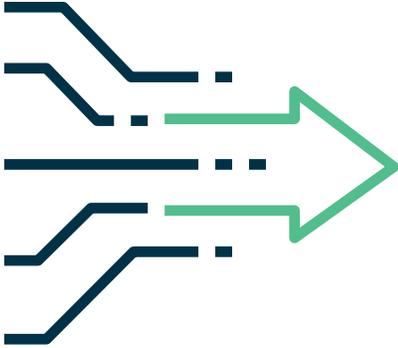


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# Deploying Tech Across The Enterprise

**A Guide to Successfully Implementing Wealth Management Technology in Your Firm**

With an integrated, enterprise-wide wealth management platform, companies can scale their planning offering and deliver higher-value services to more people. In fact, advisors who provide financial planning services to their clients were found to have 40 percent higher assets under management (AUM) and 14 percent higher compensation than advisors who don't offer these services.<sup>1</sup> By standardizing on a single platform, enterprises can simplify managerial oversight, better manage compliance, and gain insight into micro and macro opportunities for growth.



## The Enterprise Technology Landscape

There is a fundamental transformation occurring in the financial services industry. Changes in both client and advisor expectations, and an evolving regulatory landscape, are disrupting traditional business models. More than ever, enterprises are moving from product-based service models to those rooted in financial planning and advice.

In fact, a recent survey by the CFA Institute showed that 87 percent of wealthy individuals believe the greatest value in wealth management is the development and supervision of a financial plan that takes into account financial goals and objectives rather than the direct management of investments.<sup>2</sup>

At the same time, investors increasingly expect a financial services experience centered on their needs. Conditioned by their interactions with companies in other sectors, clients are looking for an interactive, visual, and data-rich experience—delivered seamlessly to the channel of their choice and at their convenience.

In this new landscape, technology is becoming the key differentiator for large financial services firms and the advisors they recruit. And the options available are many—wealth management companies can deploy and scale advanced tools that can elevate the client experience and provide higher-value services to more people.



## The Caveat of Opportunity? Addressing Legacy Challenges

In addition to offering great opportunities, the dynamism of the tech landscape presents challenges. Legacy systems may curtail the aspirations of an enterprise. It is estimated that firms in the sector are spending between 30 and 50 percent of their tech budget to support legacy architecture that doesn't provide the extra value they require.<sup>3</sup> This "tech debt" limits their ability to innovate and threatens their competitive advantage.

As a result, enterprises need to streamline their existing tech stacks and adopt new, agile systems that can integrate with, or replace, current architectures. In addition, incumbents must think strategically about their mix of tech solutions. It is important to balance technologies that drive growth and maximize profits with those that centrally manage regulatory compliance, cybersecurity and risk, while promoting financial planning to advisors and investors with a variety of needs.<sup>4</sup>

To reach their tech and strategic business goals, enterprises need vendors who can customize their solutions and provide after-sales training, service, and support.

While newer firms in the fintech space may offer interesting solutions, their offerings do not typically include the services and support that simplify adoption, accelerate time to value, and increase the probability of a successful deployment. Analyst firm IDC estimates that 70 percent of digital transformation projects will fail in 2018.<sup>5</sup>

By contrast, those companies that partner with an experienced vendor can effectively harness the power of technology and innovation to build a sustainable competitive advantage.

## Tech-Enabled Wealth Managers Outperform

Providing wealth managers with the tech they need to outperform their industry peers is equally important. Recent data from Fidelity shows that digitally minded advisors who are equipped with a broad range of technologies have 35 percent more AUM on average than those who are unequipped. In addition, these tech-savvy advisors generate 24 percent higher compensation.<sup>6</sup> As well as increasing the value of existing client relationships, tech-enabled advisors also receive significantly more referrals from clients, which helps to further boost organic growth rates.<sup>6</sup>

