THE PANDEMIC'S IMPACT ON FINTECH

Planning and technology professionals weigh in on which tech rose to the top and how it was impacted by COVID-19

compiled by Journal *staff*

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In terms of serving clients in a virtual world, Emlen Miles-Mattingly, founder and CEO of Gen Next Wealth, was prepared.

"I built my firm to be virtual, so I had all the tools already in place to run my firm remotely," Miles-Mattingly said.

The COVID-19 pandemic forced other planners to do the same.

"I've embraced the idea of transitioning to a fully virtual practice and building the infrastructure to support that vision," said Samuel Deane, investment adviser and financial planner with Deane Financial Partners Inc.

The pandemic caused Michael C. Whitman, CFP®, managing partner of Millennium, to move from 75 to 100 percent virtual.

"The 25 percent of my practice that was not virtual was mostly due to clients not being ready for that type of relationship, or unwilling to meet virtually," Whitman said. "All that changed when they were not able to come to the office anymore due to the pandemic. I took that as an opportunity to go 100 percent virtual."

Whitman explored new ways to engage clients. He utilized Snappy Kraken for his digital marketing and hosted meetings via Zoom.

"The pandemic brought fintech to the forefront. Previously, fintech was considered somewhat of a niche industry," said Mazi Bahadori, chief compliance officer and vice president of securities for Altruist. "However, with the world going remote as a result of the pandemic, millions are flocking to fintech solutions simply to continue to engage in business."

Many of us are still working remotely, having become experts with technology we were loosely familiar with just a year ago.

"The pandemic accelerated many trends impacting fintech that were already in motion," said Michael Kim, executive vice president and chief client officer for Assetmark.

"The world was upended as a result of the COVID-19 pandemic, and fintech is no different," said Sheryl O'Connor, founder and CEO of Wealth Conductor LLC. "In many ways, COVID-19 separated the solutions with real client benefits from those that don't offer real benefits, altering the landscape for the foreseeable future."

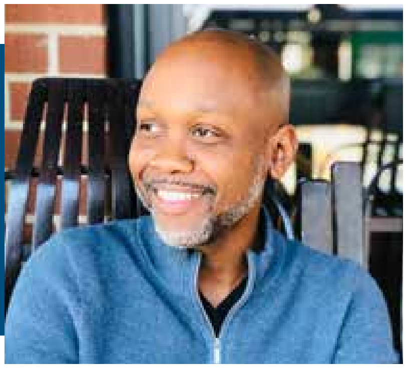
The *Journal* team reached out to tech-savvy planners and industry professionals and technology experts for input on the pandemic's impact on fintech.

Here's what they had to say:

Nicole Gopoian Wirick, J.D., CFP®
President
Prosperity Wealth Strategies

How has the COVID-19 pandemic changed the landscape of fintech?
Throughout the pandemic, being able to look someone in the eye—even virtually—has been critically important. So many people are feeling the devastating effects of isolation and it's impacted all areas of their life, including their financial well-being. Technology has enabled me to see the faces of my clients, and them to see mine, during our conversations. This has been priceless. It's also allowed me to share my screen to review reports and presentations—the next best thing to being together. An old-fashioned telephone call just doesn't seem to cut it anymore. On a telephone call, it's impossible to read non-verbal cues and know if the client is understanding or agreeing. It's also impossible to truly know if they're fully engaged in the discussion.

But screensharing technology has also raised concerns in my practice. I'm a staunch protector of my clients' personal information, and the security of screensharing mechanisms is an important consideration. I've opted to omit or redact personal information or account numbers when running reports and creating presentations. I believe fintech providers will have to consider the format of the reports they create, being mindful of including full account numbers or personal client information if the prevalence of online sharing software persists.



Dominique Henderson, CFP®
Founder
DJH Capital Management LLC

How has the COVID-19 pandemic changed the landscape of fintech?
Planners are having to think about the way they engage with clients more thoughtfully. It was taken for granted that you'd always be able to meet in person with a client or prospective client, and that's not the case anymore. There may be some apprehension moving forward—and there probably already is—about in-person interaction. It's very key that planners realize that pandemics aside, you're going to have to be flexible and pliable when it comes to developing and furthering the relationship with clients. I think COVID-19 has put a full-court press on people to do that very quickly, and it also speaks volumes about how you need to evolve over time in the industry.

