the room at the Insider's Forum presentation and another 150 reading this message were to do what Tibergien did. Imagine that an average of 70 students a year were to take the courses that those advisors create. That comes to 140,000 individuals over a 10-year period. Over time, other schools in neighboring districts can get a look at the materials and consider adding their own courses, and a like number of advisors can catch on to the sponsoring idea as it proves itself in different communities. 140,000 in a decade becomes 140,000 in a year, and eventually (In 20 years? Or 30?) the idea of a personal finance curriculum in our nation's high schools becomes commonplace. The time frame doesn't really matter, so long as it starts to happen.

Tibergien says that paying this forward has impacted his own life as well, and proved to be a rewarding experience—which others in the advisory community could experience as well. "It has been one of the most profound experiences of my life," he says. "It's been extraordinarily gratifying to see how the school, the teacher, the students and the community have embraced this."

(Postscript: Pershing's INSITE 15 conference, June 3-5 in Orlando, will feature Erika Fix doing a TED talk with Tibergien on the success of the high school program.) ■

Discuss this article with other advisors on

APViewpoint

Go to: http://bit.ly/1R7T3Yh

Practice Management

Accurate Account Aggregation

Synopsis: ***A new company called Quovo has created a more workable, more reliable form of account aggregation for your practice.***

Takeaways: ***The initial data intake has been upgraded to automatically look for the most reliable source. Then there are protocols for scrubbing and correcting the information before it lands in your system.***

Over and over again in the T3 exhibit hall in Dallas, I would talk with a software vendor who had switched its account aggregation provider from one of the old standbys (Yodlee and ByAllAccounts, primarily) to a new company called Quovo. "Who?" I would ask. "*You've probably never heard of them,*" was the inevitable reply. "*But they're awesome*."

When you hear an endorsement like that more than once, it tends to stick in your mind. In my industry presentations, I've been saying that advisors need to create a more pleasant initial client experience, and part of that is replacing the data gathering form with a few minutes where an associate helps clients log into their accounts via an account aggregator and pull in the account values automatically. But the pushback from advisors has always been: *I can't rely on the data*. Or: *It's too much trouble to clean it up*.

So I went looking for the Quovo exhibitor booth, met Quovo co-founder and chief strategy Niko Karvounis and later spent an hour with him on the phone to get a better idea of where the company came from and what it does.

Basically, what Quovo offers (prepare yourself for some technical terminology) is "account aggregation that doesn't suck." Translated, that means the data you get is clean and well-filtered (more on that in a minute), and doesn't require a lot of manual attention. This, of course, is not normal, as Karvounis himself discovered early in the company's startup phase.

"Our initial plan was to build a cool analytics app on top of other aggregators," he says. "We created layers on top of the data extraction that check for errors, including a gazillion different ways to sift and sort the data so that it highlights outliers and obvious mistakes. We created a security master that would help us identify the assets, and map them to different systems, so that if different people have different classification systems, we could translate one to the other.”

The idea was to help the users of account aggregation software gain clearer insights into the information they were collecting, and also translate it into more useable forms.

“If you’re an enterprise and you have four software systems and duplicative client records, two accounts listed on system one, three on system two, and your held-away accounts on system three, you have a fragmented view of your own business,” says Karvounis. “We saw that enterprises were working toward what we call ‘data gravity,’ which is creating a coherent data record and an internal holistic data access point, so they can do meaningful analysis of your clients and derive insights. They needed a single data source that sits above all those systems and reconciles them, and we were going to be that provider.”

Whenever a financial institution changes the layout of its website, screen scraping stops working. If an institution has an unorthodox API interface, the data would be scrambled or inaccurate.

What went wrong?

“The data we were getting from all the different systems was crap,” says Karvounis. “We kept thinking, if we build this patch, then the data will be good. And then we would have to build another patch. At some point, you step back and say, if we have this problem, then a lot of people have this problem,” he adds. “We realized we were going to have to go out and get the data ourselves, because we couldn’t rely on what the systems were providing to us.”

When the Quovo team looked at the data extraction methods used by some of the systems they were working with, they realized where the problems were coming from. “Everyone was using two methods,” says Karvounis. “They were either literally scraping the HTML off of the web page, which just looks for where they expect the data and copy whatever number is in there. Or they were utilizing the OFX network—the cross-institution API for sending data. OFX is relatively reliable, but there is very little oversight of enforcement of protocols around it, so even that can be kind of a mess.”