Advisor Tech Tools	Benefits to Advisors and their Firms
Client Portal	Improves client engagement and experience, enables continuous and collaborative planning
Data Aggregation	Increases productivity, accelerates client onboarding, automatically curates the most accurate financial data for a client, and supports fiduciary obligations
Financial Planning	Creates complex cash-flow and goals-based financial plans, supports scalability, and enables service expansion into new areas
Data Analytics	Presents trends and opportunities for growth within a business or firm, supports client communication, and promotes accountability
Lead Generation	Builds a pipeline of qualified new leads
Client Communication	Promotes regular and more meaningful client collaboration, and can help deepen the relationship and expand the account
Compliance Automation	Manages and mitigates risk, simplifies oversight responsibilities, and ensures audit-readiness
Marketing	Nurtures leads, increases sales conversion and client acquisition rates, and supports client communication and engagement
CRM	Tracks, manages and documents all elements of the client relationship, as well as supporting fiduciary obligations
Portfolio Management	Consolidates trading, rebalancing, billing and other operational initiatives within a single system, as well as boosting productivity and efficiency
Performance Reporting	Creates turnkey or custom investment performance reports automatically, reduces data entry errors, and promotes consistency in brand experience
Risk Management	Automates risk calculation, increases accuracy, and promotes client engagement



### Maximizing Productivity & Scalability

Technology also helps advisors scale their offerings. By automating phases of the financial advisory process—client onboarding, account aggregation, plan development, and reporting, for example—advisors and their firms can improve productivity and serve more clients, without increasing headcount.



### Expanding the Range of Services

With the right technology, advisors can attract new clients and expand into potentially lucrative areas by offering a wider range of services. For example, software can help advisors offer more complex services like estate planning or charitable giving.

Sophisticated financial planning technology solutions can produce detailed estate tax calculations or depict wealth transfers in visual and meaningful ways for clients. By offering these advanced capabilities, firms can attract and retain clients with a wider range of planning needs—wealthy individuals will often opt for a large firm because they believe these firms offer a greater number of services than their smaller competitors.<sup>7</sup>

## Boost Recruiting Efforts

Technology is not only important for advisor productivity and client acquisition and retention—it's also needed to recruit advisors who can position the firm for long-term success.

In their client-facing role, advisors understand how the right technology can help them create and maintain the high-quality client relationships that drive growth. To attract and retain the best talent, an enterprise must implement a wealth management platform that addresses the needs of its clients and its advisors.

Before joining a firm, high-performing advisors will want to know they'll have access to tools that will help them succeed. Such considerations are especially important for younger financial professionals who grew up in the age of tech and see digital experiences as essential to their productivity and brand. This includes extending tech solutions to customers through interactive Web client portals or mobile connectivity, which enable them to connect seamlessly with their advisor from anywhere.



## Mitigate Risk in the Post-DOL Era

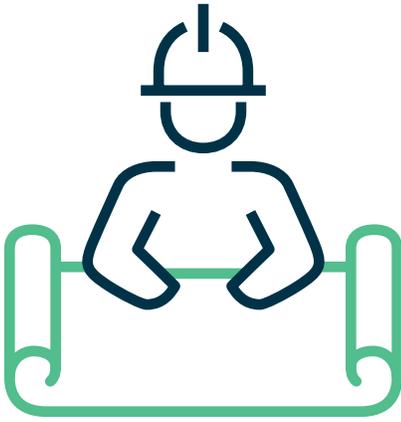
As well as providing capabilities that will help advisors grow and scale their businesses, an enterprise platform can help protect the firm in areas like risk management and compliance. In the post-DOL world, advisors and their firms must increasingly act as fiduciaries. Ensuring that a team of advisors is always meeting these high standards can be a challenge. With solutions that help advisors gain a deeper and more accurate view of their clients' financial situations, advisors can deliver the most appropriate advice, supporting their fiduciary role. At the same time, management needs a central system that satisfies requirements by archiving relevant documents, providing an audit trail of client interactions, and generating comprehensive reports.



# The Challenges of Implementation

Despite the many benefits of an enterprise-wide tech stack, it's no simple task to architect a future-proof technology road map that meets the requirements of all stakeholders in the ecosystem.





## Considering Legacy Systems

When selecting a new platform, the first challenge to consider is the integration of new systems with legacy technology, which may be decades old. Ensuring that a solution complements or replaces elements of an existing tech stack is complex. There are a number of difficulties that firms must address to achieve a successful implementation. The ways in which firms store data illustrates this challenge.

