

The Evolution of Commerce and Advice:

Three Key Areas to Address in 2021 and Beyond

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SS&C TECHNOLOGIES

Change happens relatively slowly, but when you add a catalyst, evolution is rapid. The COVID-19 pandemic, and the social distancing guidelines that come with it, are driving rapid changes in the evolution of commerce and advice. Now, wealth managers have the opportunity to elevate their practices to adapt to the trends emerging in 2021.

Market Commoditization

For the average investor, the market is becoming commoditized. The lack of meaningful dispersion between active and passive returns and the new ways investors approach the market drives industry participants to re-invent and differentiate. Wealth managers have quickly changed the delivery of advice and returns with the advent of robo-advisory and other touch-free programs.

For today's RIA, there is opportunity to thrive. RIAs can take advantage by providing value-added solutions to the investor and fight fee compression through a superior service model.

Social and Ethical Responsibility

Providing what investors are looking for becomes critical as wealth changes hands and the level of choice in the marketplace expands. The next generation of investors generally live their lives differently than their parents. Concepts such as reverse retirements, social responsibility, ethical practices, and others, which seemed 'alternative' 30 years ago, are now mainstream.

We live in an environment where investors are more concerned about the impact of their money moves and the investing tools needed to address those concerns. Providing an ESG (Environmental, Social and Governance) platform to investors checks the box for today's investor. RIAs can benefit from an ESG strategy and follow sound investing tenets, including diversification, risk management, and flexibility. A platform with an integrated ESG evaluation and reporting capability (including compliance) will make the transition to this growth area seamless.

Communication Scale

In-person communication may change permanently. Our collective ability to adapt to Zoom meetings or other digital platforms was challenging, but we have become experts in short order. With a digital marketplace, new communication opportunities abound.

The new digital landscape challenges RIAs to enhance



their interactions to convey messages that would have been easy to deliver in a face-to-face meeting. Investors can be more discerning in the digital world and the personal bond is often not as strong. Digital tools can be a saving grace for performance and communications skills. The preparation of digital materials, such as presentations or factsheets for meetings, is now more important. Systems and operations that streamline communication through digital composition, multiple channel delivery, and easy-to-understand representations of the great work you do are crucial. Use them.

Looking ahead, be prepared for changes in your client's needs and wants, as well as the overall evolution of the marketplace. Choosing platforms and operations to future-proof your business with superior service will support differentiation, sustainable investing and cutting-edge communications at scale. ■

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