


The critical role of **technology** in a financial practice

White paper



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ADVISORS

A man with dark hair, wearing a dark grey suit, light blue shirt, and purple tie, is leaning on a white railing. He is holding a black smartphone in his right hand and looking off to the side with a thoughtful expression. The background is a blurred cityscape.

“[Technology]...is a tremendous challenge. Laptops are failing. Systems don’t work how they’re supposed to.”

Meet Carlos

- Age 52
- Financial advisor
- Banker

Carlos was having another frustrating day at the regional bank where he works. He enjoys his job as a financial advisor and loves the opportunity to help his clients plan for their futures and realize their dreams. But the day-to-day challenges of dealing with inefficient technology in his office were starting to wear on him.

Imagine this scenario:

Every morning he logs in to Outlook to check his calendar, tasks and emails. Then he logs in to the firm’s CRM program to check client notes. Next, he goes in to their financial planning tool to review data for some clients. Then it’s back to the CRM, and then back to Outlook to check his next task. It’s a constant jumping back and forth between programs. On top of that, any time his team wants to produce a report, they have to reenter data from the CRM into their planning tool. It’s not uncommon for them to spend over 2 hours scheduling, running and reconciling reports before each meeting, all because their platforms aren’t integrated. It would be so much easier if all their data entry could be carried out in one place, so when changes are made in one program, everything would update automatically everywhere. He’s getting more and more frustrated because it’s not only impacting his own efficiency, but it’s hurting his clients’ experiences.

Our research

Carlos' frustration is not uncommon among financial advisors. In research conducted nationwide by Equitable Advisors in conjunction with maslansky + partners, we spoke with experienced advisors who are working at banks, wirehouses, RIAs, regional broker/dealers, insurance broker/dealers and independently. Seventy-six percent of them said it's important to have technology that enhances the client experience with an interface that lets you and your client connect, view, plan and stay updated with ease. One advisor told us that the technology used by their firm "...is a tremendous challenge. Laptops are failing. Systems don't work how they're supposed to."

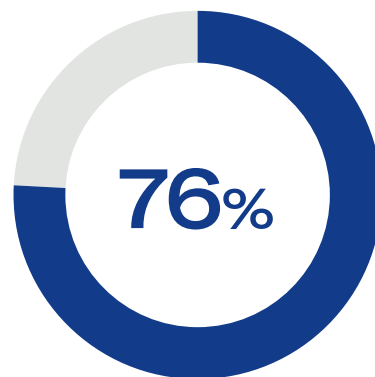
A common denominator for all the frustration is the lack of integration between tech platforms as Carlos experiences every day. So many advisors say the lack of integration between their core applications is one of their biggest pain points. We heard repeatedly that limited tech integration creates real productivity challenges.

Having access to the right technology — programs that are efficient and integrated — can enable advisors to drive efficiency like never before, and to build deeper relationships with their clients. Without it? Advisors can pay in a big way — not only in frustration, but in terms of dollars and clients. A 2022 report by Advisor360° found that 65% of advisors surveyed from a wide range of firms across the industry have lost business from clients or prospects due to outdated wealth management technology.

That's why we decided to look at the state of technology as it applies to advisors: How we got where we are today, where we're heading, how integration is one of the keys to success and how technology can help enable advisors to truly put clients first.



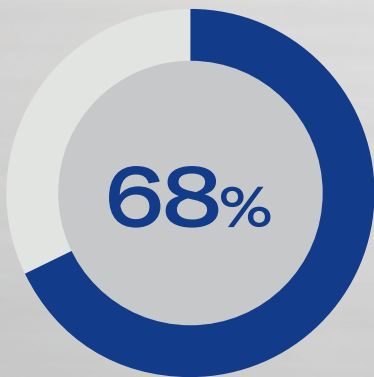
76% said it's important to have technology that enhances the client experience



The current state of fintech — and how we got here

In our research and conversations with advisors nationwide, we heard sentiments like these expressed over and over. Technology has never been more critical for the work of financial advisors and for the success of their clients.

The use of digital tools in the financial industry has come a long way and continues to evolve at a rapid pace with more tools available than ever before. And their importance has particularly increased since the pandemic with the need for remote access and communication. Today, clients are simply demanding it more. They're used to being able to connect through any channel.



According to a study from McKinsey Asset & Wealth Management Practice, 68% of emerging affluent investors now prefer a hybrid form of advice.

Technology must enable advisors to respond to that demand, serving clients better by accommodating their time with virtual meetings and digital tools that allow for greater flexibility and efficiency to meet everyone's new "hybrid lifestyle." As one advisor told us, "...the pandemic...catapulted our technology past everything."

Financial tech has been evolving at a more rapid pace, providing a faster way for advisors to keep up with the markets and deliver more up-to-date information to their clients. Following the 2008 financial crisis, new digital investment areas emerged, such as cryptocurrency, using blockchain technology. Smartphone adoption and usage exploded over the last decade, providing consumers with a new way to access the internet (including their financial information) and to communicate.

