

Research Report

AdviceTech 2020

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advice firms use AdviceTech

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*Ratings based on Investment Trends May 2020 Planner Technology Report and December 2019 Platform Benchmarking Report.

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Introduction

Even before the COVID-19 pandemic of 2020, clients' expectations of financial advice practices were shifting. They were demanding more personalised and targeted service, embodied by more convenient online and virtual interactions.

The social isolation that accompanied the pandemic tested how financial advice firms were equipped to deal with the unexpected. It also accelerated the need to face up to changing client demands: with staff forced to work from home and client interactions forced to become more virtual, advice systems and processes were placed under pressure.

Some businesses were well placed to deal with this sudden and immediate requirement to go digital because they were already well on the way to being "fully invested" in AdviceTech. Others were not so lucky.

The 2020 Netwealth AdviceTech Research Report shows how Australian advice firms were positioned immediately before the COVID-19 pandemic struck. Research carried out in March 2020 reveals the technologies most commonly in use, and how leading businesses were approaching the task of planning and investing in AdviceTech to support their activities.

1 Why AdviceTech Stars are so successful

How the best advice firms use AdviceTech to improve their businesses, improve client engagement and deliver better advice is different from the rest. Learning how AdviceTech Stars do this provides a roadmap to help all advice business owners make good decisions on how to improve the health of their business and the advice they provide to clients.

2 AdviceTech's role in removing friction and delivering exceptional client experiences

Almost no area of consumers' lives remains untouched by technology. As more and more consumer behaviours shift online, the yardstick by which financial advisers are judged has shifted to leading digital businesses such as Amazon and Apple. The best users of AdviceTech understand this and aim to provide an experience to parallel the very best. How they do that reveals a lot about how advice businesses can revolutionise their clients' experiences.

3 How AdviceTech supports a remote and distributed workforce

The COVID-19 pandemic has put a spotlight on how well businesses are able to cope with employees working remotely from each other, often from home, while minimising disruption to client services and maintaining business-as-usual operations. The best prepared advice firms were well set up even before the pandemic began, and how they've gone about dealing with disruption provides powerful insights into how to do it well.

4 Capitalising on new revenue streams and opportunities

Successful businesses are adaptable, flexible and nimble and always on the lookout for new opportunities. Examining where leading advice practices plan to invest, and the areas of businesses they expect AdviceTech to have the greatest impact, reveals new business opportunities and revenue streams for us all. AdviceTech enables new pricing models and enhanced service propositions, and the implementation of next-gen tech, such as big data and artificial intelligence, underpins business expansion and new opportunities.

About the report

In the 2020 Netwealth AdviceTech Research Report we surveyed more than 300 advice firms and segmented them into five different groups based on the success of the business and the rate at which they adopt technology.

In this report we pay particular attention to AdviceTech Stars as they are role models who use technology extensively, and in ways that bring tangible benefits to themselves and to their clients, resulting in strong business success and high client satisfaction.

We developed a Business Success Score comprised of measures such as a practice's funds under advice (FUA) and revenue growth or decline from the previous year. We also considered a ratio of FUA to active clients and to length of business operation. Practices that have better business success score higher. **The average Business Success Score is 48 out of 100 for all practices.**

