

COMPETING IN THE DIGITAL AGE

Once upon a time, you were a “digital advisor” if you had a website and, if you were really savvy, a social media account or two. Today’s technology has advanced to such a point that any truly digital advisor must embrace — rather than fight — the wide range of tools designed to help customers invest safely and wisely.

Clients demand omnipresent advisors who are available through old-fashioned methods, such as phone calls, but also via a plethora of digital media communication tools. And these evolving client demands occur at a time when competition is fiercer than ever.

THE RISE OF THE DIGITAL ADVISOR

The earliest robo-advisors launched shortly after the financial crisis of 2008. At first, they weren’t really perceived as a threat. But this seemingly quiet competitor has grown up; it’s making bold moves, slashing fees and even eliminating minimum account balances. Today, 23 percent of advisors say that digital advice represents competition, according to Pershing’s third annual Study of Advisory Success.

Although 65 percent of advisors are somewhat familiar with digital advice, only 5 percent of that group currently use it in their practice. Very few advisors (19 percent) believe they could adopt a digital advice platform, which involves integrating technology into their advisory business for a more multifaceted approach.

The demographic makeup of investors is also changing. Baby boomers (those born between 1946 and 1964) typically prefer to receive financial advice from a person. Yet millennials, who now officially [outnumber baby boomers](#), gravitate toward a do-it-yourself approach.

These market forces are shifting at the same time as the regulatory environment is increasing in complexity. Advisors, after all, regularly report that their firms’ biggest risks are increasingly stringent



regulations, and their biggest concern is compliance. Fortunately, technology can ease these worries as it can help advisors more effectively fulfill such requirements.

SOLUTIONS THAT DRIVE RESULTS

Many advisors have already adopted technology that helps them quickly adapt to clients’ changing needs. In fact, 65 percent of advisors reported in an Investopedia survey that their practice

already greatly involves technology, while 33 percent say it somewhat involves technology.

Here are just a few of the technology solutions that today's savvy advisors are embracing, from hybrid tech to fully automated offerings.

Collaboration and client self-services. Tablets can allow for co-browsing and digital communications both in and outside client meetings, along with providing the tools for real-time portfolio data.

Fostering relationships outside the office. Digital services help advisors virtually work and stay connected with clients, communicating with a frequency that would be otherwise unsustainable.

Digital portfolio management. Practice management dashboards can offer complete transparency and visibility into key performance metrics, empowering clients to aggregate accounts in real time.

Practices that have deployed these technologies are experiencing excellent results. [Over 90 percent of digitally engaged advisors, in fact, increased their assets under management](#) with similar solutions, with more than one-third of practices growing by more than 10 percent as a result.

Increased assets mean increased profit, and 70 percent of digitally enabled practices have increased their revenues by 5 percent or more. But when shopping for a digitally enabled solution, where should you start?

COMPREHENSIVE POWERFUL TOOLS

The technology landscape is changing swiftly, and advisors who are interested in adopting this technology have a brief window of time in which to capitalize on the full benefits of adoption. Those benefits include truly differentiating your practice and gaining a distinct edge over the competition.

One company that is creating technology solutions to help advisors achieve these benefits and set themselves apart is Pershing. The simplified, intuitive interface of NetX360® allows professionals to increase client engagement and response, facilitating deeper collaboration and more open discussions around investment needs.

The platform is designed to help increase advisor efficiency as they collaborate and connect with clients on-the-go. Flexible technology also delivers access to a wealth of market-leading solutions from Pershing and over 250 third-party providers for CRM, financial planning, research and much more. Other capabilities include:

- Increased productivity and efficiency.
- More effective collaboration with clients and prospects.
- Personalized navigation and more relevant content.
- Faster actions and transactions.
- Faster and easier report-building.
- Portable connectivity via tablet or smartphone mobile app access.

Pershing's [NetXInvestor® platform](#) is another powerful, digitally enabled option that combines an elegant online client investment



portal with exceptional flexibility and customization options for firms.

Advisors can use NetXInvestor® to keep clients connected with the firm, advisors and markets. It offers anytime, anywhere access to consolidated account information, online documents, portfolio management solutions and trading, plus market research, quotes and news from leading providers. With this technology, clients can:

- Instantly access account information and view statements and trade confirmations online.
- Access quotes and news from leading sources, plus research on thousands of stocks, options and mutual funds.
- Quickly view summary or detailed account information.
- Pay bills on Billsuite via single sign-on.

Technological advancements have introduced additional competitors into the financial services market. However, when practices embrace technology rather than resist it, they will grow and thrive, for customers will see the advisors they already know and trust offering them the technologies that they have grown to prefer.

ABOUT PERSHING

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Pershing helps clients improve profitability, drive growth, create capacity and efficiency, attract and retain talent and manage risk and regulation. With a network of 23 offices worldwide, Pershing provides business-to-business solutions to clients representing more than 6 million investor accounts globally. Pershing LLC (member FINRA, NYSE, SIPC) is a BNY Mellon company.