Enterprises often grow in disjointed ways. Over the years, they may have developed multiple data-management applications, each of which store information differently. In fact, it's common for a large financial services firm to have upwards of 25 incompatible data silos.<sup>8</sup> Organizational complexities like these inhibit technology deployments. Many digital projects fail because of deficiencies in collaboration, project management, and integration.<sup>5</sup>



## Future-Proofing Service Delivery

In addition to creating a tech stack that meets its current needs, enterprises must adopt a platform that will support new technologies for a decade or more. Because the pace of innovation is rapid, the last thing a company wants is to have to deploy another platform to utilize the latest breakthroughs in areas like artificial intelligence, machine learning, or augmented reality.<sup>9</sup>

The fintech vendor plays a critical role, not just in implementation, but in helping to define the technology road map. In fact, an experienced tech partner can address many of the challenges that firms face during implementation by:

- Helping enterprises understand the range and suitability of available technology solutions.
- Analyzing which parts of legacy systems they should retain and which they should replace. Digital transformation does not necessarily mean a complete re-platforming; it can also mean working intelligently to complement the existing technology ecosystem.
- Distilling the most urgent needs of the enterprise and setting priorities. This includes knowing which areas to address first and where the enterprise is likely to realize the greatest results in the shortest time.
- Forecasting future business and technology needs based on in-depth industry knowledge and software potential, and developing a technology road map that will account for both.

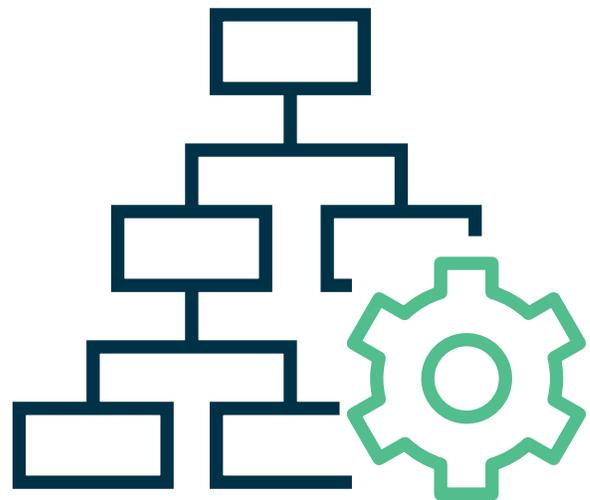
## Defining Technology Goals

Prepare your firm for a technology implementation by considering the following:

- Have you determined the technology goals that are most urgent, and those that are secondary?
- Have you evaluated your existing technology stack and established the elements that meet your business needs?
- Do you understand the parts of your tech stack you need to replace and those you can keep?
- Do you have an innovation road map that incorporates the latest technology?
- How will your business needs change over the next five to ten years?

## Selecting Your Stack

To overcome the challenges of implementing a new wealth management platform, managers need to identify a vendor who understands how to operate as a trusted partner and consultant; has the experience and technical acumen to deliver an expertly designed and developed system; and employs a proven process to ensure that the initiative runs smoothly from strategy to implementation, adoption, and maintenance.



# Identifying a Vendor

## The Three Ps to Consider



### Partnership

- Asks the right questions and understands technical and business needs.
- Communicates clearly and consistently, and with the right people at the right time.
- Focuses on delivering the right solutions rather than pushing off-the-shelf capabilities.
- Instills confidence based on a mutual interest in accountability, respect, and trust.



### Platform

- Offers a robust solution developed for the needs of both advisors and investors.
- Includes a range of scalable and sustainable capabilities in high-value areas.
- Provides firm-specific options for configuration, integration, and deployment with a flexible architecture.
- Protects data with a security-first approach and infrastructure.



### Process

- Articulates and executes a clear and well-defined plan after launch.
- Takes ownership of implementation and adoption.
- Has clear testing and contingency plans.
- Aligns activities to the strategic end-goals of the initiative.



