

**From
Participants
to Clients:
Mastering Conversion
Efficiency in the Workplace
Wealth Industry**

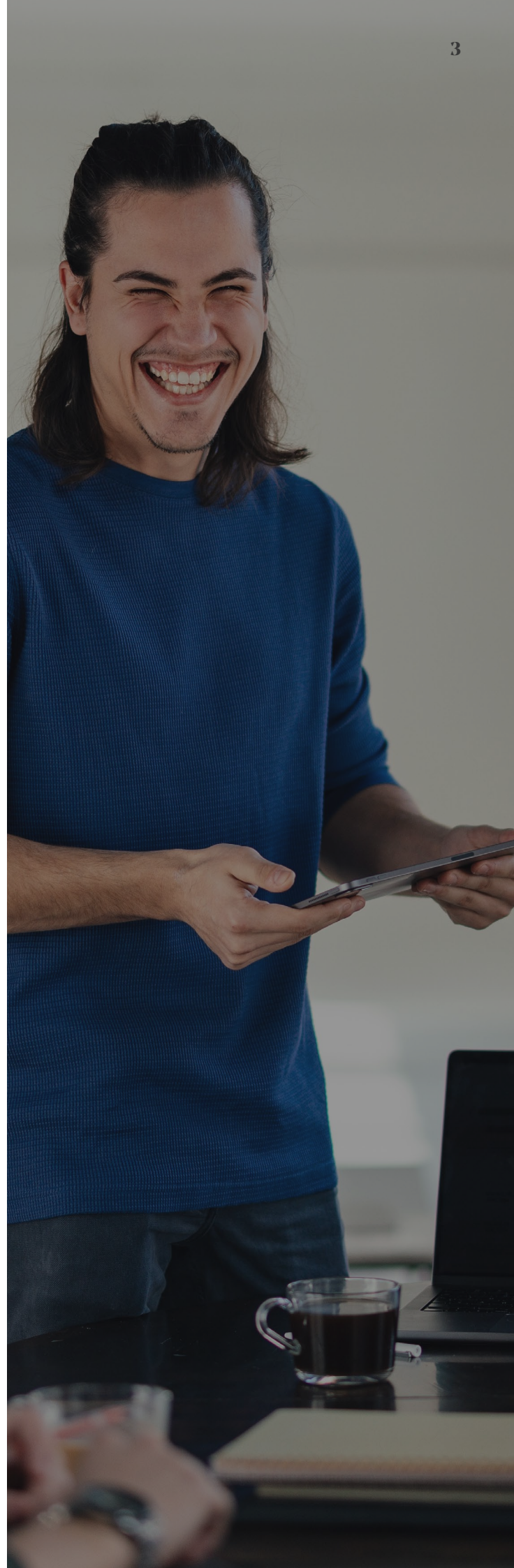
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Introduction

Workplace wealth solutions are poised to become the primary channel for acquiring new assets in the wealth management industry over the next decade. As of 2023, the market size for workplace solutions was valued at \$10.39 billion, and it is projected to grow to approximately \$17.98 billion by 2033. As employees increasingly seek more comprehensive benefits from their workplaces, significant opportunities arise for solution providers to enhance engagement and strategically convert these participants into full-time wealth management clients.

This paper explores the most critical factors involved in converting workplace participants into dedicated wealth management clients and highlights the pivotal role of leveraging innovative technology at each stage of the conversion funnel to optimize conversion effectiveness.



Navigating the Future: Key Trends in the Workplace

Staying ahead in the competitive workplace wealth market requires a keen understanding of emerging trends and their potential impact. Competitive edge and relevancy in this market heavily rely on keeping abreast of industry trends. Recent trends in the workplace wealth space reflect a broader shift in client expectations across industries, where personalization and customization are increasingly valued. Employees today seek workplace solutions tailored specifically to their individual goals, risk tolerance, and life stages. In response, leading firms are utilizing advanced technologies such as artificial intelligence (AI) and data analytics to offer hyper-personalized investment advice and wealth management strategies. For instance, most of today's platforms can analyze an individual's financial data in real-time, offer customized advice, and automatically rebalance investment portfolios in response to life changes or market fluctuations. This focus on the individual not only enhances the client experience but also boosts engagement and loyalty and employer competitiveness.