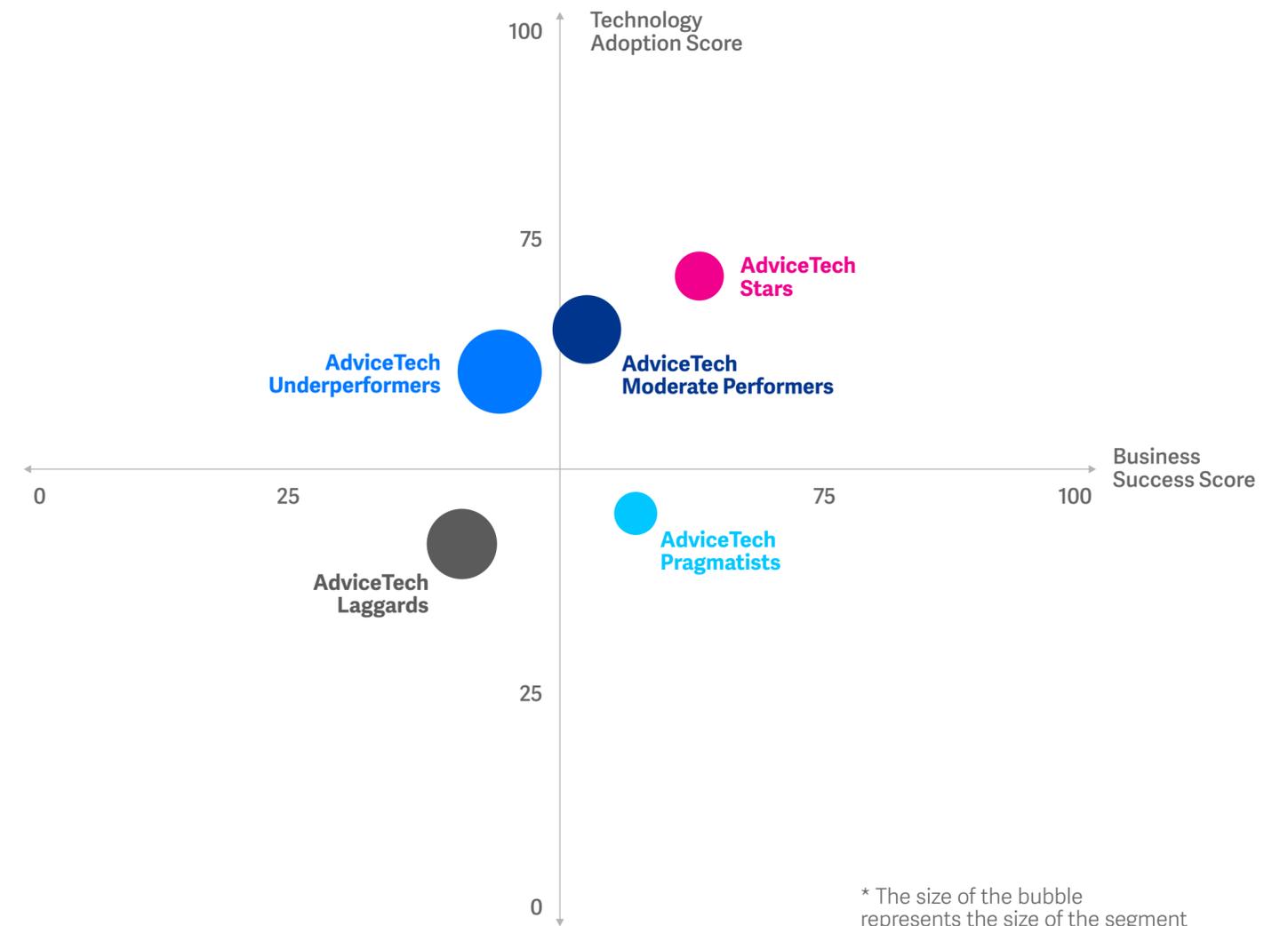
We also developed a Technology Adoption Score, comprised of the number of technologies used by a practice, how many technologies they are

considering implementing in the short term, and characteristics about their technology investment and management. Practices that adopt more technology in a planned manner score higher. **The average Technology Adoption Score across all practices is 58 out of 100.**

Five segments were determined based on these two scores, with one group standing out: the AdviceTech Stars. Only about 12 per cent of all advice practices qualify as AdviceTech Stars. They have **an average Business Success Score of 69 and an average Technology Adoption Score of 72.**

AdviceTech Segment	Technology Adoption Score	Business Success Score	Segment size
Stars	72	69	12.1%
Moderate Performers	67	53	21.2%
Underperformers	65	40	33.8%
Pragmatists	43	62	10.4%
Laggards	38	39	22.5%

Segments: Technology Adoption vs Business Success



Technology adoption of AdviceTech in 2019 and beyond

The fourth Netwealth AdviceTech research report shines a spotlight on the technological future of the Australian advice industry and its fundamental role in customer experience.

Technology	Currently use (%)	Intend to use in next 24 months (%)	Potential adoption by 2022 (%)	Most used suppliers
 Customer Relationship Management (CRM) System	88.8%	7.9%	96.7%	Xplan, Worksorted, AdviserLogic, Salesforce
 Cloud-Hosted Email or Internal Communication Service	76.0%	8.6%	84.5%	Microsoft Office 365, Microsoft Teams, Skype
 Investment Research Technology for Investment Selection	74.7%	10.9%	85.6%	Morningstar, Lonsec, Broker research
 Cloud-Hosted Document/File Storage and Sharing Technology	74.3%	12.5%	86.8%	Dropbox, Xplan, Microsoft OneDrive
 Website/Blog Management Tool	69.4%	Not asked	69.4%	Wordpress, Squarespace, Wix
 Emails, Newsletters and Marketing Automation Technology	64.1%	23.7%	87.8%	Mailchimp, Xplan, MS Outlook
 Commissions Management Software	60.5%	12.5%	73.0%	Commpay, Worksorted, Revex
 Project, Activity and Task Management Tool	59.2%	23.4%	82.6%	Xplan, Microsoft Excel, Microsoft Outlook/Planner
 Accounting Software	51.3%	5.3%	56.6%	Xero, MYOB, QuickBooks
 Virtual Online Meeting Tool	45.7%	34.2%	79.9%	Zoom, Skype, GoToMeeting
 Managed Accounts (SMA)	38.2%	13.8%	52.0%	Not asked
 Client Presentation Software	36.5%	35.5%	72.0%	Microsoft Powerpoint, Canva, Prezi
 Digital Dashboard/Reporting Tool	34.5%	46.4%	80.9%	CRM reporting tools, Super/Investment Platform reporting tools, PowerBI
 Digital Signature Tool	32.2%	50.3%	82.5%	DocuSign, Adobe, MyProsperity, Netwealth Integrated eSignature
 Cashflow, Budgeting and Account Aggregation Tool	31.3%	35.5%	66.8%	My Prosperity, Microsoft Excel/Google sheets, Moneysoft
 SMSF Administration Software	30.3%	7.9%	38.2%	Class Super, BGL, SuperConcepts
 Online Surveys, Reviews and Rating Tool	22.7%	44.4%	67.1%	Survey Monkey, Adviserratings.com.au, Google reviews
 Fact Find and Risk Profiling Tool	22.4%	52.0%	74.4%	Xplan, Astute Wheel, Finametrica, MyProsperity
 Client Portal Technology	22.0%	44.1%	66.1%	CRM/financial planning software, Super/Investment Platform
 Scaled Advice Technology	20.1%	46.7%	66.8%	Xplan Prime, Midwinter AdviceOS, Astute Wheel
 Social Media Management Tool	12.5%	34.5%	47.0%	Hootsuite, Buffer
 Digital Workflow and Integration Tool	12.2%	38.2%	50.4%	Zapier, Xeppe, IFTT
 Online Advertising	11.8%	20.1%	31.9%	Google paid search, Facebook paid advertising, Google display network

