



“Implementing Tamarac was one of the best investments we’ve made. This partnership truly transformed the way we do business, by eliminating paper, increasing efficiencies, reducing the potential for trade errors, and streamlining our workflows.”

—Herman Lentz, Corrado Financial Group

Advisor Perspectives: Four Tech Trends Shaping the Future

At Envestnet | Tamarac®, we believe nothing is more important than your ability to help your clients on their journey toward financial wellness. And increasingly, technology is revolutionizing the way you interact with your clients.

During uncertain times such as these, we’ve learned from the most successful RIAs one thing for certain: integrated technology helps them manage through complicated times. Do you have the right tech tools to meet your clients’ comprehensive wealth management needs in today’s market conditions and beyond?

In this special report, we look at survey results from a cross-section of RIAs to underscore attitudes toward technology, such as how advisors see the needs of their clients evolving and how are they looking to position their practices for the future. We examine top trends and explore the role of technology, now more critical to successful advisors than ever before.

“As a result of our partnership with Tamarac, we’ve been able to grow our business in a way we could never have before. Tamarac’s advanced technology provides us with real operational efficiencies, and we’re equipped to deliver a better client experience and a higher level of service.”

–Mike McCarthy, Financial Consulante

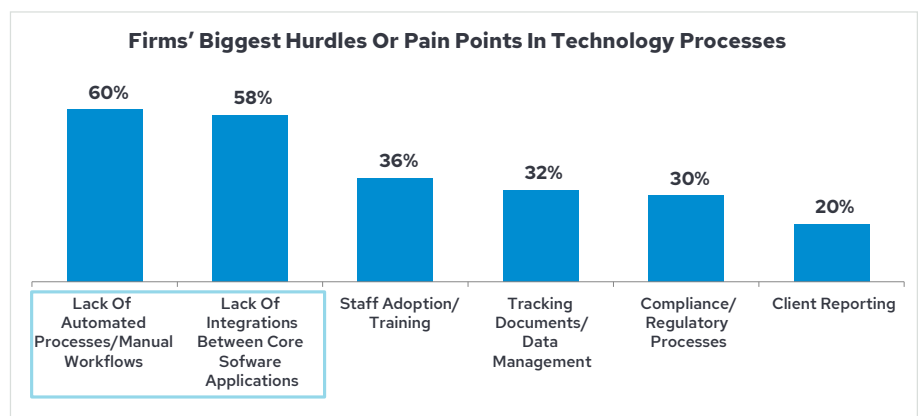
Four tech trends

How do you see technology transforming the future of your wealth management business? Here are four technology trends that are top of mind for today’s advisors, based on recent surveys. By more fully understanding the perspectives of other advisors, you can develop a long-term tech strategy for your business’s steady growth.

1. Advisors increasingly view technology as a strategic imperative for growing their business

Firms increasingly view technology as a strategic imperative for growing their business, not just a means for maximizing efficiency and improving the bottom line. When asked about their biggest hurdles around technology, 60% of advisors point to a lack of automated processes and manual workflows, and 58% point to a lack of integrations between core software applications.

The lack of integration is a more significant challenge for larger firms with more than \$500 million in assets under management. This is likely due to the fact that larger advisory firms have acquired more software over time and struggle to get those pieces working together.



Source: InvestmentNews, 2019 Adviser Technology Study.

2. Advisors’ investment in technology continues to rise

When asked in the “InvestmentNews 2019 Adviser Technology Study” how their technology spend has shifted over the past few years, advisors report a 17% increase in tech spending in 2018. On average, firms spent \$116,000 on technology in 2018, nearly double that of five years ago, according to the study. And the pace of their technology spend shows no signs of slowing down. Firms report spending 1% to 3% of their revenue on technology, with software comprising 57% of their total tech expenditure, up 22% year-over-year.

What is guiding advisors' technology spending decisions? For the advisors surveyed, top considerations focus on the client experience and productivity gains, with 72% looking at new technology investments to enhance the client experience and 65% looking at new technology to improve productivity gains. Beyond these top two priorities, 55% believe new technology investments will increase profitability and add value to their business.

