

## 3 KEYS TO SELECTING A WEALTHTECH PROVIDER

Upgrades that maximize value and return on investment

When advisory firms look to improve their technology, there's almost always pressure to make those moves fast. Firms know that time to market can make or break the impact of a new feature or tool, and that upgraded technology will be far less impressive if it takes too long to get it in front of advisors and clients. But rushing important upgrades can create a patchwork of solutions that becomes expensive to maintain and ultimately thwarts advisors' abilities to deliver any real value to clients.

Celent sums up the challenges of effective technology improvements in its recent report, *Designing the Digital Wealth Management Client Experience*:

"Digital client strategies and experiences are, for the most part, partially implemented or in development; very few wealth managers have a fully enabled digital solution. This is a result of a complex background: stringent regulations, legacy IT systems, old processes, disconnected systems, cost pressure, internal cultural shift, and a changing client base."

In evaluating technology partners and creating a plan to implement new solutions, advisory firms need every advantage at their disposal. Here are three key elements to defining an organization's technology needs and selecting a solution that will provide a solid return on investment in the short term and will continue to deliver lasting value well into the future.

### 1. BUILD ON WHAT YOU'VE ALREADY IMPLEMENTED

Upgrading your technology shouldn't justify throwing away legacy systems and starting from scratch. Instead, consider how connectivity can help maximize past and future tech spends.

Start by looking at how data moves through your organization. Any upgrade should conform to your centralized data management practices and integrate with your current ecosystem. Prioritize solutions that allow you to reuse the same validated data multiple times in multiple applications across all of your internal systems and third-party platforms. Establishing this domain expertise will help your firm better leverage current technology investments and streamline future upgrades. Also make sure your vendor and your internal development teams are realistic about cost and time to market in light of the planned integrations.

Updated systems must also match the centralized or decentralized operations model currently in place at your firm. As more organizations move to proactive, centralized compliance and reporting groups, new technology providers should be able to seamlessly connect to that structure. For advisors with a decentralized model, new technology should streamline compliance and reporting tasks to offer more time to focus on revenue-generating activities.

### 2. PRIORITIZE MULTI-FACETED SOLUTIONS

Too many firms make technology decisions based on specific client demands or to patch an immediate problem. And in these times of urgent need, one mindset tends to prevail: "I have to solve this problem now, and I can figure out the other issues later."

But approaching technology upgrades in a silo is one of the quickest ways to deplete the long-term value of

your systems. Instead, select solutions that can grow with your platform. The ideal upgrade should work in various applications using the same interface and harnessing data that's already been validated. As new tools or components are added, they can be integrated into what you've already built.

Increasingly, this holistic approach to tech upgrades is becoming a business imperative. Organizations must be tactful in their shift to digital solutions. According to a survey of investment managers published by ESI Thoughtlab, digitally advanced firms now derive 39% of their revenue through digital channels, and expect that percentage to rise to 59% by 2022.

## 3. MATCH YOUR ORGANIZATION'S RISK TOLERANCE

Any technology development should align with your organization's risk appetite and tolerance. When considering new systems, firms should undergo a comprehensive review of risk across the entire enterprise, not just within IT. Consider potential regulatory risks, business risks and risks related to client expectations.

Data security should be a top priority when implementing new solutions that will interact with client data. As new solutions emerge, technology providers are beginning to offer services that provide common securityware across a range of data interfaces.

### NARROWING YOUR FOCUS

Ultimately, determining the right technology solution comes down to effective integration and seamless data management. It's about finding tools that fit into your current ecosystem and offer the most improvement with the least amount of time and expense. With this proactive approach, technology upgrades will be far less unwieldy and much more likely to yield lasting solutions.

All of InvestEdge's cutting-edge solutions empower today's wealth management professional to become a **Bionic Advisor**, satisfying current clients and bringing a new generation of investors on board. As a trusted partner, we deliver innovative thinking and proven technologies so leading advisors can stay competitive and grow their business.



#### Client Reporting

Reveal insightful and actionable reports tailored to a client's needs. This patented, award-winning technology saves advisor time with data gathering, report creation and assembly while also allowing them to configure what reports clients and their families can access.

[READ MORE](#)



#### Data Aggregation

Allow investors to see their total wealth. Our data aggregation tools allow advisors to analyze and report on assets, regardless of who manages them. Advisors on the InvestEdge platform can fully automate reporting of reconciled, asset-level data including balance, positions, transactions and performance.

[READ MORE](#)



#### Compliance Monitoring

Investment advisors must adhere to hundreds of strict compliance rules in an increasingly uncertain regulatory environment. Wealth management firms must be able to manage and track all investment recommendations to ensure they are in the best interest of their clients. InvestEdge enables firms to create customized investment recommendations for each client, implement those recommendations, and monitor investments to verify the decisions made align with clients' best interest.

[READ MORE](#)

If you would like more information about our award-winning solutions or would like to schedule a live demo, please contact Chris Ollendike at **610-747-0123 ext 132**.