

Digital transformation introduces wealth management to a new generation

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Cheryl Nash, President, Investment Services at Fiserv, drives the strategic vision and direction of industry-leading technology solutions serving the wealth management industry.

Technology automates industrial processes and takes tasks away from people to drive efficiencies. With this in mind, robo-advising is a trend that has been discussed a lot recently in relation to wealth management. For many, the idea of this may conjure visions of technology gone haywire – the advice industry decimated by robots applying cold, hard algorithms to instantly serve the wealth needs of the mass affluent.

Thankfully, the role of technology in wealth management is not simply to automate, but to complement and facilitate digital transformation. Digitisation is reimagining everything, especially people's expectations.

The future of wealth management isn't automated, impersonal or robotic. It's personalised – based on an understanding of clients' life goals, and combines technology with service to help people achieve their dreams.

That's not to discount the value of robo-advising as it is certainly an innovative and disruptive force in the industry. Robo-advice offers algorithm-based investment suggestions and options to customers based on a questionnaire that they complete, and large institutions have been looking at how they can provide this as a service to clients.

The value of robo-advice should be understood in the context of the larger trends shaping the industry and society. Robo-advice solutions offer superior personalised experiences that introduce wealth management to an entirely new generation of consumers, but they are only one element of the equation.

When considering the daily financial experiences of consumers, institutions must look to understand what audiences and individual customers need from the engagement and interactions around their finances and cater to these needs accordingly. Recent research underscores this opportunity. According to [Expectations & Experiences](#), a quarterly consumer trends survey, people unsurprisingly said they were challenged by managing their finances and sticking to long-term plans. Millennials, in particular, reported spending more time on monthly finances than any other generation.

When asked what would be most helpful for managing their finances, the top response for younger millennials (ages 18 to 24) was in-person advice from a financial professional. Over 43 percent of these digital natives want advice – and they're not getting it today. Only 24 percent of consumers

reported using any kind of professional tool or advice, and for millennials it's even lower.

Obviously we're talking about everyday banking consumers here, so what does this mean for the wealth management industry? Well, the future looks bright. Every generation, especially millennials, wants help and advice and they'll gravitate toward financial organisations that offer low-barrier digital entry points and deliver according to their expectations. These customers demand a service that fits in with their digital lives where they can access information in real-time no matter what device they are on. For this generation in particular, their needs will grow in parallel with their investable assets, and the firms that understand how to meet those needs over the long term stand to gain the most.

Looking to the future, robo-advice isn't an all-encompassing solution for the entire industry. Rather, it is an entry point into a larger platform built on consumer insight, enabling financial organisations to offer solutions that adapt to people's needs as they evolve. A unified approach to wealth management facilitated by technology is what will ensure the appropriate level of personalised service to ensure happy customers and business growth.