1

Tech learnings from AdviceTech Stars

- 07 Introduction
- 09 AdviceTech Stars have a Silicon Valley mindset
- 10 AdviceTech Stars are deliberate about how they invest in technology



Introduction

AdviceTech stars are a select group. Only one in eight financial advice practices can be described as AdviceTech Stars and they have not attained that title by accident. By definition, they are successful businesses with higher average FUA and revenue.

AdviceTech Stars are also willing – some might say enthusiastic – adopters of technology and they invest willingly to support their businesses, enhance client service and improve the delivery of advice.

It's not only about how much these businesses invest in AdviceTech that sets them apart. It's also about how they structure their investment, how they plan ahead, and about their mindset – including a willingness to stand apart from their peers to adopt new technologies that others might be slower to take up.

AdviceTech Stars have more financial success.

It's a moot point whether the investment in AdviceTech drives business success or whether it's an ingrained component of a successful business owner's mindset to invest in AdviceTech. What is not

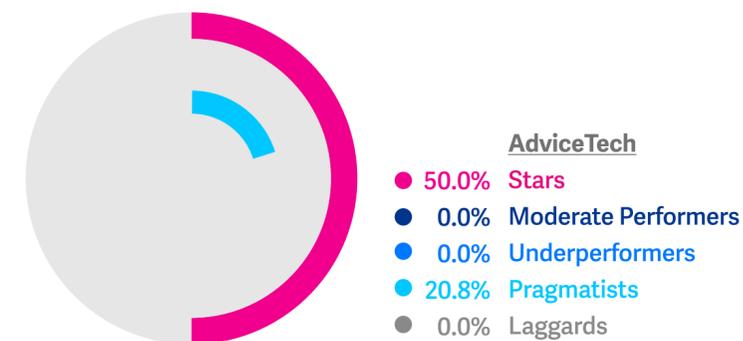
in dispute is that AdviceTech Stars are typically in robust financial health.

More than two-thirds (67.9 per cent) of them generate revenue of \$2 million or more, and on average, revenue was up for more than 85 per cent of them in the year ended June 30, 2019. More importantly, more than eight in 10 (81.8 per cent) of them generate earnings before interest, tax, depreciation and amortisation (EBITDA) of 20 per cent or more of revenue. No other segment comes close in generating such healthy margins.

Well over half (57.1 per cent) of AdviceTech Stars employ more than 10 staff. Despite the greater employment costs, their healthier profit margins mean they're more scalable businesses, underlining one of the key benefits of AdviceTech employed intelligently.

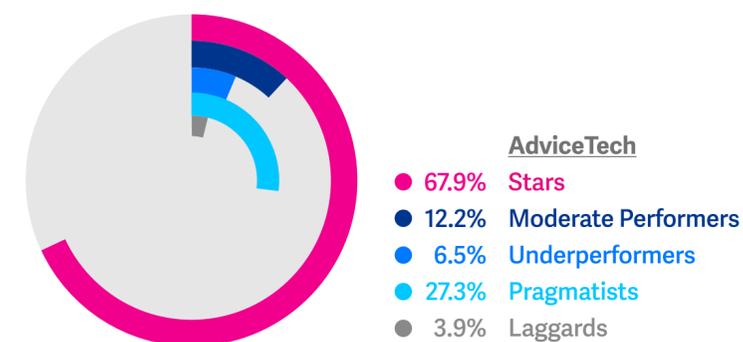
Majority of AdviceTech Stars manage more FUA

