

How one forward-thinker transforms advisor-client relationships with qualitative compatibility analysis



Stephen Tanenbaum

CEO, Rainbook

The Challenge

Rainbook CEO Stephen Tanenbaum learned that although 51 million Americans are working with a financial advisor, it's not always a successful situation.

There are any number of reasons why an investor-advisor relationship fizzles out, such as a lack of communication, poor understanding of their investment goals, or even simply the advisor retiring or relocating. Among the myriad of reasons, Stephen knew there was a way to make the search for financial advice and planning easier – with the match more likely to succeed.

“ByAllAccounts really is the only solution that we were able to locate that specifically focused on wealth tech.”

Stephen Tanenbaum

To do so, Rainbook needed a single source to manage all their software connections, fulfill their commitment to transparency, and access a robust collection of investment data as they planned for long-term, scalable growth.

The Solution

Stephen is motivated by the client's need for true engagement with the people they hire and entrust with their financial information. After working with a tangle of tools to accomplish everything they needed for their users, Rainbook decided that it was time to minimize the tangle to a single, clear source of connections, data, and transparency.

By doing extensive research into their options, Stephen determined that ByAllAccounts was the best solution to match Rainbook's scalability goals and support their mission to match investors with the perfect advisor.

The Rainbook journey of investor-advisor matching

Here's a few things to know about financial advisors and their clients:

- ▶ A third of advisors are retiring in the next 10 years, forcing many investors to search for a new match. And Rainbook is going to be there to make sure their next advisor relationship is a great one.
- ▶ 61% of respondents under the age of 45 that had changed advisors in the past said they changed because of a mismatch in the relationship, described as 'looking for a different/specific expertise.'
- ▶ 70% of heirs will change or hire their advisor after inheriting family wealth.

Millions of Americans are already working with a financial advisor to map out savings goals, investment opportunities, and a comfortable, reliable future. But how many of those client-advisor relationships are producing the desired results?

“Our mission is to empower investors. With the Advisor Analyzer™, we are redefining transparency for investment clients.”

That’s where Rainbook steps in. What started as a platform for self-directed investors to connect all their alternative investments and manage their budgeting has grown to include the Advisor Analyzer—a groundbreaking product for investors to monitor six factors to create a free unbiased review of their financial advisor. Investors not only learn their Advisor Score but can use this information to strengthen their relationship or choose to be matched with a new vetted advisor on the Rainbook Advisor Network – one that goes the distance.

The Advisor Analyzer™ application has revolutionized the way investors connect with financial advisors and manage those relationships. It helps their users connect device-managed accounts to evaluate and monitor their financial advisor; to assess how much value their advisor is delivering to them.

And within that evaluation, users are able to holistically see all advisor service costs as well as performance metrics to truly quantify that value.

The ability to access the wealth of data Morningstar provides was a huge tipping point for Rainbook on top of keeping all connections in one place for a frictionless user experience.

There are six components that make up the Rainbook Advisor score:

- ▶ Portfolio performance
- ▶ Overall fees
- ▶ Alternatives
- ▶ Statement quality
- ▶ Engagement and trust
- ▶ Credentials

The insights gained from the six data components of the tool ensure the client is receiving their expected level of service and/or is paired with a new advisor that is both personalized and optimized for success.

The pain point Rainbook solves is the lack of transparency. Not only does its platform and its reporting capabilities shine a light inside the portfolio, but it also identifies gaps and flaws within an existing relationship.

Building stronger commitments

Rainbook aims to transform the advisor relationship with their clients with a connected tool supported by expert data. That’s why they’ve partnered with Morningstar.

Rainbook interviewed four other providers before signing on with Morningstar. Rainbook is leveraging ByAllAccounts Data Aggregation to enable clients to aggregate their investment portfolios to view in one place. As a leading investment data provider, Morningstar’s key advantages for Rainbook were the access to over 15,000 data sources they needed along with ByAllAccounts integrated turnkey delivery of Morningstar portfolio analytics data – especially additional stock and attribute data available through the ByAllAccounts API.

But while the data was the cherry on top of a great solution, one key theme stood out to Rainbook, and that was commitment. Not only is it a top priority for Rainbook to build strong commitments between their users and advisors, but they also want a partner they can commit to for successful, long-term growth. And in that respect, Morningstar stood out.

The horizon of Rainbook and Morningstar

As time passes and Rainbook becomes more and more integrated with Morningstar, they have high optimism for a successful future. Part of that success will look at well-established connections inside ByAllAccounts, but the biggest results will be from the users themselves and how many of them are able to establish successful relationships with recommended advisors.

“For setting the Rainbook platform up for long-term success, while delivering a client experience that we want, Morningstar was the optimal choice.”

The primary value proposition Rainbook delivers is a transparent and engaged advisor relationship, and the partnership of Rainbook and Morningstar aims to support that value indefinitely. And together, the long-term success opportunities a dynamic duo like Rainbook and Morningstar can provide are truly endless.

“Morningstar’s team was the only team that could really understand our use case as a business and understand the potential long-term success of the partnership. Our ability to successfully introduce our members to their new long-term advisors will be the ultimate KPI.”

Ready to Try ByAllAccounts for Yourself?

Talk to a specialist about growing your business with Morningstar ByAllAccounts.

Visit: <https://www.morningstar.com/products/byallaccounts>

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