



# 5 Emerging Client Expectations Wealth Advisors Cannot Afford to Ignore

d1g1t's has outlined the top 5 emerging expectations you should be aware of as a wealth advisor.

# 5 Essential Client Expectations You Need to Exceed

The demographics and expectations of wealth management clients are rapidly changing. Recognizing these changes and aligning how you service your clients in order to manage them, is essential to retaining existing clients and securing new ones.

Based on our extensive experience in the wealth management industry, we have identified 5 emerging client expectations that will significantly influence how investors evaluate the capabilities and effectiveness of wealth advisors.



Client Expectation #1

## Real-Time Answers in Advisor Conversations

Client Expectation #2

## Entirety of their Wealth Consolidated in One Place

Client Expectation #3

## Dynamic Analytics and Reporting

Client Expectation #4

## Alternative Asset Classes Managed Consistently

Client Expectation #5

## Human Advice Backed by Meaningful Analytics





# The 5 Key Expectations You Cannot Ignore

You can't afford to ignore these 5 emerging wealth management client expectations if you want to continue growing your asset base and retaining existing clients. Today's clients expect more from their wealth managers. Status quo is not good enough.

Investors have become more technology savvy and have come to expect real-time conversations about their portfolios and intuitive insights backed by advanced analytics. They also want access to information from any time, from anywhere. This is particularly true of the next generation client.

Even though offerings such as robo-advisors use the latest technology, the more sophisticated investor still values sound advice and stewardship from experienced wealth managers. A combination of powerful, modern technology and trusted human advice is the preferred approach for high-net-worth clients.

Today's investor is more receptive to alternative investments and expects that they can be effectively and proactively managed within a diverse portfolio.

Clients want their advisors to have a complete picture of their total wealth, not just the investments being managed. And they expect access to dynamic reports with up-to-date information, all in one place, accessible at anytime from anywhere.

## Client Expectation #1

## Real-Time Answers in Advisor Conversations

Investors with less complicated portfolios and less money to invest can normally get answers to their questions on a real-time basis. Ironically, those clients with more money to invest tend to have less visibility. Complexity and diversity become more common in larger portfolios, but suddenly visibility tends to shift from daily updates to what more commonly becomes quarterly updates. At one time they accepted delays in information updates and answers to their questions, but this is no longer the case. Today's high-net-worth investors also expect up to date insights during real-time conversations.

Providing clients with answers in real-time is no longer a “nice to have”, it is a business imperative. Without the ability to have real-time conversations about client portfolios when they ask for it, you are missing opportunities to create value and instill confidence. As clients increasingly come to expect real-time data and answers from their advisors, the ability to deliver this information will be a significant differentiator.

For effective, real-time communication, advisors must have the tools to create various views of client portfolios “on the fly” and dynamic reporting rather than static. These portfolio views and dynamic reports allow you to respond to specific questions, review options and have in-depth conversations about the potential impacts of decisions about their portfolios.

This means having real-time conversations on their terms and timelines, not based on how long it takes for your systems to produce the information and insights they are demanding. You need to be able to tell them the overall story and easily navigate between topics and insights if the discussion is multi-faceted.

**‘The “I’ll have to get back to you” response is no longer good enough.’**



## Client Expectation #2

## Entirety of their Wealth Consolidated in One Place

Having a comprehensive, complete, picture of a client's wealth in one place is critical to meeting the expectations of today's investors. Many investors will gravitate to wealth managers who can provide a consolidated view of all their investment vehicles and net worth, whether these assets are advised or not.

Wealth managers need a technology platform that can support multiple profiles or accounts, and all other aspects of a client's portfolio even if you are not managing them. Advisors must have visibility on all client assets and liabilities in order to create an in-depth risk profile and provide the best possible advice.

A 360-degree view of your client's wealth will allow you to address any client query. Whether the discussions are about goals, past performance, future risk, or actions to be taken today, all the information you need to provide meaningful responses must be in one place and interconnected.

Cobbling responses together from disparate legacy systems is time-consuming, and the lag between the question and answer does not instill confidence that you are on top of things.



## Client Expectation #3

## Dynamic Analytics and Reporting<sup>+</sup>

The increased use of business intelligence tools by major media outlets and governments has raised the bar for any business that needs to provide up-to-date, data-based insights to their clients.

This is especially true of investors, who expect charts to be interactive and tables to be filtered and sorted in any way they want. Analytics and reporting capabilities must be flexible enough to align with the informational preferences of wealth management clients. Powerful analytics can provide a deeper understanding of the anticipated risk and performance of portfolios and the probability of meeting future financial goals.

Dynamic analytics and reporting allow you to easily provide client-specific insight and advice in real-time and contributes directly to the quality of advice you provide as an investment advisor. However, there is still a need to educate investors about what the numbers mean, and to focus their attention on the right things, as data can easily be misinterpreted.