"In our mobile environment, it's key that technology isn't outdated."

“The technology aspect of what we do is much more critical today.”

Advisors can now reach new prospects via emerging online platforms, including social media as a marketing tool. And as noted above, the pandemic brought more change as technology became a necessity and not just a convenience. Covid also illuminated the importance of collaborative technology so that advisors and clients could work in tandem on plans and strategies.



The promise vs. the reality of financial tech

Technology should work for advisors, not against them. It has the potential to do so much.

But as many professionals like Carlos experience every day, that's just not the case. They're stuck using different technologies that are disparate and not connected to each other, which impacts efficiency, and in some cases, may drive an advisor to look for a new job. As one advisor told us, "Technology would be one of the front runners for me to switch companies."

67%

value access to a single sign-on digital financial services platform with an integrated set of applications, allowing for a seamless look across all client account types and process business

62%

want digital tools and administrative support to efficiently and effectively run their practice

44%

said that technology that doesn't integrate across financial services and product platforms is a non-starter for them when considering moving firms

76%

who preferred an independent model said the quality of technology available was a moderate or major concern when considering a move

Other research bears this out. More than half (58%) of the respondents surveyed in Advisor360's Connected Wealth Report classified their technology as "modern," but only 3% would call it "integrated and innovative." And nearly 30% of advisors believed their current technology was holding them back when it comes to new business.

Today technology touches almost every area of financial services.

Three of the most critical tools for financial advisors are:



Customer Relationship Management (CRM) software

Help advisors keep track of their clients, organize contact information, schedule meetings, etc.



Financial planning software

Build comprehensive financial plans for clients with the ability to track income, expenses, investments and debts, as well as create a budget and track progress toward meeting financial goals.



Portfolio accounting software

Help track investment portfolios, billing and reporting.

Firms now have added capabilities to consolidate and integrate their applications for increased convenience and efficiency, both for advisors and their clients.

Tech solutions exist to provide clients with an integrated portal experience and to allow advisors to connect with key, leading third-party tech systems and providers for a seamless, secure connection of data across platforms.

Overall, advisors love the potential of technology, as long as those digital tools are making their jobs easier, not harder. And therein lies the problem because there's still a big gap between the promise of financial tech — all that it can do to drive efficiency for a practice and to improve the client experience — and the reality of how it's actually being used by many advisors every day.

The tech advantage: powering your practice and serving your clients

A cohesive, interconnected set of tools is essential to running a successful financial services practice today.



Advisors need the ability to choose from a range of options; to decide what tech works best for them, rather than being saddled with a limited tech suite chosen by their firm. They need advanced, efficient technology to reduce the hassle and cost of running a growing business to make the most of their time and to build and deepen client relationships. The tools are available. Integration is the key — bringing all the data together.



When technology works for advisors, they're free to be able to focus on putting their clients first, to build tailored strategies and to easily educate and guide clients. The right integrated tech allows advisors to understand and track clients' progress as they maintain the relationship over time; to help clients make sure they know where they are relative to their goals and objectives. Simply put, it makes everything easier, providing a seamless experience and enabling every step in the process — from quicker onboarding to more easily staying up to date with critical information that's readily available (statements, portfolio, market trends, etc.).



In a truly tech-enabled practice with access to a full suite of integrated digital tools, financial advisors are empowered, not encumbered. And the sky's the limit on what efficient tech can do: from applications that can shorten sales cycles or expedite the product implementation process, to web-based and CRM tools that are accessible on multiple-device platforms, to creating personalized, interactive, visual reports for clients.

The future looks brighter than ever for advisors who are empowered by technology solutions that are fully integrated and flexible enough to provide true **anytime, anywhere** efficiency. This is the technology advisors have been promised, allowing them to better serve their clients, increase client retention and increase their own earning power as well.

At Equitable Advisors, we put technology and integration at the forefront of all we do with digital tools that help provide powerful analysis, giving advisors more time and less paperwork.

Equitable Advisors is a firm built by advisors for advisors. Equitable Advisors is the wealth management division of Equitable, with a proven track record of helping advisors and clients pursue what's possible. As a U.S. company with roots going back to 1859, Equitable offers the financial scale and resources that come with generations of experience and a commitment to helping improve financial lives.

To learn more, visit equitable.com/exp-advisors or contact us at equitableadvisors@equitable.com.



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- 1 Equitable Advisors Wealth Management Language Strategy, maslansky + partners, June 2022.
 - 2 U.S. Broker/Dealer Marketplace 2020, The Cerulli Report.
 - 3 The Five Stages of the Advisor Movement Journey: Insights from the 2020 Advisor Movement Study, Fidelity Investments.

Important

For purposes of this discussion, “advisor” is used as a general term to describe insurance/annuity, investment sales and advisory professionals who may hold licensing as insurance agents, registrations with broker/dealers and registrations as investment advisory representatives (IAR) of registered investment advisers, respectively. “Advisor” in this context is not intended to necessarily refer to IAR offered fee-based financial advisory/planning services.

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