Proportion that have FUA > \$500m (financial year ended June 30, 2019)



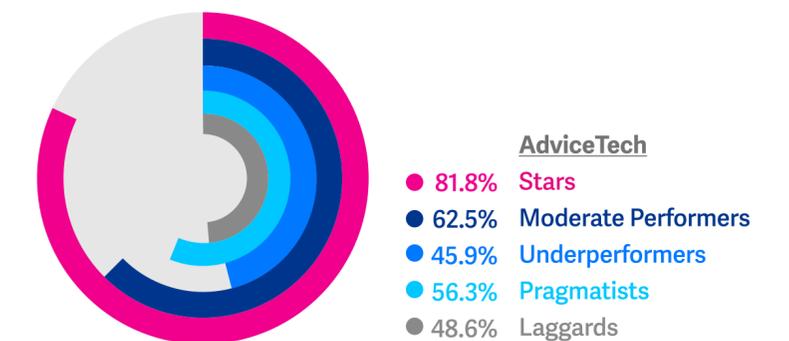
AdviceTech Stars generate more revenue

Proportion that have revenue > \$2m (financial year ended June 30, 2019)



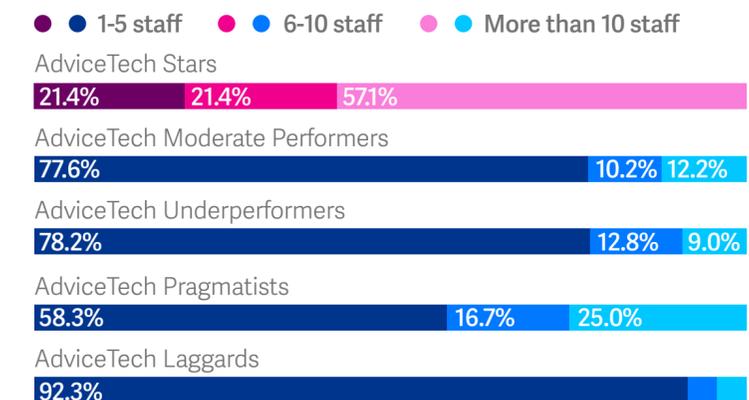
AdviceTech Stars are more profitable

Proportion that have 20%+ EBITDA to Revenue margin (financial year ended June 30, 2019)



AdviceTech Stars are more scalable as they employ more people profitably

How many full-time staff does your business employ?

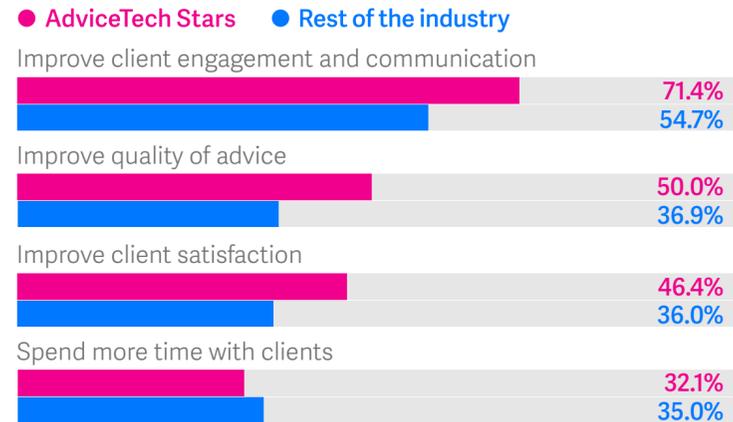


Beyond financial health, as a result of their investment in technology, AdviceTech Stars enjoy a greater number of business benefits than the rest of the industry, including greater efficiency, a better ability to manage compliance and governance, improved advice quality, and better client engagement with higher client satisfaction scores.

The AdviceTech Research Report examined 15 potential business benefits arising from the use of technology. In 11 of those areas AdviceTech Stars enjoyed greater technology-led benefits than the rest of the industry – ranging from customer engagement, back office efficiency and revenue opportunity benefits.

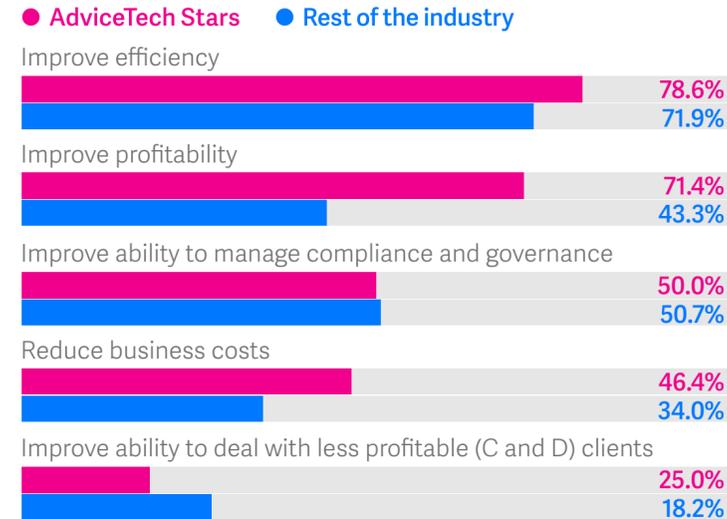
Business benefits are derived from AdviceTech across the board

