

Reducing the Complexity of Billing and Payouts

How LibertyFi helps RIAs increase advisor satisfaction and productivity by simplifying and accelerating the billing and payouts process

Overview

To maintain a growth trajectory, RIA owners and managers must pay advisors quickly and accurately. Regardless of payout complexity—due to multiple rep codes, different payment timelines for branches, or charging subsidiaries for services—our team of hands-on billing experts can simplify the process. Principals can rest easy knowing that advisors are paid on time for what they earned.

Accurate Payouts Every Time Regardless of Splits

Our client, Octavia Wealth Advisors, employs a sophisticated, yet complex, system of rep codes to manage their clients and ensure that advisors are paid correctly.

Yet this system presents some challenges. At the end of every cycle, most wealth management platforms provide RIAs with a single check and very raw payout data, leaving the firm to work out each advisor's payout. As Octavia manages several thousand client accounts broken out in over 50+ combinations of shared splitouts, the firm would be challenged to process payouts quickly and accurately without additional headcount and accounting resources.

LibertyFi simplifies the process by delivering a custom summary billing file that clearly shows the amount of each advisor's payout every cycle. This allows the firm to hand off the data directly to their payroll providers, without spending hours calculating and allocating. The file also breaks down and groups the individual payouts so that the home office and advisors can understand the fees that contributed to each payout. By relying on LibertyFi, Octavia can pay its advisors accurately and on time, every time, no matter how complex their setup.



“We use shared rep codes to pay advisors across the multiple accounts they support. This system can get complicated. Without fail, LibertyFi lets us know every cycle who should get paid what and why. They play an essential role in our billing process.”

– Marc Wagner, CFP®, CFO/Partner, Octavia Wealth Advisors

Separating Payments

For RIAs that have DBAs or separate groups, like our client Elk River Wealth Management, we can calculate payments for each group and send funds to separate accounts so firms can keep their revenues bifurcated. This helps our firms keep their accounting clean and reduces the time and work required to disseminate subsequent payments to advisors or different DBAs.



“Elk River relies on LibertyFi to calculate two different payouts for our firm and further assists us by sending funds to separate accounts. This keeps our accounting clean and saves us time each billing period.”

– Chris Freimuth, Chief Executive Officer & Chief Investment Officer, Elk River Wealth Management

Automating Fee Collection

Our client, WealthShield Partners, operates several independent DBAs. The firm is growing and needs help, not just with billing administration but also with calculating different fee grids from the DBAs for its services.

WealthShield Partners relies on LibertyFi to calculate gross and net advisor fee payment for each DBA every cycle. This saves the firm time and gives them confidence their advisors are getting paid accurately and as quickly as possible.

LibertyFi also helps with insufficient funds and recollection of any uncollectable accounts. They pay their partner firms in advance regardless of LibertyFi’s ability to collect. This ensures advisors can get paid quickly and accurately, and any cleanup is handled after payment is received.



“LibertyFi pays our firm regardless of their ability to collect on a client account. As a growing firm, this is especially helpful during new advisor transitions. This ensures our advisors are paid the right amount up front without delays possibly caused by a few uncollectable accounts.”

– Robert Leggett, Co-founder, WealthShield Partners

Results

LibertyFi helps RIAs increase advisor satisfaction by:

ENSURING THAT EACH ADVISOR IS PAID CORRECTLY

To free RIAs from having to calculate advisor payouts, a potentially error-prone process, LibertyFi creates custom advisor payout reports that detail the amount of each advisor's payout and the fees included in each, regardless of the complexity of the firm's payout structure.

ACCELERATING THE PAYOUT PROCESS

Wealth management platforms typically send a single payout check with a bunch of raw payout data, leaving the payout calculation to the RIA, a potentially time-consuming process. By using LibertyFi's custom advisor payout report, RIAs can accelerate the payout process.

PAYING ADVISORS IN ADVANCE, REGARDLESS OF COLLECTION

As soon as billing is published, LibertyFi pays its partner firms. There is no delay caused by collection errors in a few straggling accounts. Firms and advisors get paid immediately, and cleanup and recollection attempts happen in short order afterward.

FREEING ADVISORS TO FOCUS ON SERVING CUSTOMERS

Tasking a principal or an advisor with responsibility for billing and payouts can impact their productivity by reducing the time they have to work with clients. By trusting LibertyFi, RIAs can focus advisors on achieving the firm's growth objectives.



With deep experience helping over 40 independent, growth-oriented RIAs automate their business processes, LibertyFi is the industry leader in middle-office consulting services. Learn how we can help you: www.libertyfi.com