Today's investors expect to be able to access this data from anywhere, including mobile devices, which is the [preferred method of accessing financial information by 9 out of 10 investors.](#)<sup>1</sup>

Although paper reporting can be useful for physical documentation, it is becoming obsolete and not engaging enough in the mind of the modern investor. Clients expect a comparative, dynamic, and up-to-date view of their information so they have complete control over their portfolios.

**'Mobile devices, are the preferred method of accessing financial information by 9 out of 10 investors.'**

<sup>1</sup>ThoughtLab Group, 'ThoughtLab's New Research Reveals Six Shifts in Investor Expectations and Behaviors That Are Redefining the Wealth Industry in the Pandemic Era', Business Wire. Business Wire, November 04, 2021.



## Client Expectation #4

## Alternative Asset Classes Managed Consistently



New, non-traditional asset classes like NFTs, cryptocurrencies, and the continued growth in popularity of private equity, collectibles, and other alternative investments, are making client portfolios more diverse than ever before. Investors want to be well informed as to how these investments work together and how they contribute or detract from meeting risk and return objectives.

Wealth managers should be able to calculate a range of performance and risk metrics, including Internal Rate of Return (IRR), across all their assets, so calculations are consistent across the portfolio. This will give investors more confidence and trust in the information being provided about overall portfolio performance.

Managing these assets as part of one integrated portfolio is crucial as wealth management clients will insist on including them in a review of performance and suitability. To retain clients and attract new ones, advisors must be able to manage all types of asset classes, including traditional, non-traditional, and other alternative asset classes.



## Client Expectation #5

## Human Advice Backed By Meaningful Analytics

Although tools and technology are a definite requirement in the digital age, most investors need and expect wealth advisors to perform the role of financial coach and trusted advisor.

Investors typically have a range of [well-known biases](#)<sup>2</sup> that limit their focus to specific areas of their portfolio, without being able to see the big picture or how strategies being employed will benefit them over time. Wealth advisors help to remove these biases by encouraging investors to focus on the right things: their goals and the probability of achieving them in the longer term.

This is particularly true during periods of market volatility, where herd mentality can set in and lead to buying overpriced assets or selling deeply discounted ones. Wealth managers have the knowledge and experience to synthesize information from a range of sources, leading to superior, evidence-based recommendations. This removes the emotional biases that investors often have and reduces some of the stress associated with “market noise”.

The combination of institutional grade analytics and human insights is a powerful mix that gives wealth managers a distinct competitive advantage over financial service offerings such as robo-advisors. Data-driven observations and recommendations will ensure clients are getting the best possible advice, and ultimately better overall investment results.

**‘Today’s investors want data-based advice from an experienced advisor as well as sound analytical models.’**

<sup>2</sup>Hamish Douglass, *10 cognitive biases that can lead to investment mistakes*, Magellan Group. Magellan Financial Group, July 2019.



# Keeping Up With Changing Client Expectations

There is no doubt that investors are expecting more from their advisors, and that the same old way of doing things just won't cut it. More sophisticated and multi-generational investors who are accustomed to having real-time access to information expect that wealth managers will also operate in this new reality.

Competitive pressures from large firms and robo-advisors are also forcing advisors to change the way they operate and position themselves.

These changing expectations and competitive realities are not only impacting the ability of wealth advisors to secure new clients and grow their asset bases, but also how they are perceived by current clients and their heirs.



## The Critical Role of Technology

The common thread in being able to meet these changing and ever-increasing expectations is the underlying technology used to manage client portfolios and relationships.

“Legacy” systems will no longer suffice. They are too rigid, backward-looking, and don’t offer the more advanced analytical capabilities needed to support today’s demanding investor. Advisors need a simple wealth management platform that meets all their operational and informational needs and eliminates the data silos that are typical with systems that have been patched together over time.

Wealth managers also depend on support from a team that can understand the complexities of their problems. Each wealth manager has a unique situation with a combination of sources for accounts, various clientele requirements and in house historical beliefs and biases. When it comes to technology and support, these problems are too complex to handle with training videos and offshore support teams. When you need assistance managing your clients’ wealth, you want a support team that can handle any challenge. A modern and advanced platform is only as good as the technology behind it—and the team who supports it.

The right technology is a major asset, and a differentiator, for wealth advisors focused on meeting the expectations of current and next-generation clients. The right technology and support is also required to effectively compete with larger financial services firms and “automated” robo-advisor services when building an asset base.

**‘The wrong technology puts advisors at a distinct competitive disadvantage.’**



# About d1g1t

d1g1t provides wealth managers or advisors with advanced tools to meet the needs of their clients as those needs evolve. Our wealth management software solutions help advisors compete against emerging offerings and balance client portfolio management through new business development.

Technology is becoming a necessity for wealth managers who must compete with larger financial services firms and robo-advisors. d1g1t's platform levels the playing field by providing wealth managers with technology that was historically had only been available to larger firms.

d1g1t is the first Enterprise Wealth Management Platform powered by institutional-grade analytics and risk management tools designed from the ground up to enable wealth managers to meet the rising expectations of today's clients.

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