Agree – Received customer engagement business benefits from technology in the financial year ended June 30, 2019

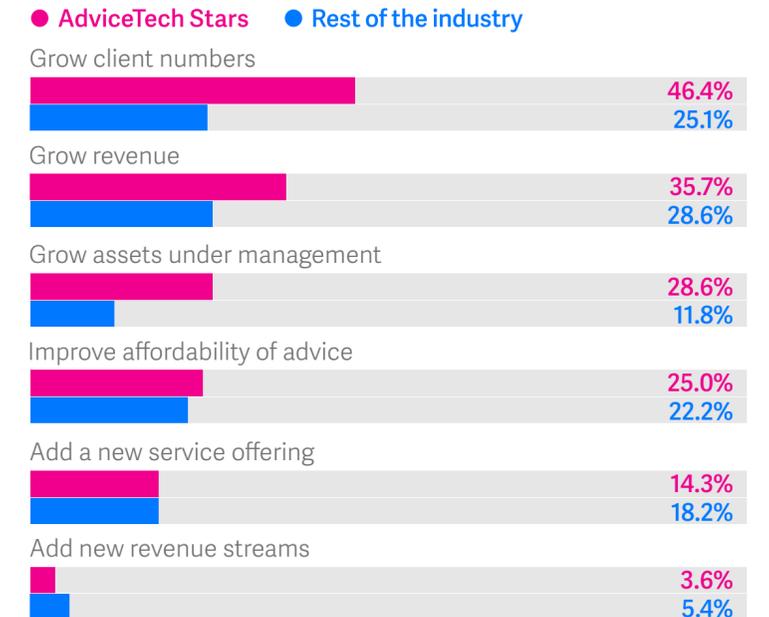


*Multiple answers allowed

Agree – Received back office efficiency benefits from technology in the financial year ended June 30, 2019



Agree – Received revenue and growth benefits from technology in the financial year ended June 30, 2019



AdviceTech Stars have a Silicon Valley mindset

AdviceTech Stars stand out from the rest of the industry for their attitude to investing in technology. It's part of their DNA.

The majority (50.0 per cent) of AdviceTech Stars are pragmatists, investing in the technology they think will best suit their needs and deliver them a competitive advantage. They are not shy about using AdviceTech that is not yet widely adopted across the industry, as long as it is proven to be stable and reliable. A further 25.0 per cent are early adopters who will work with vendors or suppliers on leading edge technology in a bid to fundamentally reshape their business.

It is this attitude which results in a greater adoption of technology, with AdviceTech Stars being 18.5 per cent less likely to say they don't have the time to learn about new technologies, and more than 10 per cent less likely to resist spending on technology on the grounds that it's too expensive.

Interestingly, AdviceTech Stars are self-learners. The majority (75.0 per cent) learn about AdviceTech from online reading/research; 57.1 per cent learn from discussions with suppliers; and 50.0 per cent attend events to learn more.

Being an AdviceTech Star is as much about the mindset and philosophy of an advice firm as it is about its size, in either client numbers or portfolio balances.

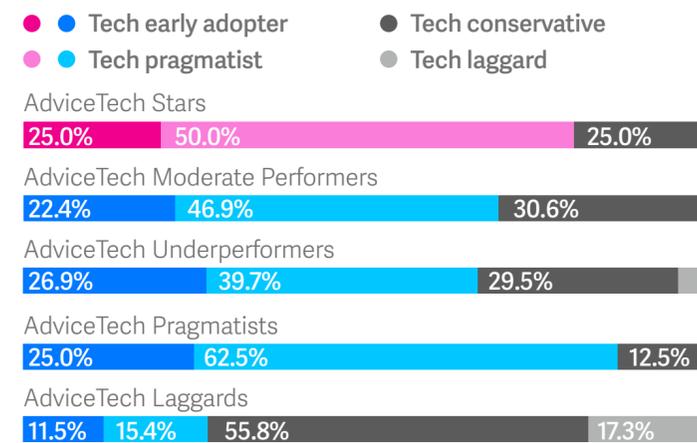
AdviceTech Stars come in a range of sizes.

Although most (46.4 per cent) AdviceTech Stars are large advice businesses, with 500 or more active clients, a significant proportion are small or medium-sized advice business.