The landscape of wealth management personalization is being transformed through sophisticated use of artificial intelligence, advanced analytics, and big data. Leading firms are capitalizing on these technologies to segment clients with greater precision. By adeptly matching targeted marketing campaigns, educational workshops, and customized product recommendations with the unique financial goals and risk profiles of each client demographic, these firms not only strengthen their propositions for building enduring

relationships with workplace participants but also significantly boost their capacity for converting prospects into dedicated wealth management clients.

Additionally, comprehensive financial wellness programs have emerged as a significant trend in the workplace wealth solutions industry, addressing a broad range of employee financial needs beyond traditional investment advice. By offering holistic programs that encompass everything from budgeting and debt management to emergency savings and extensive financial education, these initiatives not only help leading solution providers attract more corporate clients, but also significantly increase the engagement from their employees. As employees become more aware of their financial planning needs and the benefits offered, they are more inclined to transition from participating in basic programs to engaging in comprehensive financial advisory services.



Expanding Offerings: The Impact of Comprehensive Services on Participant Conversion

Creating a comprehensive suite of services is increasingly vital for industry-leading solution providers aiming to maximize their exposure to prospect clients. In contrast, smaller competitors who attempt to offer only a single service often struggle to gain traction, lacking the exposure to attract large clients. By providing a diverse array of services — from equity management to retirement solutions and executive services to financial wellness programs — solution providers position themselves as indispensable «one-stop-shops» that cater to all aspects of workplace

wealth and reduce client turnover, since corporate clients are less likely to seek services from multiple providers. As corporate clients' needs become more complex, solution providers must adapt and consistently deliver value at every stage of their corporate client's development. This approach solidifies the provider as a long-term partner in their clients' growth, and it helps the providers to secure a population of workplace individuals for potential conversion into dedicated wealth management clients over the long-term.

Building Prospects: Enhance Participant Engagement with Precision Marketing

Engaging workplace participants using the right communication channels and at the right time is critical in developing the initial stages of the relationship. Solution providers can significantly enhance participant engagement by utilizing multiple communication channels, ensuring a consistent and engaging presence across diverse platforms such as social media, email marketing, webinars, virtual events, in-platform notifications, and industry-specific publications. Employing innovative and user-friendly educational content, such as relevant webinars aimed at achieving over 40% engagement rate, plays an important role in establishing the provider as an authoritative source as well as deepening client engagement. It is advisable to implement personalized marketing strategies, particularly account-based marketing (ABM), which targets specific high-value accounts with tailored campaigns, to effectively focus on high-net-worth individuals and key

business clients. Furthermore, optimizing lead management practices is also essential to ensure that all prospects are carefully considered throughout the conversion funnel, capturing every opportunity. This can be achieved by implementing advanced CRM systems to track interactions and progress, using lead scoring models to prioritize follow-up efforts, and automating follow-up tasks to maintain engagement with potential clients. These strategies help ensure that no lead is overlooked and that each prospect receives the attention necessary to facilitate their conversion. The ability for solution providers to strategically market and brand their services is a critical component of participant engagement, and providers who invest in these initiatives experience significantly greater success in transforming participants into committed clients and in enhancing overall business performance.



