

Making the case for digital transformation

A look at modernizing infrastructures, the choices involved, and why broker-dealers and financial advisors should care.



Today's digital transformation

The adoption of technology in financial services is still in its infancy. There's vast opportunity for broker-dealers to modernize their businesses through technology—what we at Advisor360° call their digital transformation.

Most financial services companies still have a tremendous number of manual- and people-intensive processes. Wherever a manual process exists, there's a good chance waste and human error exist, too. Digital transformation represents the most significant opportunity for banking, insurance, and independent broker-dealers as well as roll-up RIAs contending with inconsistent data, multiple applications, and regulatory environments to increase productivity and AUM revenue, lower operations costs, and reduce regulatory risk.



Today's market conditions: The catalyst for digital transformation

Enterprise-level broker-dealers and their advisors have one key objective: provide the best service possible for end clients. Easier said than done with consumer expectations, governance, and technologies in a state of flux.

- **Changes in regulation and compliance requirements**—following old policy practices can put advisors at risk. Yet, policies change frequently and often without advisors' knowledge.
- **Increasing investor expectations around returns and satisfaction**—as economies recover from the COVID-19 pandemic, more investors focus on company resilience and how organizations continue to evolve business operations.
- **The technology “arms race” in financial services**—as the who-can-outbuild-who technology war accelerates, investments in building outstanding advisor and client portals become significant.



How to achieve digital transformation

Today's digital platforms must alleviate advisors' pain points—the things that prevent them from doing their jobs. Operational inefficiencies, disparate systems, choices within a tech stack, regulatory and compliance challenges, and communication with clients all get in the advisors' way, cost a lot of money, and slow productivity to a crawl.

We believe an optimized end-to-end wealth management platform is the only way to modernize the broker-dealer business model. A successful digital transformation strategy helps deliver productivity benefits to advisors and achieve actual back office efficiency gains.

The paradox of choice

Some have asked, "Can't I just build my own platform?" We applaud the entrepreneurial spirit behind building a better mousetrap. (That same spirit is the backbone of our business, too!) But we think the more appropriate question is, "Should I build my own platform?"

Wealth management firms struggle with integrating their core transactional platforms with the other systems required to run an enterprise. Integration includes books and records, compliance, commission management, advisor desktops, SMA/UMA model marketplace, enterprise workflows, document imaging, and the list seems to get bigger every year. Firms create "homebrewed" systems or manual processes to operate their businesses; however, complexity of choice and unified platform performance present hurdles. Some broker-dealers go the route of building their own platform while others bring in and assemble numerous third-party systems, triage, and merge them to create a seamless, unified digital platform.

Most often, projects fail to meet their objectives due

to incomplete requirements, disengaged project sponsors, inaccurate estimates, unanticipated risks, unknown dependencies, limited resources, or poor project management.

According to a report from the Project Management Institute (PMI), 14% of IT projects fail, and of those that didn't, 31% didn't meet their goals, 43% exceeded their initial budgets, and 49% were late.

In fairness, the systems and processes companies have built got them to this point. But when the future comes calling, are they scalable enough to meet demand? Most aren't.

The rate of technology advancement is both a blessing and a curse. Today, there are more technology options than ever before, including vendors, languages, open-source frameworks, and architectures. Every choice has a short- and long-term impact. With today's uncertainty, technologies are almost guaranteed to change, requiring solution reengineering and investments in new labor skills.

In the end, the broker-dealers who build their own platforms or curate varied technologies are crushed under the weight of complexity, increasing their ops and infrastructure costs, reducing efficiency, and muddying regulatory compliance—the very problems they set out to avoid in the first place.