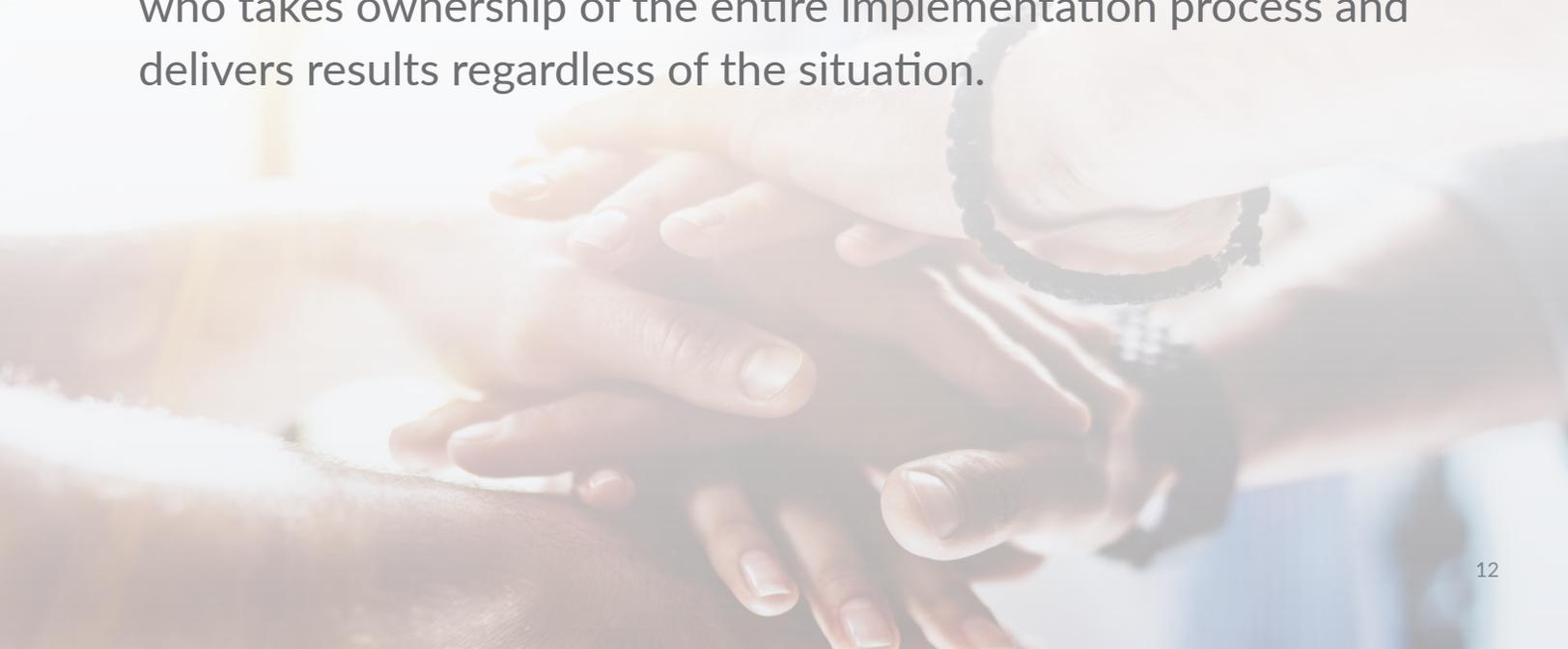
# The Power of Partnership

When it comes to delivering technological change, arguably the single most important factor is the ability to execute.<sup>10</sup>

The combination of software, professional services, training, and support transcends the platform's capabilities alone.

A good partner executes with conviction and within an appropriate time frame—qualities that are important for a successful deployment.

Choosing the right vendor can be the most important decision for an enterprise, more so than the technology selection. In fact, what an enterprise needs is a change leader—a partner who takes ownership of the entire implementation process and delivers results regardless of the situation.





### Asking, Listening & Understanding

Expect vendors to invest time and resources to thoroughly understand the intricacies of the project, including the capabilities and limitations of the existing technology platforms. Before making recommendations, vendors should immerse themselves in the company culture and ask detailed questions—not just about the firm’s technology goals but also about its strategic imperatives.



### Creating a Partnership

To successfully deploy a new technology, a fintech provider must build rapport within the enterprise, communicate its vision, and gain executive buy-in. The offering should include coaching and in-depth product education, as well as access to the vendor’s technology leaders and project managers.



### Building a Blueprint for Success

A good partner will help an enterprise inventory its needs and wants, identify deficiencies, prioritize challenges, validate its strengths, and provide a blueprint of how the technology implementation will complement—not just replace—elements of the existing tech stack.