Empowerment in Action: Advancing Advisor Capabilities in Wealth Management

Providing financial advisors with advanced digital capabilities is another critical component within the holistic strategy of converting and retaining participants. Seamless client portal connectivity provides advisors and participants with a single-view platform, enabling advisors to efficiently address client requests, oversee investment allocations, and streamline communications. Advisors benefit from robust financial planning tools that optimize the investment management aspect of their roles, increasing their focus on client engagement and advisory services. One leading firm has advanced this initiative by implementing a comprehensive portal designed for Plan Advisors to manage client portfolios, enhance participant experiences, and scale recordkeeping efficiently. This platform is further enhanced by an AI-driven tool that automates the customization of client engagement recommendations with minimal manual effort. As advanced tools become increasingly available to advisors, it is crucial for organizations to provide ongoing training and support, empowering advisors to fully integrate these tools into their practices effectively.

As advisors' capabilities are enhanced with state-of-the-art tools and training, it's also important to consider the contributions of internal support professionals to the overall conversion strategy. Service-to-sales representatives play a key role in lead generation and greatly benefit from AI-powered CRM systems that optimize lead conversion. One major solution provider has advanced its internal training of service-to-sales professionals and equipped them with sophisticated AI-powered client segmentation capabilities. These algorithms effectively identify and segment promising candidates, ensuring they are matched with advisors best suited to provide targeted advice. Additionally, third party tools such as Salesforce Financial Services Cloud are often leveraged to further enhance relationship management capabilities, track client interactions, and analyze data for continuous improvements. The synergy between ongoing training and cutting-edge technology is fundamental in shaping a leading workplace solutions business.

Securing the Edge: AI and Predictive Analytics as Competitive Levers

The application of advanced technologies like AI, predictive analytics, and smart automation is revolutionizing the workplace wealth industry. These innovations optimize every step of the conversion funnel, from initial client attraction to ongoing engagement and final conversion. Leveraging the latest technologies is crucial to enable personalized engagement at scale and maintain a competitive edge. Specifically, AI-powered micro-segmentation allows solution providers to gain deep insights into their prospect clients, enabling greater precision in the delivery of messaging and services. Initially, financial advisors can leverage these insights for targeted prospect outreach, significantly increasing the likelihood of client engagement. As clients progress through the conversion funnel and provide more information about their financial status and goals, AI can automatically select the most suitable services to meet their specific needs. Post-conversion, ongoing customized interactions help sustain deep client relationships, enhancing retention and overall value. These insights provided by advanced AI and predictive analytics optimize each stage of the conversion funnel and improve the bottom line.

AI-driven client segmentation effectively targets interactions by ensuring that content and responses are finely tuned to the specific needs and behaviors of different client segments, enhancing the strategic use of resources. Complementing this, Generative AI-powered chatbots further optimize the workplace wealth solutions industry by providing personalized, real-time interaction at every stage of the conversion funnel to increasing client engagement, simplifying processes, and boosting retention rates. Initially, these chatbots engage users by promptly addressing inquiries, introducing services, helping to maintain interest by generating personalized content through responding to individual interactions and queries. As potential clients continue their engagement, chatbots assist by providing real-time, detailed insights that support informed decision-making. They further ease the conversion

process by guiding users through necessary forms and by simplifying applications. Beyond the conversion phase, chatbots foster client loyalty by offering regular updates and personalized financial tips, resulting in deepening relationships and promoting ongoing engagement. This seamless integration of chatbots is especially effective during the initial stages of participant engagement, where tailored interactions are crucial for building trust and advancing participants towards conversion.

Artificial Intelligence and Machine Learning are revolutionizing how solution providers match workplace participants with financial advisors, significantly enhancing the precision and efficiency of lead distribution. By analyzing extensive data on participant preferences, financial behaviors, and historical interactions, AI systems can accurately match participants with the most suitable advisors, maximizing the likelihood of successful engagements. Additionally, ML algorithms continuously refine this match-making process by learning from past outcomes, thereby improving the efficiency and effectiveness of the matches over time. This not only streamlines the funnel process and enhances conversion rates, but also optimizes advisor workload, ensuring advisors are paired with clients that best fit their expertise and advising style. To maximize benefit, it is important to ensure that this system can provide intelligent lead distribution across all its workplace solutions and connect to the necessary internal control frameworks to maintain lead distribution compliance with LCR guidance. An example of such capability involves the use of an advanced lead distribution platform integrated with a tool that enables financial advisors to generate personalized, actionable recommendations for these leads, significantly boosting prospect engagement.