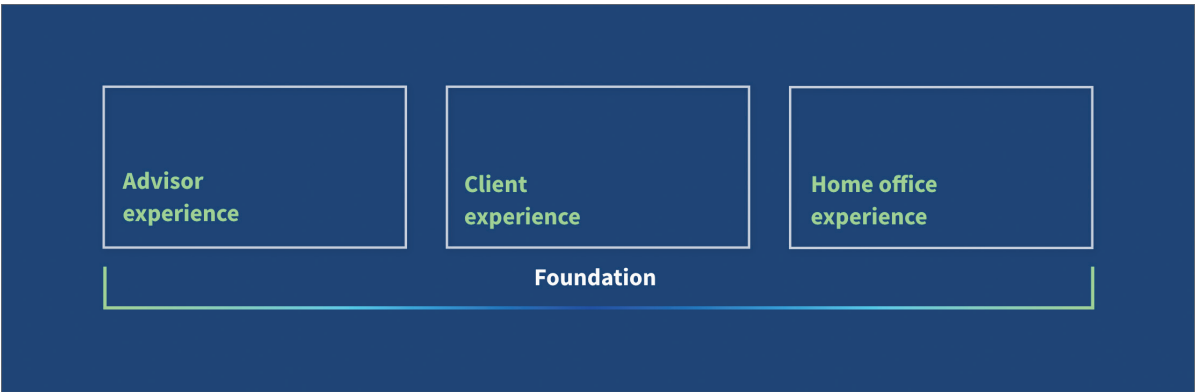
Productivity driven by data

Beyond cost, companies must consider the user experience. Even if the front-end build is well-conceived, the lack of common underlying data sets for trading, reporting, portfolio rebalancing, customer household information, document management, planning, and proposal generation workflows radically complicates usability.

It's critical to organize data by household instead of by account. Doing so allows for a holistic, unified view of clients between and among all the software components used. The most formidable platforms use direct data feeds to gather, collect, and cleanse data per the needs of different advisors, all communicated through a common UI.

Direct data feeds: Great platforms delve into numerous direct data feeds. Data are reconciled, scrubbed, and enriched using automation, AI, and in some cases, human intervention.

A common UI: A common UI with a single sign-on is table stakes. The UI must be seamless, with a household data view from home office to advisor portal to client portal. Broker-dealers can't buy their way into this experience; it must be built.



Holistic Software as a Service platforms are key

Before Software as a Service (SaaS) models became prevalent, organizations most commonly relied on enterprise data warehouses as central repositories for consolidated data from disparate transactional systems for analytics and business intelligence. Data warehouses, despite almost 30 years in existence, are notoriously difficult and expensive to implement. The failure rate of data warehouses and analytics projects is high, and warehouses do not solve the inherent problem many companies face: diverse systems integration.

A holistic SaaS solution integrating enterprise data—the most critical business value-driver in financial services—best meets the needs of broker-dealers and their clients.

Five benefits of transitioning to an integrated wealth management platform

For chief compliance officer, chief operations officer, chief financial officer, or the head of advisor recruiting, the benefits of an all-in-one SaaS platform are enormous:

1. Supervision

By aggregating all assets and relevant systems that leverage the same data under one roof, supervisors only need to look in one place. Further, branch audits in a post-COVID world are streamlined since many audits can happen via the centralized system of record.

2. Operational processing

Dashboards let broker-dealers and advisors access staff performance and pinpoint bottlenecks. Operational metrics show high rates of straight-through processing (STP) and opportunities for greater efficiency. NIGO (not in good order) rates are easily tracked, showing training and performance opportunities.

3. Recruiting

Showing an advisor how easy it is to run their practice with everything in one unified system generally makes a recruiter's life easier, enabling the firm to grow—and retain—top advisors.

