

Data Analytics Is Revolutionizing Wealth Management

Today, we are seeing significant changes in how financial services information is curated and delivered. Firms are looking for more efficient ways to acquire insight from ever-increasing amounts of data so they can monitor the effectiveness of their products, strategies and resources. As a result, data analytics and data visualization are proving to be useful tools for the wealth management industry.

Data visualization is the presentation of information in a vivid, visual context that helps users better understand and quickly grasp the significance of the information. Keeping in step with clients and peers means using digital visualization techniques to explore data and track key performance indicators.

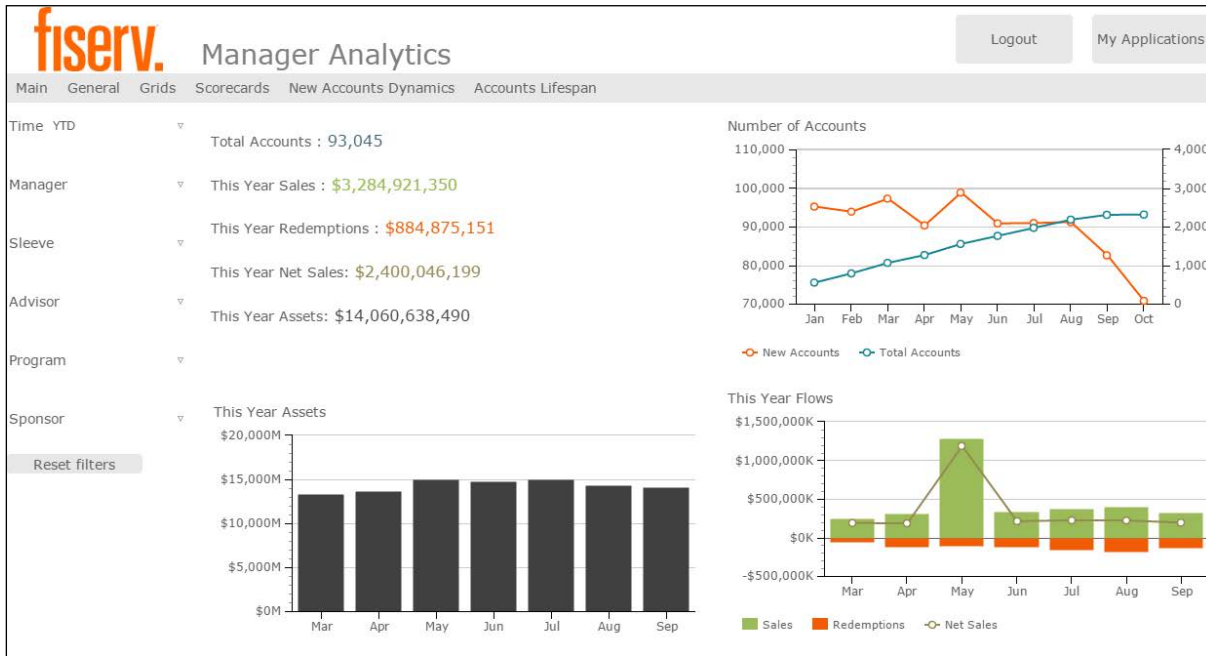
There is an important opportunity for asset managers and broker-dealers to curate information—selectively organizing and displaying important data views in easier, more accessible and more meaningful ways to help achieve greater insight and understanding.

The Next Frontier

The amount of data generated each year is growing exponentially. More data has been created in the past two years than in the history of the human race. By the year 2020, about 1.7 megabytes of information will be created every second for every person on the planet, according to a September 2015 blog post by Forbes technology contributor and big data expert Bernard Maar. With exploding growth in data volume comes the need for businesses to organize, interpret and act on the information in real time to stay competitive. Data visualization techniques improve the ability of business leaders to identify trends in a vivid, graphic context. It also lets them see and grasp important connections and identify new opportunities.

Wealth managers need to readily assess assets under management, account growth, and fund inflows and outflows across different time periods and accounts and between different managed-account sponsors and managers. Better analytics and visualization tools add value to the data. Clients are not only looking to pull reports from data, but they also want to use it more effectively to make informed investment and business decisions. So it's about more than just data; it's about making it actionable, meaningful and delivered in useful dimensions and formats.

Digital visualization techniques let managers, sponsors and sales organizations more effectively plumb the data and understand how to use it. For example, managers may want to know the effectiveness of their sales groups, while sponsors may want to know the level of their data distribution around managers. By giving different audiences access to the same information, one central database lets different users access the data in ways that meet their needs.



Graphic visuals help to tell a story and improve our ability to grasp comparisons and see connections between data sets.

Data as Strategic Asset

To stay competitive, firms need immediate access to data in easy-to-digest and useful formats. In the future, asset managers in the model management space can look forward to data views and visualization capabilities that let them learn how their models are used and distributed and how they perform.

They also will be able to identify important trends and assess model usage and penetration across sponsors. For sponsors, the future will bring data visualization of their model data so they can quickly identify the top investment managers, strategies and financial advisors, and readily compare each category. The integration of data and digital processes makes that all possible.

Data is a strategic asset. Well-designed and thoughtfully constructed visualization applications let users explore their data, identify top trends and determine where best to apply additional resources or training.

About the Author

Michael Snizek is a product manager in Investment Services at Fiserv and leads the division’s data analytics initiative. He is also product manager for the Model Manager Reporting application as well as other reporting and analytic initiatives. He has worked at Merrill Lynch and UBS, where he most recently was the ETF product manager.

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Fiserv, Inc.
255 Fiserv Drive
Brookfield, WI 53045

800-872-7882
262-879-5322
getsolutions@fiserv.com
www.fiserv.com

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