Scale is no impediment to their performance on the technology or business success fronts. An ability to implement technology effectively, and the mindset needed to do it, exists in small AdviceTech Star firms as much as in large firms.

AdviceTech Stars have more open attitudes about technology investment decisions

How would you describe your business's attitude towards making investment decisions in technology?

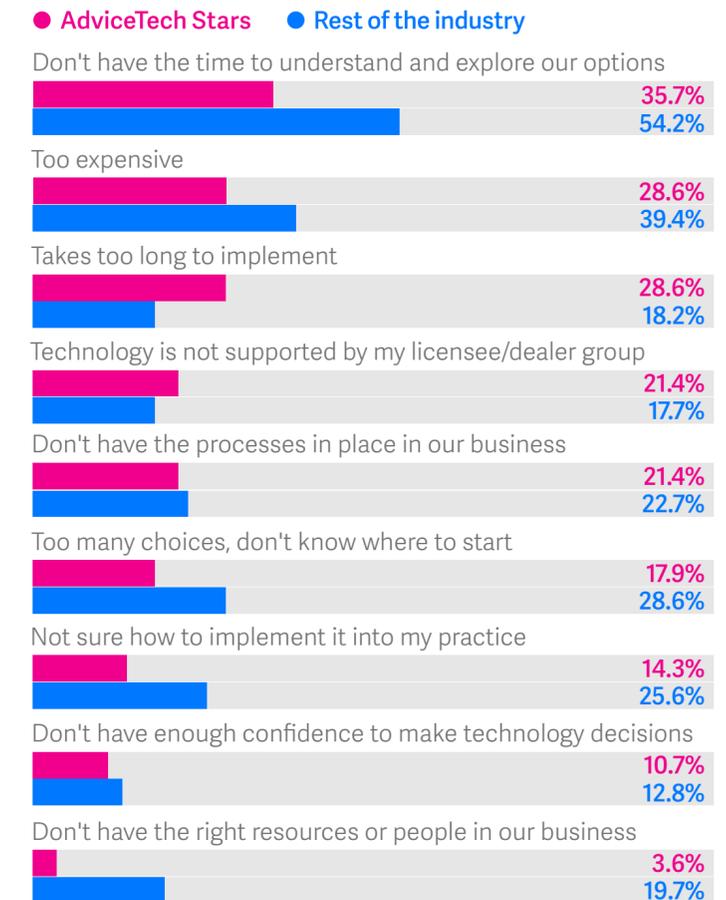


Definitions:

- Tech early adopter - will work with vendors/suppliers on leading edge tech to fundamentally reshape the business
- Tech pragmatist - will use stable but not yet common technology to develop a competitive advantage
- Tech conservative - will deploy proven technology to deliver services as expected
- Tech laggard - will only buy commodity technology to cut costs

Time and cost are lower perceived barriers for AdviceTech Stars investing in technology

Agree – My business has the following barriers when selecting and implementing technology



*Multiple answers allowed

AdviceTech Stars are deliberate about how they invest in technology

AdviceTech Stars think carefully about how they invest in technology. More than two in five (42.9 per cent) plan their investment with a technology roadmap, more than double the proportion in any other segment.

They're also not afraid to spend money on technology to address issues as and when they arise. And they are least likely of all firms (64.3 per cent) to engage in ad-hoc spending, allocating money on an annual basis to AdviceTech.

AdviceTech Stars spend 6.0 per cent of their revenue on technology each year. The AdviceTech Underperformers spend 2.2 per cent more (8.2 per cent of their revenue) on tech each year, and realise a lower business success, in terms of revenue growth and profitability. This illustrates that spending more doesn't necessarily help if it's not spent well.

And critically, AdviceTech Stars take on the resources they need to make sure the investment they make is implemented effectively and pays dividends, being 11.9 per cent more likely to have an in-house technology manager than firms in any other segment. Almost three in 10 (28.6 per cent) have a dedicated AdviceTech resource.

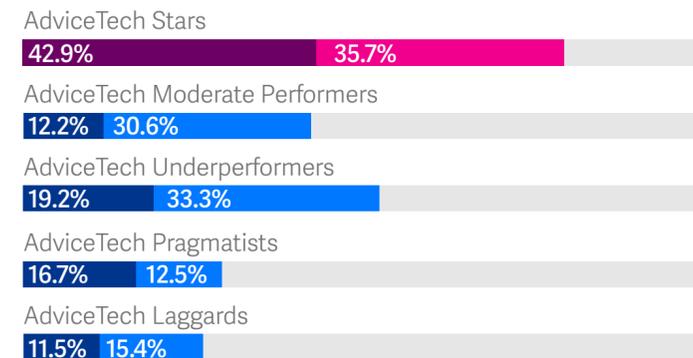
The majority of AdviceTech Stars are planning to spend more on technology next year than they did this year.