4. Cost and scale efficiencies

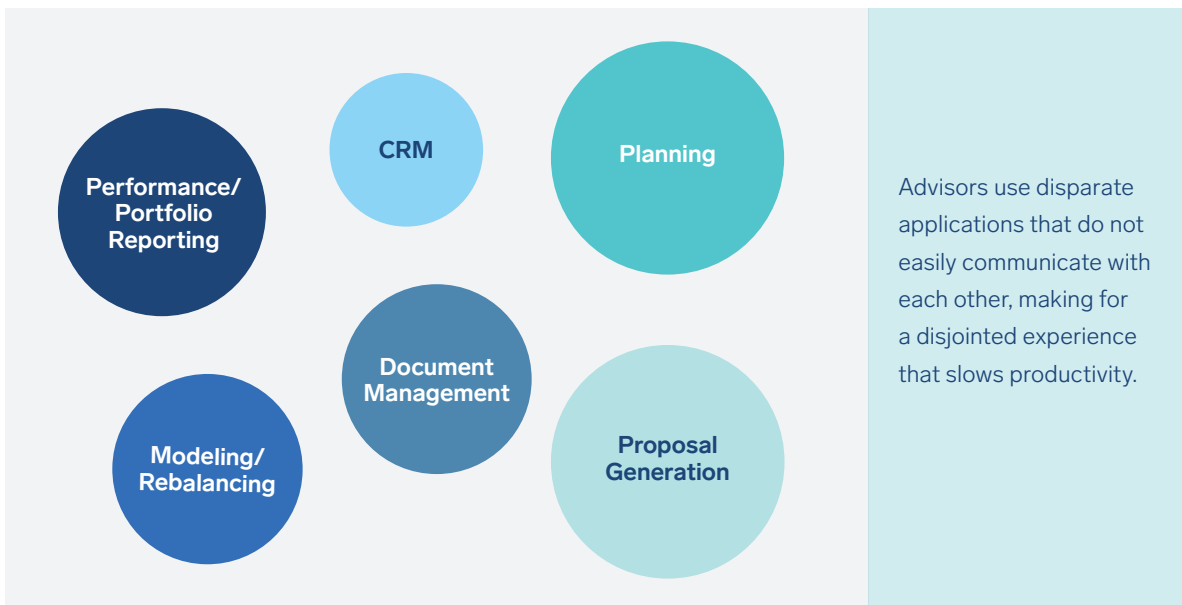
Scalability is the lifeblood of any wealth management firm. By reducing the number of vendors used, scale gets easier to manage and results in cost synergies.

5. Productivity

A configurable, all-in-one platform creates significant productivity for those in the field to sell more and improve client service.



Digitally transform your wealth business by eliminating siloed wealth experiences



How can Advisor360° help you?

Manage your business, not software and infrastructure. The complexity of legacy technology with multiple systems and data silos—all of which are hard to integrate—makes it difficult to achieve connected digital wealth experiences for most businesses. Advisor360° transforms how top wealth management firms deliver digital wealth experiences by removing the need to manage software and infrastructure and empowering them to focus on what they do best: managing their business.

Advisor360° provides a single SaaS platform that manages the wealth needs of all advisors, broker-dealers, and investors across all lines of business—from investments to banking to insurance—while integrating with your existing technology footprint. The results are increased growth, greater efficiency, and deeper relationships.



Connected experiences for advisors, clients, and your home office staff

Our platform runs three distinct connected experiences; configurable, easy-to-use interfaces; and dashboards that dynamically combine Unified Data Fabric™ data with the features, capabilities, and integrations required for the specific needs of each user.



Advisor experience

The advisor experience allows advisors to manage and grow their book of business in one place.



Client experience

Our client experience lets advisors' clients see integrated, holistic views of their complete financial lives through a simplified interface.



Home office experience

Our home office experience lets firms efficiently run their broker-dealer/RIA with configurable features that adapt to their business.

Advisor360° provides a comprehensive and unified approach to managing the digital wealth experience for your advisors

Manage the digital wealth experience on a unified platform

Our platform manages the wealth needs of all stakeholders across all lines of business while integrating with your existing technology footprint to provide a rich and unified approach to digital wealth management.

Drive better outcomes with technology purposely built for the digital wealth experience

Decisions and results cannot come from data that is inconsistent and disconnected and from software that is hard to manage and use. Our technology leverages a proprietary approach to simplify and unify your data while our configurable development model and intuitive applications speed up your time to market and empower smarter, faster decisions.

Stay ahead of new demands with experts who continually innovate for your business

In today's constantly changing world of wealth management, you need a partner with experts who understand your business, help you build trust with advisors, and continually innovate to help you grow. We combine our decades of wealth management industry experience along with our enterprise software expertise to deliver frequent, innovative solutions configured for your business—all while keeping your data secure and private.

Empower your advisors to increase growth, maximize efficiency, and build deeper relationships with end clients.

Staying one step ahead of the digital transformation occurring in wealth management isn't easy. Advisor360° helps you empower your advisors to increase growth, maximize efficiency, and build deeper relationships with end clients.



 **Learn more**

Discover how Advisor360° can help you achieve your digital transformation.
Contact us to speak with Sales. advisor360.com/contact-us

Advisor360° is a Software as a Service provider that builds and delivers integrated technology for wealth management firms. The company's proprietary Unified Data Fabric™ synthesizes complex and disparate data streams into one platform for a highly sophisticated wealth planning solution. Today, 3 million households representing \$1 trillion in assets benefit from the integrated Advisor360° experience.

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