What were some pieces of technology that became more valuable to you during the COVID-19 pandemic and why?
Obviously, the Zoom account and the Zoom subscription. I've recently also started using an artificial intelligence transcriber. What I previously did was record client meetings—with their permission—and went back through those videos to get the notes for the recaps, but now I've been experimenting with this technology to join the meeting when I'm with the client and transcribe the notes. I think that's going to be a bigger part of my business going forward because it's a very easy way to even share the dialogue with the clients.

Marguerita Cheng, CFP®
CEO
Blue Ocean Global Wealth

What were some pieces of technology that became more valuable to you during the COVID-19 pandemic and why?
My most valuable fintech solution is eMoney. Riskalyze as well. I implemented eMoney in late 2018. The aggregation and client vault allowed me to serve my clients safely, securely, and swiftly. Sure, we can send emails swiftly, but that's not necessarily safe or secure. If clients needed to practice physical distancing, I can upload items to the vault. They could send me items. The aggregation tool allows them to see everything—anytime, anywhere, on any device. Riskalyze also helped me serve my clients by being proactive with communication and outreach. Sometimes, the most challenging aspect about investing is staying invested. It is truly darkest before dawn. I am so glad that I made these investments in my practice.

John R. Power, CFP®
Principal
Power Plans

How has the COVID-19 pandemic changed the landscape of fintech?
I think the pandemic will result in accelerated acceptance of fintech. Virtual meetings weren't the model a year ago; they surely are today, and many folks will not go back. I suspect we'll go from screen sharing to interactive files much more rapidly than expected. I've been using Zoom or GoToMeeting for years; now, it is common to use those. [Artificial intelligence] will enhance the ability [of] planners to work remotely versus in the office.

In many ways, COVID-19 separated the solutions with real client benefits from those that don't offer real benefits, altering the landscape for the foreseeable future.

—Sheryl O'Connor, founder and CEO of Wealth Conductor LLC.

Samuel Deane
Investment Adviser and Financial Planner
Deane Financial Partners Inc.

What were some pieces of technology that became more valuable during this period and why?
Not always do our tech stacks interact with each other in meaningful ways. So, technology that enables automation and seamless integration has been the most valuable during the pandemic. Because this period has been the life event that's urged many people to seek the help of trusted financial advisers, it's important to have systematized processes that aid in delivering a world-class client experience. Convenience and a seamless onboarding process are key, particularly when working with the millennial generation. Paired with the appropriate tools, automation has improved my efficiency and bandwidth as a solo adviser running an independent practice.

What fintech trends will stay around in a post-COVID-19 era?
As wealth management firms become more open-minded to working remotely, advisers will continue transitioning their businesses to a virtual model, optimizing technology for efficiency and scalability. As the fintech landscape continues to evolve, advisory firms willing to pivot along with innovation will use technology as a means to create more impactful and meaningful relationships with the clients they serve.

Sheryl O'Connor
Founder and CEO
WealthConductor LLC

What were some pieces of technology that became more valuable during this period and why?

The advisory industry has historically been such a face-to-face industry. Technology that enables advisers to meet virtually and actually enhance the adviser-client experience has become invaluable to a practice. Our advisers have consistently told us throughout the pandemic that the dynamic visual planning interface in our tool has brought new life into their client meetings, and deepened relationships. Clients often don't want to end the meeting due to the fun they're having instantly seeing all sorts of potential scenarios for their retirement.

What fintech trends will stay around in a post-COVID-19 era?

The trend that comes to mind is creating fintech that addresses the needs of the advisers' compliance teams. There are so many fintech solutions out there that do a great job with their offering but don't consider their implications on compliance. Our retirement income planning solution was designed with compliance in mind and we recently struck a partnership with an insurance broker to offer credits to advisers' errors and omissions (E&O) and cyber insurance policies. The main reason we were able to make this happen is that insurance carriers saw our solution as a risk-reducing tool due to the compliance features we baked into the software when we originally created it. As the industry becomes more and more saturated, we believe that more fintech will consider compliance when designing their tools.