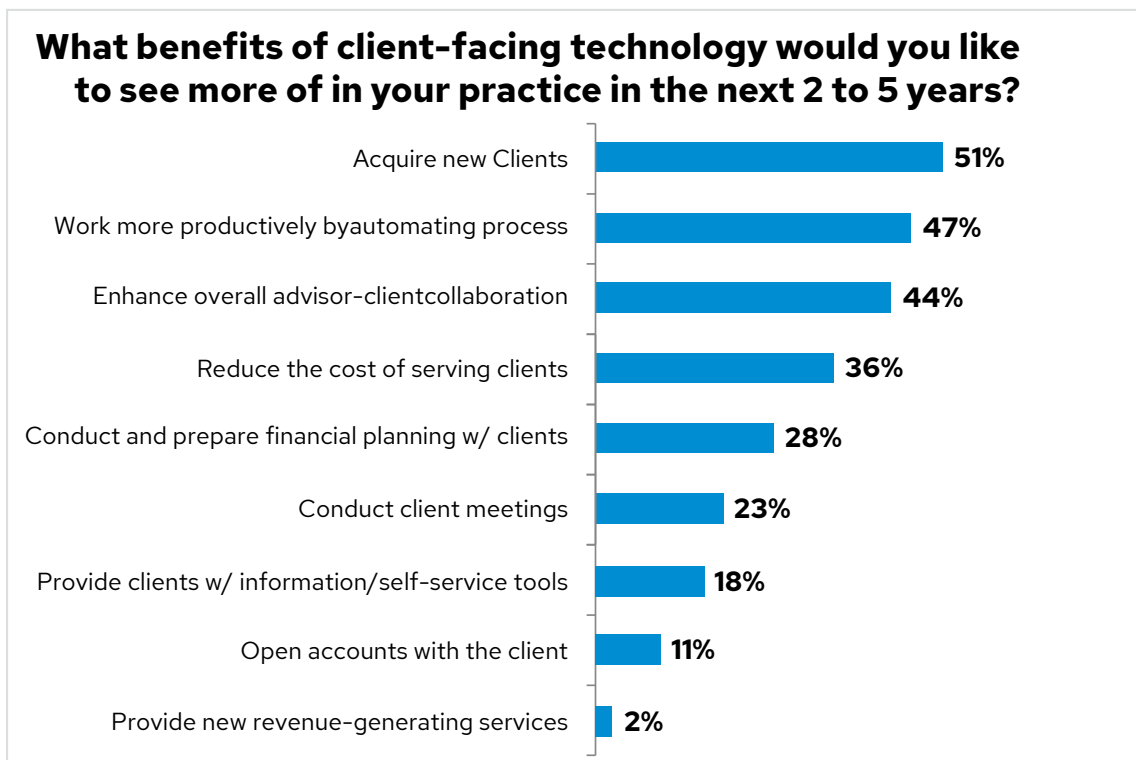
Overall, advisors view technology as a primary vehicle for elevating the client experience. From compounding their ability to deliver more seamless digital touchpoints to helping their clients achieve better outcomes, technology is changing the way advisors engage with their clients.

3. Advisors recognize the clear benefits of client-facing technology

When advisors look forward and think about client-facing technology over the next few years, they see many opportunities to enhance their practice. More than 50% of the advisors surveyed point to the acquisition of new clients as a top benefit. These advisors see digital tools as essential for engaging younger prospects and the next generation of clients, especially given the impending transfer of wealth and the importance of engaging their client's children and heirs. Increasing productivity and reducing costs for serving clients ranked second at 47%, underscoring their focus on reducing the cost to offset growing fee pressure and increasing efficiency to expand the number and range of clients they support, and the level of services offered.

“Our business model required a technology partner to support the productivity of our business and a platform that offered advisors the most advanced tools available. Only Tamarac could provide what we needed.”

—Michael L. Reed, Dakota Wealth Management



Source: Aite Group's survey of 98 independent Registered Investment Advisors, April to June 2019.

“The decision to move our trading, reporting, and CRM under one integrated platform through Tamarac has made the most significant impact on our firm.”

