



SWAN GLOBAL
INVESTMENTS

EMBRACING TECHNOLOGY FOR A BETTER CONNECTION WITH CLIENTS

Three Ways Technology Can Prepare Your Practice for the Changing Demographic Landscape



CONNECTING WITH A YOUNGER GENERATION

In the next few years, \$18 trillion will pass from the Baby Boomers to Generation X and Millennials, who grew up surrounded by the internet and smart phones. Advisors who are unable to connect with younger generations will face an uphill battle when trying to compete with the latest fintech apps and software, such as robo advisors.

The challenge now falls to financial advisors, many of whom are Baby Boomers themselves, to foster relationships with a younger generation of clients that are more inclined to use low-cost investing apps and question the value of professional advice. In order to remain competitive, advisors need to embrace new technologies in order to provide the level of service younger generations demand.

EMBRACING TECHNOLOGY FOR LASTING SUCCESS

There is one thing we can say for sure as the new decade begins: an acceleration of technological advancements across all sectors will continue changing the way we live, work, and invest. Financial advisors have seen just how much FinTech has already changed their businesses in recent years. Looking ahead, the winners and losers amongst advisors will be defined by who uses the next wave of disruptions to their advantage.

Many financial industry professionals initially shied away from new technologies last decade due to the perceived threats that they posed to client interaction and fees. But that tide has begun to turn now that more advisors have clients that want innovation and efficiencies just as much as high-touch service.

Outline below are three principles for adopting technology to create efficiencies and better connections with your clients.

1. Embrace new technologies incrementally, starting with the ones that create efficiencies.

Gen X and Millennials, in general, value convenience above all else. They are the types of people who have taken to being able to shop for all of their needs and wants online or through an app. This is a major reason robo advisors and investing apps like Betterment, Robinhood, and Acorns are so appealing to these younger generations. In addition to convenience, they represent a low-cost option for younger individuals with significant funds to invest.



There are several ways advisors can begin incorporating the right tech into their practices. Leverage video conferencing tools like Skype or Zoom to connect with clients wherever they are. Additionally, financial advisors should consider updating and optimizing their website for easier use and navigation on mobile and tablet devices. Consider implementing Customer Relationship Management (CRM) platforms that offer a self-directed digital portal for clients to view their account information anywhere and anytime – even better if it's an app.

2. Showcase your expertise through online content to build rapport with younger generations.

Gen X and Millennials do not want to be sold to, but they do want to know how you can be a reliable and trustworthy source for information and advice when they need it. Younger generations grew up in an era where anything can be learned on Google, and they often go to Google when they have questions.

Sharing your expertise through blogs, op-eds, whitepapers and social media channels is a great way to put yourself in front of these younger clients looking for financial advice, all while establishing yourself as a legitimate and trust-worthy source.

3. Technology can help you get to know your younger clients, their preferences, and their long-term goals.

Younger generations want personalized attention and services, so it is important to dedicate time to identifying your clients' primary needs, questions, and concerns. In addition to creating efficiencies in your firm's operations, adopting technology can also help financial advisors gather insights from internal and client data. Digital self-service platforms can help you get a better understanding of how various generations prefer to be helped, ultimately enabling you to customize the client's experience and tailor solutions to meet their goals.

PROVIDING THE HUMAN TOUCH

Adopting technology and digitization does not have to mean completely replacing human-led investment advice with some form of automated advisor. Financial advisors should focus on embracing technology to improve client services and the overall client experience, while still providing a human touch that an automated advisor could never replace.



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