Whenever a fund company or bank’s website was redesigned, the web scraping stopped working, and when you’re pulling data from thousands of institutions, this is not an uncommon problem. If an institution had an unorthodox way of managing its API interface, the data would be either scrambled or otherwise inaccurate.

“Once we understood the problem, we realized what we had to do to fix it,” says Karvounis. “We built our technology so that it would look for specific kinds of data sources or files, and then adapt depending on what is available. We’re geeks about data, so our inclination is not just to scrape screens for your 401(k) accounts. We wanted to build a platform that can ingest data from any sort of format, from any sort of structure from any source.”

The system automatically looks for the cleanest, most reliable source first. “If there is a hidden CSV file that gives you five years of history, our system will be able to find and extract that,” says Karvounis. “If there are PDFs that contain that data, then it alerts our PDF reader. If both, then we enter them both automatically into our system and compare the data.”

OFX and web scraping are a last resort, and apply to a diminishing number of financial institutions who have antiquated web environments.

Then, as indicated, everything is mapped to a security master, which compares the newly acquired data with information believed to be correct, and also compares how the institution defines an asset (which asset class it belongs to) with how Morningstar and others would categorize it. “Sometimes the institutions are holding incorrect data,” Karvounis says. “We’ll catch that error before it gets out to the end user.”

Increasingly, financial institutions are implementing security processes designed to foil cyberthieves, which also effectively foil data aggregation engines. "You're starting to see more and more multi-factor authentication on these sites, which is a real hiccup if you're a more naive aggregator," Karvounis explains. "We handle the real-time PIN, and if you have to email yourself something to log in with within ten minutes, we'll handle that. Sometimes it will ask you to write the numbers listed on the screen, to make sure there is a human who is visually relating to what is on the screen. That will just destroy a dumb aggregator."

Most of Quovo's initial business was creating customized aggregation for hedge funds, family offices, endowments, larger broker-dealers and software companies; the company has existing integrations with Advizr, Orion, Blue Leaf and Salesforce, with eMoney, FinanceLogix and MoneyGuidePro on the docket. "A lot of our initial customers have screwy assets like timber farms that really challenge the system," says Karvounis. "So we set things up so if there is something we don't recognize, we'll flag it as unrecognized, and still pull as much information as possible from the source. Then we have the tools to relabel or remap it, or revise any features of the asset. It was a nice pressure test to get us moving."

Since then, the company has noticed that advisors have the same needs as these larger organizations--and that there are a lot more of them. "We've been in the advisory space for a little under a year now," says Karvounis. "Our first few engagements, as you can imagine, were with bigger firms, where we were behind the scenes, running with multiple platforms so the companies could vet our data and make sure it was better than what they had."

The tech companies that have integrated with Quovo say that the company has greatly benefited from coming along later than the competition, and therefore being able to start fresh with better technology. Surprisingly, Karvounis agrees with this assessment, to some extent.

"A lot of the incumbents have been around for so long that they're in the habit of solving their problems by throwing more people at them," he says. "When you do that, you don't force yourself to build the most technologically efficient solution. Elegance isn't really that important when you can just say, it kind of works: go fix it. We didn't have that luxury," he adds. "So we built a system that would actually get us the data that we wanted. Every piece of code, every method of data extraction, everything we have ever built is built here in New York City. When there are issues, you have the core team looking at it directly."

So what does Quovo cost, exactly? It depends on who you custody with, or which software company you work with. "Our distribution right now is all enterprise deals," says Karvounis. "They give us access points to add scale to the advisor population." Translated, that means you have to talk with your custodian about what pricing the firm has negotiated, or which software companies or outsource providers bundle Quovo into some of their service packages.

Before I saw Quovo in action on the big screen at T3, I thought that advisory firms had to settle for a less-than-optimal solution when they simplified data entry for their clients, and when they gave advice on 401(k)s and outside assets. But now, it looks like the technology has finally progressed to the point where it isn't problematic, buggy and difficult to work with. I doubt that Karvounis will take my advice and adopt "account aggregation that doesn't suck" as its tag line, but it seems like an accurate way to think about its services.■

Quovo automatically looks for the cleanest, most reliable data source first. OFS and web scraping are the last resort.

Discuss this article with other advisors on

APViewpoint

Go to: http://bit.ly/1DPR0xy