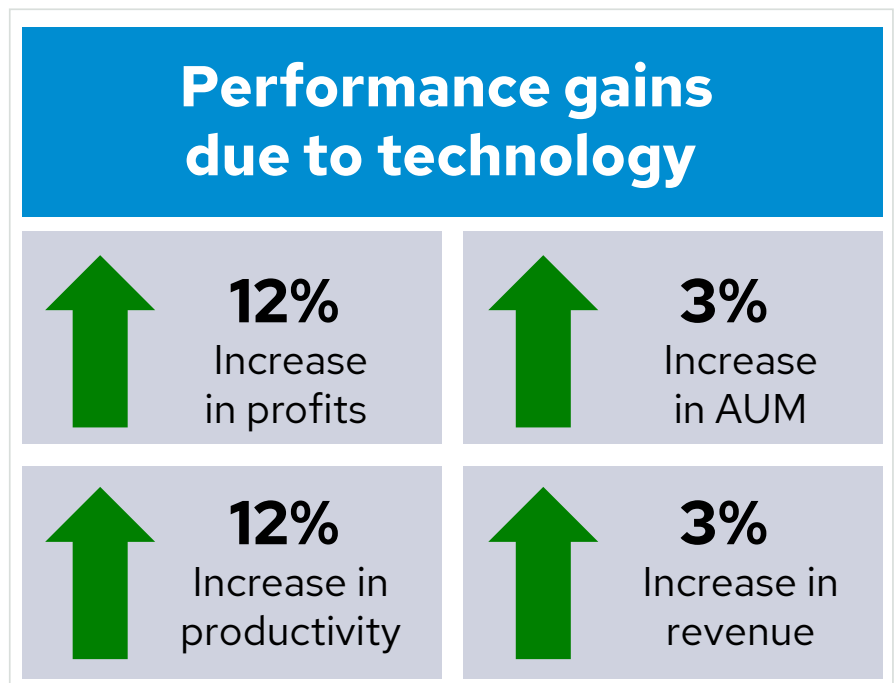
—Mark Willoughby, Modera Wealth Management

4. Technology integrations help wealth management practices grow their business

When asked how technology integrations would help them drive their business forward, wealth management firms point to three strategies that would make the difference:

- **Differentiating Experiences.** Advisors look for tools that create a more collaborative and differentiated wealth experience for their clients. Video statements and account aggregation were two examples most frequently cited.
- **Audit Tools.** Advisors use technology to help manage regulatory best practices and prepare for audits. They look to tools like trigger alerts that provide alerts about potential risks and reporting that demonstrates suitability and best interest to help them capture more client data supporting investment recommendations.
- **API Innovation.** Advisors who adopt solutions powered by APIs see increases in sales, net income, market capitalization, and intangible assets. They view virtual assistants, chatbots, and electronic signatures as innovations that can help drive efficiency.

When advisors look to the gains enhanced technology solutions could add to their practice, they see a marked increase in profits, assets under management, productivity, and revenue.



Source: BNY Mellon | Pershing, Wealth Management Firms: Three Tech Integration Strategies for 2019, February 28, 2019.

The benefits of an integrated technology platform

While many advisory firms focus on building in-house technology solutions, these builds are time-consuming, can lack the needed infrastructure support, and require an ongoing financial commitment. Most importantly, in-house solutions can be put to the test, especially in challenging markets, when trading and rebalancing volumes can rise to unprecedented levels.

Successful advisors choose outsourced technology solutions for many reasons, including:

- Efficient operational experience. A unified technology platform can help reduce operational expenses, lower costs, and support business growth.
- Business productivity. With the ability to create end-to-end workflows that automate most of their regular business processes, advisors can provide clients with a more holistic wealth management approach.
- Increased efficiency. From enhanced reporting to trading technologies, advisors can gain more efficiency through scalable solutions that allow them to streamline their business and operate more profitably.
- Deepened client relationships. With less time spent on back-office processes, advisors have more time to strengthen client relationships.

Conclusion

The Investnet | Tamarac Difference

At Investnet | Tamarac, we are committed to delivering the integrated technology platform you need. For more than 20 years, we've been serving the needs of RIAs, offering a full complement of tech solutions to help you optimize your business.

As you evaluate your technology stack and think about the future needs of your business, connect with a Tamarac professional to help you sort through the options. We're committed to providing you with the technology solutions necessary so you can help your clients achieve better outcomes.

For more information on Tamarac, please visit www.tamaracinc.com or call 866-525-8811 and follow @ENVTamarac.

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