That's true across client engagement technologies, (57.1 per cent of AdviceTech Stars will spend more next financial year compared to last), financial planning technologies (53.6 per cent will invest more next year) and workflow and operations technologies (57.1 per cent will invest more next year).

AdviceTech Stars are most likely to plan ahead and have a clearly defined technology roadmap /strategy for the next 12 months

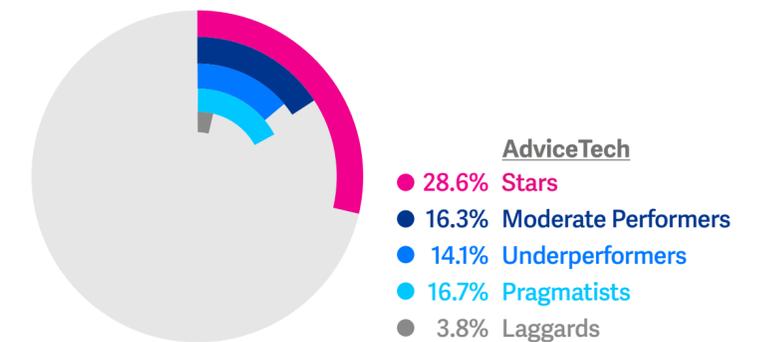
Does your business have a clearly defined technology roadmap/strategy for the next...? 12 months only

- Yes, it is clearly documented
- Yes, but it is not clearly documented



They have a dedicated in-house tech manager

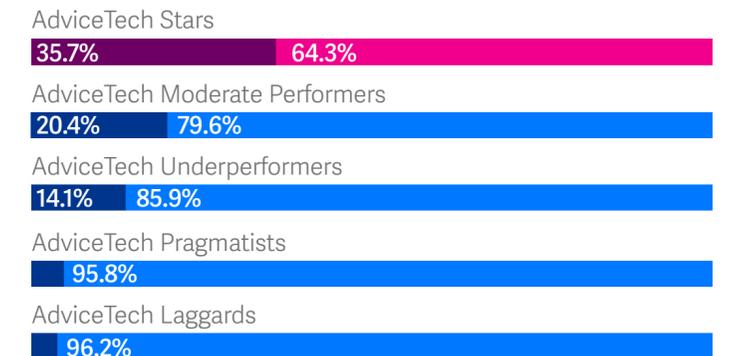
Agree – My business employs a dedicated in-house technology manager



They allocate an annual budget to technology, being less spontaneous

Agree – My business has an annual budget for technology spend

- Annual budget for technology
- Spend on technology on an as-needed basis



Not surprisingly, AdviceTech Stars use many technology tools and vendors as part of their technology infrastructure or “stack” to help solve their business problems and improve the client experience.

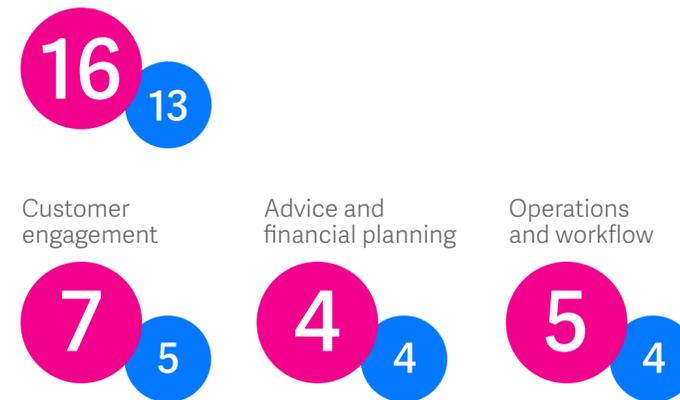
On average they use 16 AdviceTech tools - more than businesses in any other segment. Almost nine in 10 (89.3 per cent) AdviceTech Stars have five or more client-engagement technologies in their stack. They’re more likely than any other segment to use five or more financial planning technologies. And more than seven in 10 (71.4 per cent) use five or more operations and workflow technologies – again, more than any other segment.

They’re also careful to ensure any AdviceTech they take on integrates effectively with what they’re already using, eliminating inefficiencies that can arise from systems that won’t speak to each other effectively, or from the multiple handling of data or client details.