### Achieving Success

A quality vendor will align project milestones to the overall strategic goals of the implementation. While plan adjustments may be inevitable in response to limitations or challenges, an experienced partner will proactively ensure the project stays on track to achieve its goals—and avoid becoming one of the 41 percent of large software projects that fail.<sup>10</sup>



### Building a Platform that Delivers

A strong relationship between enterprise and vendor is the foundation of any successful deployment. Building a cohesive and frictionless digital wealth management experience, that works as seamlessly for advisors as it does for investors, requires a range of technical capabilities.



### Providing a Client Experience that Differentiates

The client experience is an important differentiator for wealth management firms. Advisors need solutions that increase efficiency and scale, and help them build new, or deepen existing, relationships with clients who increasingly expect interactive digital portals, mobile access, and capabilities for communication and collaboration. A single enterprise-wide platform that provides these features will improve the experience for advisors and clients.



### Innovating in High-Value Areas

While the scope for technological change is broad, it is important that the vendor innovates in the areas that will create the most impact. For example, by aggregating client financial information using application programming interfaces (APIs), enterprises can secure direct feeds from information providers in real time. As the industry transitions to a fiduciary model, the vendor needs to help the firm streamline and scale an advice-driven service offering.



### Tailoring a Solution to Your Needs

Because each firm is unique, the vendor should provide a flexible architecture that delivers firm-specific configuration, integration, and deployment options. Newer fintech providers may struggle to understand the complexities of a proprietary ecosystem or older technologies. This inexperience may delay the project.



### Protecting Sensitive Client & Firm Data

In each of the last five years, an estimated 1,700 major security breaches have occurred, affecting over two billion records.<sup>12</sup> Security is paramount. To demonstrate that their data storage processes are robust and secure, vendors should share their Service Organization Control (SOC) audits. In addition, enterprises should review advanced security measures, including encryption, two-factor authentication, and even the physical security measures of their premises.



### Perfecting the Process

To successfully deploy wealth management technology, enterprises should consider vendors who can provide detailed project plans for the design, implementation, roll-out, adoption, and promotion of their platform. A well-structured strategy includes a series of carefully planned stages to prevent potential bottlenecks, as well as contingencies to address challenges that may arise. A well-designed plan mitigates risk and improves the likelihood of success.

## Six Steps to Successful Implementation

1

**Decide:** Vendors should ask questions and understand the needs of the firm, their advisors, and their investors. Expect your vendor to provide software trials, documentation and presentation resources, and a clear outline of expectations of both sides to facilitate internal buy-in from key stakeholders.

2

**Design:** Vendors should define the requirements and feature set; identify user roles and access; and determine other settings to tailor the platform to meet your firm's unique needs. Ensure your vendor has thought carefully about how your new platform will integrate within your existing infrastructure before signing off on the final delivery road map.

3

**Develop:** In the build stage the vendor should configure, test, and adapt the software features to create a tailored solution that meets the requirements established in the previous two stages. At this point, APIs are built, and data conversion can begin.

4

**Drive:** Before roll-out, the vendor should train administrators as well as perform thorough acceptance testing for all users. The tests should be developed around the requirements for the project to ensure that the software clearly meets the stated needs of your organization.

5

**Deploy:** The vendor should provide comprehensive user training, including advanced education for internal platform experts. This training may be delivered in phases based on the size of the firm. Adoption resources should also be provided or supported by the vendor.

6

**Delight:** The period after roll-out should include ongoing training and platform promotion to ensure that your firm is getting the most from its investment. Continued success will depend in part on a dedicated relationship-management team to support customizations and prioritize future goals.

## Questions to Ask Your Vendor

- Has an audit been conducted to identify deficiencies in your existing capabilities?
- How will they mitigate your implementation/execution risk?
- Does your potential partner truly understand your organization's technological and strategic needs?
- Are they experienced with connecting their APIs with older mainframe technologies?
- Do you understand the security processes your potential partners can and cannot provide?
- Can they provide a Service Organization Control 2 (SOC2) audit?
- Is there a defined, strategic process for implementation?
- Have you defined metrics for success?

## Conclusion

When it comes to digital transformation, enterprises face many challenges, as well as great opportunities. One of the keys to a successful tech deployment is working with an experienced wealth management vendor, one with deep knowledge of the regulatory landscape and legacy platforms in the industry. This vendor should offer a well-structured and proven methodology for enterprise-wide installations. Experience can often spell the difference between success and failure. With so much at stake, it is essential that enterprises partner with companies that have the know-how to execute with conviction in the required time frame.

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