”

### *Task dialogues*

How are advisors using Knudge in the real world? Britton Gregory, of Seaborn Financial in Austin, TX, is a career changer to

our profession, a former engineer whose clients are Gen X and Gen Y tech professionals that he has worked alongside during his prior career. “Being a former engineer influences how I approach pretty much every part of my business,” he says, “and Knudge is no exception.”

Meaning? Engineer and tech clients are constantly asking ‘why,’

immediately,” he says. “I have DIY clients who need to be reminded when to rebalance their portfolios, and other clients will get nudges around the open enrollment for their health insurance. On the estate planning side, I’ve created nudges that remind them to meet with their lawyer to update or create their will, or to update beneficiaries.”

***Knudge offers a process where the advisor knows what has or has not been done, so that this can be a topic at the next client meeting.***

about an advisor’s advice. “My clients really like to have something that reminds them of what they need to do,” says Gregory, “but they also like the idea of having a conversation within Knudge, about those tasks. *Hey, this thing came up. I want to ask Britton about it.* So they click on the message icon, or tap it in on their phones, they send me a message and I can respond and have a conversation within the context of the action item.”

Do his clients mostly use the phone, or email? “You know, I don’t really know,” Gregory admits. “All the messages are routed through Knudge, so I don’t *have* to know.”

Like many Knudge users, Gregory has adopted a new terminology; he talks about sending ‘nudges,’ as reminders to clients, or setting up ‘nudges’ that will automatically remind clients until a task is completed. “Coming out of the initial plan,” he says, “there are a lot of things that have to happen

Are clients more likely to take action as a result of these nudges? “It’s hit or miss,” says Gregory. “Sometimes they do their action items fairly quickly, while others might take two, three or four nudges. But it gives me a process where I know what has and hasn’t been done, that we can talk about in the next meeting—or, if they just don’t seem to be able to get around to it, we’ll do the task in real time in that meeting.”

### *Explaining tasks*

Dan Rooker started his firm, Rook Financial, in Chicago, because he didn’t see any other professionals who specialized in serving early career professionals whose primary financial issue is student loan debt. Instead of quarterly or annual meetings supplemented by email back-and-forths, Rooker prefers to talk with clients in-person (Zoom, lately) once a month.

“If something is on their mind, send me a DM through Knudge,” he says, “and that’s on the agenda for their monthly call.”

Rooker requires his clients to log into Knudge as part of the onboarding process, and one of the immediate uses is for him to send knudges to clients to book their monthly call using Calendly. But most Knudge messages are not only assigning tasks, but also explaining how to do them.

“I will assign a task like: upload your 401(k) plan document to Right Capital, in the vault,” says Rooker, “and then I’ll tell them how to do it in the description.”

If the description isn’t sufficient, clients will send back questions through Knudge, and that does two things. First, it allows Rooker to walk his clients through the process with a return message or in the monthly meeting. And second, it shows him places where his explanation might not have been clear enough. “When I see them running into problems,” Rooker says, “that prompts me to fix my template and improve the description of how to do it.”

This may actually become a key use case of Knudge going forward; years ago, in a report on some of the best time-saving recommendations coming from the *Inside Information* readers, one advisor reported creating a word processing file that contained all the messages that she routinely sent to clients, prominently including explanations of complex topics. The file prevented her from having to reinvent the wheel with every communication on particular topics,

but it also allowed her to improve the quality of those messages each time she would send them out—so that her client messaging was getting better and clearer over time. Rooker is finding this same advantage,

easier and better, through Knudge.

Beyond that, Rooker finds that the whole client experience runs smoother as a result of Knudge’s automated prompts, and most importantly, it allows clients to mark tasks as completed. “I love the fact that the client is controlling the completion of these tasks, and that I don’t have to touch anything to make it happen,” he says. “I don’t have to assign a task and then wonder whether the client has done that, and why not, and whether the task is open. And then, if and when they finally do it, I don’t have to log that note into the CRM to complete the task. I hated doing that. It was such a time suck.”

Rooker has found that some clients prefer to receive communications via email, others through text messaging, and there are certain times of the day or week when they’re more open to receiving his knudges.

That became a knudge of its own. “After a month of them getting notifications through both avenues,” says Rooker, “I’ll check in and say, would you rather receive notifications by text or email? You

have the option to create your preferences—and I’ll assign you a knudge with instructions on how to do that.” Which, of course, is now a template.

Rooker believes that the

***Rooker has started using Knudge to assign himself tasks--and to remind clients about referrals they intended to make.***

advisors at a previous firm he worked at would overwhelm clients by telling them, in one message, all the tasks they needed to perform—and the result tended to be inaction or procrastination. “When clients need to upload documents or go into our vault,” he says, “I always break the tasks down into separate knudges. Plus,” he adds, “that gives them an opportunity to practice logging into our financial planning tool.”

Knudge has even become a prospecting tool for Rook Financial. “When I ask about their friends in client meetings,” says Rooker, “after the meeting, I’ll send a knudge naming the friend that they talked about, that asks them to introduce me by text or email.”

And Rooker has also started using Knudge to assign *himself* tasks—and reminders. “I’ve got a template that reminds me to knudge [first name] [last name] about this or that task,” he says. “Another tells me to reconcile my credit cards every two weeks, and to make sure my social media is clean every couple of months. I’ve got things for the CFP renewals in there. After

a prospect meeting, I'll set up a knudge that reminds me to get back in touch with that person. I created one after a meeting in June, and it nudged me in August."

### *Pre-setting meetings*

Darren Straniero of OnPlane Financial Advisors in Darnestown, MD focuses his client base on high-earning professionals age 30-55. "I manage their financial lives so they can spend more time focusing on the other, more meaningful areas of their lives," he says. He uses Knudge as a way to reduce the 'client overhead' around their tasks.

"Anytime we have a meeting and there are actions that need to be completed, it goes into Knudge," Straniero adds. "If we're going to reallocate a 401(k) to reduce expenses, then I'll create a knudge. Every action item goes in there, and then I just ask them to mark it complete, so I know that it's done."

Are most of his clients logging into Knudge or downloading the app? "It doesn't matter," says

Straniero. "That's what I like about it. They don't have to create an account for us to send messages back and forth to each other."

Like the other advisors, Straniero finds that Knudge is especially useful at the beginning of a client relationship. "I meet monthly with new clients," he says. "If there are seven things that they have to do, we'll prioritize them together, and then I might send them, individually, three or four to get done over the span of a couple of weeks. After that, we might agree on what else needs to get done that isn't so urgent."

For the advisor, there's a set-it-and-forget-it element to the process. "Knudge continues to remind the client—you have the option to check that box or not," Straniero explains. "For some clients that have been with me longer, we'll set up a timeline for the year. I have two clients in the same company who both receive restricted stock units and options, so I set it up to let them know when their trading window opens and when it's about

to close. For some clients, I have set up reminders that their wife's birthday is coming up."

In this early stage of getting accustomed to Knudge's features, Straniero has only set up five or six custom templates. One reminds clients that their life insurance premium is coming due. Another is informational; for clients whose income is too high to contribute to a Roth IRA directly, Straniero lets them know when he has converted their quarterly traditional RIA contribution to a Roth. During the initial meetings, clients will decide how often they want to meet, and immediately afterward, Straniero will pre-schedule knudges to go out in, say, March, August and November, reminding clients to book a Zoom meeting on his calendar.

"It's a really powerful piece of software, especially for smaller RIA firms like mine," says Straniero. "It can handle a lot of back office stuff for you and make you more efficient. I would encourage anybody else to give it a try." ■

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