

# When Upgrading Technology, Stay Focused On Your Firm's Value

March 2, 2020

Only RIAs can determine whether the technology they are using gets them where they want to go. Their investment in tech and services has to support their firm's core value proposition, and that won't happen if they are distracted by the shiny bells and whistles on new technology coming onto the market.

Your RIA firm needs both a tech stack for operations as well as a fintech stack. The average advisor's custodial technology systems and platforms include CRM, portfolio management, billing, trading, rebalancing, reporting, accounting and research. You can choose from multiple providers for these services and use them in a broad range of ways. But these systems require proper due diligence, otherwise you may find yourself restricted in how you work with them.

## Is Your Tech Vendor Speaking Your Language?

Technology should help you improve your current processes and move your business forward—not upset the way clients are served. A firm's technology investments should improve workflow or the client experience, or create efficiencies in other areas.

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So when you want upgrades to accomplish these things, it is important for you to work with technology vendors who speak your language.

You should thus pose questions to vendors that invite solutions, for example: "Currently we do this. What would that look like with your system or platform?" or, "How will this scale as my business expands?"

You should listen for responses like these: "We can do what you're asking, and here's how we would do it and what it looks like, along with other potential enhancements." The vendor should explain what happens when certain functionality is turned on, what the integration looks like, and how that impacts your firm's operations.

This will help you avoid situations where you don't fully appreciate the consequences of what you're asking for until after the fact. For example, you might ask for the highest level of cybersecurity protection possible for your firm's e-mail. But then you might wonder why you can't access work e-mail through personal mobile devices. The vendor's answer—it was not set up that way as part of the original ask—may be surprising and unsatisfactory.

If the proposed solution matches your vision of how your firm should operate—or improves upon it in a way that makes sense—there's a match. If the solution is off base from what you

were considering, it is time to move on.

In this era of innovation and heightened competition, there is no one-size-fits-all technology solution, and advisors have plenty of options.

#### One Change Can Change Everything

RIAs need to remember that one change may impact their entire operation. Integrating new technology into an existing system can be like changing gears—shift or turn one part, and the entire system moves.