Jake Wagner, CDMP
Founder and CEO
Digital Marketing 4FP

How has the COVID-19 pandemic changed the landscape of fintech?

As a digital marketer, 2020 was a year like no other for our clients. The digital marketing industry has grown 300 percent since the beginning of the pandemic. This has transformed our business and the businesses of our clients. Before the pandemic, people were steadily adopting digital strategies. As the pandemic hit, it became clear that the digital world was crucial for RIAs to continue to grow in 2020 and beyond.

Mazi Bahadori
Chief Compliance Officer and
Vice President of Securities
Altruist

What were some pieces of technology that became more valuable during this period and why?

The most critical pieces of technology were the ones that enabled advisers to offer their services completely digitally. Technology became less about efficiency gains that larger advisers could afford and instead became table stakes necessities for advisers who wanted to keep their business running. Specifically, tools that enabled advisers to open and fund accounts in a fully digital manner—without the need for paper forms, electronic PDF signatures, or copies of voided checks—permitted advisers to continue to grow their businesses, without requiring their clients to leave their homes.

Further, the trend of consolidation in the industry with M&A activity steadily increasing has pushed advisers to embrace more technology to give them more time to focus on client servicing. With full-service firms offering even more solutions to clients, advisers who bought into fully integrated platforms spent less time managing their business and more time preventing client churn.

What fintech trends will stay around in a post-COVID-19 era?

Before the pandemic, technology was largely an efficiency investment for those [who] could afford it. Today, leveraging technology is table stakes if you're going to have a chance at competing. Further, the trend towards advisers leaving wirehouses to establish their own practice will accelerate. Technology has substantially reduced the price of admission to set up your own advisory business. A decade ago, an adviser would have needed tens of millions in AUM before going independent because the cost of running a practice was significant. Today the barrier to entry is orders of magnitude less, so more advisers are forming their own RIA to manage their practice however they see fit. Most advisers know their clients work with them because they trust them, not because they have a wirehouse name on their business card. Until recently, it's mostly been an economic model that hasn't made sense for many advisers. Investments in fintech solutions will accelerate this trend and make the economic model even more appealing for tens of thousands of advisers.

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—Mazi Bahadori, Chief Compliance Officer and Vice President of Securities, Altruist

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—Dominique Henderson, CFP®, Founder
DJH Capital Management LLC

Michael Kim
Executive Vice President and Chief Client Officer
Assetmark

What were some pieces of technology that became more valuable during this period and why?

The pandemic-driven investor expectations that fed into the already evolving adviser-client dynamic added to the demand for technologies that assist advisers with the digitization, outsourcing, and automation of their practices. Such technologies assisted advisers with delivering real-time and visually rich data, insights about market volatility, guidance, and support to their investors faster, more efficiently, and in a virtual manner. These technologies played—and will continue to play—a crucial role in elevating the adviser's digital servicing capabilities, allowing them to reach deeper levels of understanding and trust while easing their workloads, so they can focus on the people part of their businesses—serving existing clients and prospecting for new clients. This is what leads to greater client satisfaction and growth, even during times of high market volatility and uncertainty.

What fintech trends will stay around in a post-COVID-19 era?

The pandemic has ushered in a new era of remote, responsive investor servicing that is here to stay. Investors will continue to demand more. Trustworthiness and proactive communications will increasingly matter. All of this equates to advisers being able to spend more time with clients and prospects in a highly engaging way, which requires technology that can further digitize every aspect of client servicing and support in all areas of the business. This increased digitization is now required to adequately serve all types of clients, not just the younger ones. Across all industries, we see real-time data being leveraged to better serve customers, from estimated delivery times and chatbots to telehealth visits and smart refrigerators that can order milk. Investors will continue to compare these best-of-breed retailer experiences with the services their advisers provide. This ongoing comparison will continue to drive expectations, further requiring advisers to implement the technologies that can assist them with attracting and retaining clients.