The Integration Imperative: Building a Holistic Wealth Management Ecosystem

Workplace solutions should be seamlessly integrated into the broader wealth management ecosystem to enhance their impact on the overall business. By consolidating workplace financial benefits, such as retirement plans and stock options, with broader wealth management services including investments, savings, and estate planning, firms can offer a unified solution that enhances financial well-being across the board. The benefits of this approach are manifold; it enhances client engagement through tailored advice that reflects each individual's complete financial picture, and it can boost client retention rates since satisfied clients are more likely to consolidate additional assets under the firm's management. Both factors are critical in

the journey of converting participants into full-time wealth clients. To successfully implement this integration, firms must invest in advanced technology platforms capable of handling complex data from multiple sources, while also ensuring robust security measures to protect client information. Additionally, fostering a culture of inter-departmental collaboration is essential to ensure that insights are shared and strategies are cohesively implemented. Ultimately, by embracing this holistic approach, firms not only meet the growing demands of today's financially savvy clients but also set a new standard in wealth management that is likely to define the industry's future.





Navigating the Hurdles: Key Challenges in Workplace Wealth

Operational efficiency remains one of the most pressing challenges facing workplace solution providers, particularly due to the siloed structure of client-facing product support teams and the complexities that arise with technological integration following mergers and acquisitions. Many firms operate with separate support teams for 401ks, IRAs, and other products, creating barriers that can hinder the delivery of a holistic service experience. Furthermore, as competitive players in this space frequently acquire smaller organizations to integrate cutting-edge technology and services, the need to create an interconnected technological ecosystem becomes more acute, and operational inefficiencies often emerge during integration efforts. To navigate these hurdles, firms must advocate for greater integration across product teams to foster a more unified service experience. Implementing centralized platforms that consolidate client data from various products can dramatically enhance visibility and streamline service delivery, ultimately boosting operational efficiency and conversion rate.

Adapting to demographic changes and evolving client expectations presents another significant challenge for workplace solution providers. The diverse needs and preferences of different generations—Baby Boomers, Millennials, and Generation Z—require providers to develop flexible and dynamic business models and service offerings. For instance, Baby Boomers may prioritize retirement planning and security, while Millennials and

Gen Z might focus more on mobile technology integration and socially responsible investing options. This shift necessitates that firms not only tailor their products and services to meet varied financial goals but also enhance their digital platforms to suit the tech-savvy younger generations. Successfully addressing these demographic trends is crucial for providers to remain relevant and competitive, ensuring they can attract and retain clients across all age groups with personalized and engaging solutions.

In addition, workplace solution providers often face issues with ensuring compliance and regulatory adherence across various jurisdictions. Financial services, particularly those involving retirement and investment products like 401ks and IRAs, are subject to stringent regulatory requirements that vary widely by region and can change frequently. This complexity is magnified when providers operate across multiple states or countries that have their own set of rules and regulations. Ensuring that all products and services meet these legal standards requires robust compliance systems, continuous monitoring, and regular updates to policies and procedures as severe penalties, legal action, and damage to the firm's reputation can arise if these regulations are not adhered to. Therefore, maintaining a high level of compliance is essential, but it remains a significant operational challenge due to its dynamic and multifaceted nature.

Conclusion:

The landscape of workplace wealth is evolving rapidly, propelled by technological advancements and shifting participant expectations. To remain competitive and capitalize on these developments, firms must integrate sophisticated technologies and refine their service strategies. We urge industry leaders to critically assess their current practices, identify opportunities for technological enhancement, and foster a strong commitment to innovation. By adopting this approach, firms can effectively seize growth opportunities and thrive in this dynamic industry.



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