

# Going Digital: *One Critical Tech Tool Driving Wealth Management Growth*



Warning lights are flashing over a widening wealth management technology gap.

On one side are a growing number of investors who, regardless of their level of digital expertise, say they are increasingly comfortable with online activities.<sup>1</sup> Ernst & Young recently reported that “51% of wealth management clients plan to make greater use of digital tools in the future.” Not surprisingly, it is even higher for millennials at 78%.<sup>2</sup>

On the other side is the distressing fact that only 36% of advisors “heavily embrace technology” to take advantage of client-centric tools like eSignature capabilities and digital marketing and prospecting solutions.<sup>3</sup>

It is a problem. Investor expectations are changing, and they want access to information and sophisticated tools to manage their finances. As a result, they are leveraging technology for a more personalized, relevant and collaborative relationship with their advisors. Going digital, therefore, is no longer a luxury but a requirement for wealth management success moving forward. While baby boomers still control the majority of wealth in the United States, 2020 marked the first time that millennial assets reached \$10 trillion, so it is a technology trend that will only continue.<sup>4</sup>

Specifically, the need for access and customization on the part of investors is driving demand for digital investor portals. They serve the dual purpose of satisfying client needs while radically increasing advisor efficiency, which is critical to combating ongoing fee and margin compression. Manual tasks like data entry, form fulfillment and paperwork completion, among others, are automated, saving time and resources. Autofill and auto-complete capabilities instantly populate multiple fields, eliminating repetition. Investors are able to perform basic tasks such as asset movement, mobile check deposit, eSignature, account opening and eDelivery. Advisors can also configure alerts to ensure clients are up-to-date with the latest account information.

The client portal is often the first interaction or “point-of-entry” for a potential client, and if the design is both impressive and operationally effective, it is a win-win for all involved. The portal’s self-service nature means greater investor oversight and involvement while freeing advisors to focus on tasks that strengthen relationships and increase revenue. Mobile-ready portal options also give clients the ability to access information from anywhere and at any time, in keeping with the on-demand capabilities they increasingly expect.

Importantly, digital portals are scalable and can accommodate a diverse range of clients segmented by age, asset size and any number of other characteristics. Access can then be granted by the advisor to allow certain functions and features to serve their unique needs. Americans with Disabilities Act (ADA) compliance can also be incorporated to assist those who are hard of hearing or sight-impaired. As clients age and assets and account balances grow, advisors can introduce new features to fit with their life stage, keeping the relationship fresh and timely while ensuring suitability.

More specifically, digital client portals mean a simpler, speedier and more secure digital experience that allow investors and advisors to:



## Improve the Client Experience

Empower clients with convenient online access to their accounts, wherever and whenever they need it, but keep the advisor actively involved and connected throughout every aspect of the relationship.



## Gain Efficiency

Clients can view their consolidated portfolios, access gain or loss information and request asset movements. It allows the advisor to devote more time to enhancing client relationships, gathering assets and building their business.



## Strengthen the Brand

Portals can be white-labeled to extend the firm's brand. Control and access settings allow the advisor to offer specific content and features to clients for a unique and tailored experience best suited to their needs.

No two clients are alike, and neither are their digital demands. Through the use of client portals, advisors have the opportunity to exceed expectations and maximize their “wow” factor to keep investors engaged, informed and retained as clients while increasing the firm's efficiencies overall.

<sup>1</sup> “How wealth firms can create digital delight among clients” May 4, 2021. [wealthprofessional.ca](http://wealthprofessional.ca)

<sup>2</sup> “How digitalization can drive personalization in wealth management” [ey.com](http://ey.com). April 22, 2021

<sup>3</sup> “Tech-Heavy RIAs Rise to the Top” [riaintel.com](http://riaintel.com). October 19, 2020.

<sup>4</sup> “Young American Adults Top \$10 Trillion in Assets for First Time” [bloomberg.com](http://bloomberg.com). January 29, 2021