Michael C. Whitman, CFP®
Managing Partner
Millennium

What were some pieces of technology that became more valuable during this period and why?
I took the beginning stages of the pandemic to upgrade a few things in my practice. I put templates in place in my CRM (Redtail) to make note-taking a little easier. I use Zapier to integrate Calendly (my meeting scheduler) with Redtail to add appointments to client records, which made it easier to take notes (using those templates) after or during meetings. I researched and found Snappy Kraken to engage clients and prospects. I was able to add to my campaigns all the contacts I have made over the past 10 years in the business and start engaging with them. The responses were amazing, and much better than I anticipated. People were finally starting to see what a financial planner does.

Now that I was finally marketing, I needed a better process when it came to actual meetings with clients. In steps fpPathfinder (a checklist and flowcharts provider) to assist in building a smoother flow with clients, and to make sure nothing is missed in client meetings going forward. Now that I have content and agendas (provided by the checklists and flowcharts with my branding and approved by my firm), I needed a way to bring prospects into my practice and turn them into clients.

The first step of this process was to find an online financial organizer that worked for me. I found PreciseFP (they are fully customizable fact finders that can integrate with most other fintech). I was able to build online engagements to assist in gathering all the data I need from prospects to turn them to clients. Then, I found the pipelines at PreciseFP and that is where things got really interesting. I identified what a prospect was and what a client was to me! Having the distinction meant that I could now build a mostly automated flow for bringing in new prospects, gathering their data, showing them where they currently stand (PreciseFP integrates with eMoney), and then showing them why and how they can benefit from working with my firm. From there, when a prospect decides to engage our firm, I can send them on an ongoing and automated onboarding journey to becoming a client.

Once they become a client, and we have all their goals established and they are fully entered in eMoney, I use the decision center to take my clients on whatever journey they can think of and show how all their current and future financial options can affect the goals we establish for them. Being able to see things in real time in that decision center is huge! Being able to see how certain (sometimes small) decisions can affect goals over time is very powerful stuff.

I use Snappy Kraken to keep clients engaged by sending monthly emails that are relevant and personalized. Hearsay Social allows me to post on social media in a compliant way, and Hearsay Relate allows me to text message with clients. Hyland imaging keeps my client files compliant and secure online. I use SEI as a TAMP to assist in building custom investment strategies for each client to fit their goals and keep track of progress. I use Allbridge for performance reporting for clients, Adobe to build documents and get paperwork digitally signed, and DocuSign, when able, for the same thing. The Surface Laptop is important because it has a good camera for Zoom and a touch screen for digital signatures. Tableau is now used to track my business. Finally, I am using LaserApp to fill in forms.

New Tech, Remote Meetings, and Work From Home Are Here to Stay

The technology Michael C. Whitman, CFP®, discovered and utilized during the pandemic is here to stay.

"These tools have increased the fluidity of my practice and the ease of onboarding new prospects and turning them into clients," said Whitman, who outlined the tools that became most valuable in this issue's cover article.

Michael Kim, executive vice president and chief client officer of Assetmark, noted that many people might feel this way.

"The pandemic has ushered in a new era of remote, responsive investor servicing that is here to stay," Kim said.

The planners, professionals, and technology experts we talked to indicated that the technologies discovered and embraced during this time will remain, and so will remote work and virtual meetings.

Jake Wagner, CDMP, of Digital Marketing 4FP, said using a combination of digital marketing and referral requests, in addition to remote meetings and conferences, will stick around in a post-COVID-19 era. He noted he was able to attend more conferences this year because they were virtual, and he's looking forward to both in-person and virtual conferences this year.

"People missed the community and being able to give their friends hugs, but [they] didn't didn't miss the wear, tear, or expense of traveling to conferences," Wagner said.

"Our virtual meeting software has easily become our most important tech during 2020," said Gregory P. Klinger, director at GEBA Wealth Management. "While a vaccine and time will eventually lead to more face-to-face appointments, it is our expectation that virtual appointments are here to stay for many of our clients."

It is also so for Whitman.

"The clients are more at ease at home or in their workplace, and documents seem easier to obtain," Whitman said.

"The need for fintech won't go away after the pandemic because it empowers advisers to serve and educate investors at scale," Kim said. "It's a big reason why we will continue to see a rise in fintech solutions and services that can do all the things advisers need to create deeper client interactions and continued practice growth."