Guest Blog: “If Only Managing Technology Were This Easy’ by Sue Glover, President of Susan Glover & Associates

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“*Many firms develop a plan or ideas to add value to their current business model, and then think about technology later in the process. Define upfront how technology should be used to support your ideas. This enables you to see how several areas can benefit from the same technology, find conflicts that need resolving, and better assess which areas need immediate attention*.”

– Sue Glover, President of Susan Glover & Associates, shared this insight to our most recent ‘Making Smart Technology Decisions: Six Steps for a Secure and Efficient IT Infrastructure’ whitepaper.

As an independent and experienced resource to RIAs, Sue helps firms build infrastructure to maximize operations, processes, and technology at all levels and as essential investments in the growth their businesses. In our first guest blog post, ‘If Only Managing Technology Were This Easy’ Sue sheds light on the importance of thinking internally first, not externally, and merging your technology plan with your business plan:

If Only Managing Technology Were This Easy…

You’ve probably heard them many times. One-liners about how easy managing technology is, or could be, if only you:

· Designate someone as the firm “techie”

· Outsource all of your technology needs

· Agree that (pick a tech) is the backbone of your firm’s business

· Implement an all-in-one solution

My elevator speech begins with “Imagine technology doing exactly what you want it to do.” I then need to wait three seconds before continuing due to the chuckles it draws. With the abundance of technology tools to manage your business and deliver the utmost client experience, the sentence shouldn't be a pipedream. Why the chuckles?

Somehow, all of the choices created an "information overload" problem for advisors. How many products can you name for tools such as CRM, planning, document management, rebalancing, and portfolio reporting? Now add categories like all-in-one or best-in-breed to the equation. Throw in work-flow processes, security, client behavior, PFM, and integration. Last, but not least, look closely at your firm's needs. Then, make the right decision.

Reasons why managing technology isn't as easy as one-liners suggest:

You need to manage, and budget for, all of the tech components – Managing technology comprises all of the components that support your firm, including:

· **Technology infrastructure:** Hardware, server, cloud, back-up, e-mail, phone system, and security

· **Operations and administration:** Client and internal management tools such as CRM, document management, and billing/accounting

· **Portfolio management and data analysis:** Portfolio reporting, risk management, financial planning, rebalancing, and trading

· **Client experience and communication:** Portals, scheduling software, and back-end reporting tools

· **Personal devices:** Mobile, tablets, and other personal tools that belong to your staff

Is compliance a subset of technology or technology a subset of compliance? With technology deeply integrated into your business, it's sometimes difficult to determine which area an issue falls under. For example, is technology that is used to monitor social media and archiving managed by the COO/CTO or CCO?

Best-in-Breed options come with a twist – One of the benefits of best-in-breed was that advisors could select the best technology tools for their firm. The only drawback was integration. Now, integration capabilities exist, but with selected software of which your desired software may not be included. Technology has evolved from advisors being in control to vendors determining your best-in-breed options.

Sometimes it's hard to manage what you don't know – You want to ensure data security, but don't know what questions to ask. You know what the new technology will do, but aren't sure how your processes will change as a result. You understand what other firms are doing, or using, but can't picture if that is right for your firm.

While managing technology isn't easy, it can be easier to manage if you:

Think internally first, not externally – An advisor asked me about rebalancing software he was evaluating. While I said the software was good, I needed to ask about the firm's process. Is there a firm-wide rebalancing process or did each manager have his/her own rules for rebalancing portfolios? The answer will lead into more questions about the firm's process until we can define the firm's rebalancing needs. Then, I could answer what I thought of that particular software. Defining the firm's needs took longer than anticipated.

Many advisors seem to know more about the technology products in the market than they know their own firm's needs. While we know that technology is an investment, the wrong technology is a costly mistake.

Merge your technology plan with your business plan – Many firms develop a plan or ideas to add value to their current business model, and then think about technology later in the process. Define upfront how technology should be used to support your ideas. If your goal is to add services such as financial planning, focus on niche markets, or incorporate a robo-advisor platform, compare the components listed above to your business needs and existing structure. This enables you to see how several areas can benefit from the same technology, find conflicts that need resolving, and better assess which areas need immediate attention.

It will be easier to "Imagine technology doing exactly what you want it to do…"

Sue Glover, president of Susan Glover & Associates, LLC (SG&A) is a leading technology and operations resource to the independent financial advisory and wealth management community