AdviceTech Stars use more technology in their business

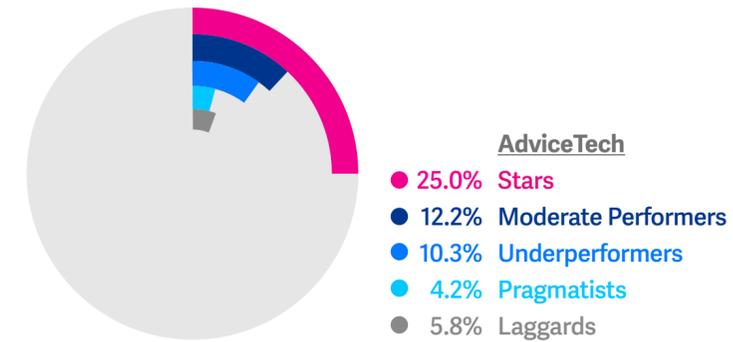
Average number of AdviceTech used

● AdviceTech Stars ● Rest of the industry



AdviceTech Stars are more than twice as likely to have an integrated stack

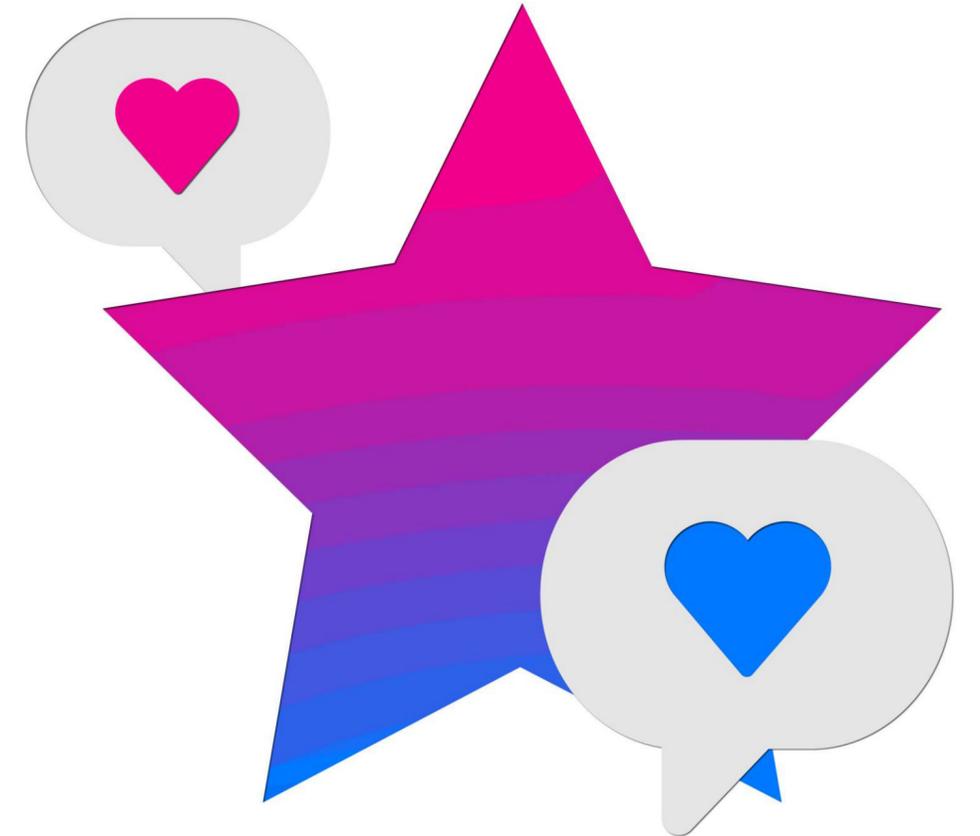
Agree – My business’s current technology stack is a highly integrated system of technologies fundamental to delivering our value proposition



2

AdviceTech's role in delivering exceptional client experiences

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Introduction

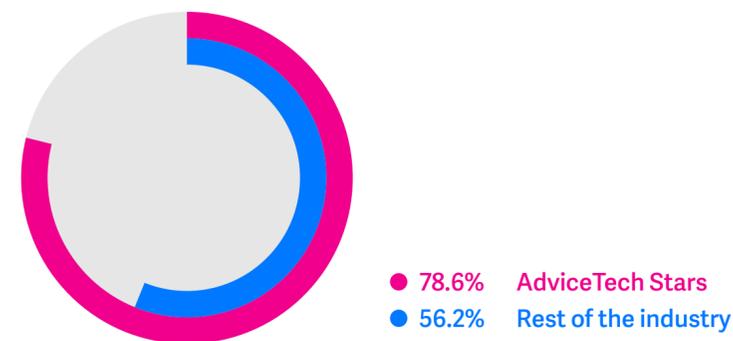
In the past it might have been enough for a business just to be the best in its particular specialisation – whether that be a financial expert or a medic. Today, being a specialist is only part of what makes businesses successful. Digital-only businesses such as Amazon and Netflix have made it clear that to thrive, a business must deliver exceptional client experiences, and that these need to be digitally driven.

Today, technology is pervasive at every touchpoint between company and consumer. Consumers want to be engaged in the way that suits them, at the time that suits them and in the place that suits them. It means a single mode of communicating or engaging with clients will no longer cut it. Any business that is not utterly fluent in a range of client-engagement technologies will fail to meet the expectations of its clients, both existing and potential.

In this interconnected world, financial advice firms are no different. Financial advice is shifting rapidly from almost exclusively face-to-face contact, to interface-to-interface contact.

So it is little surprise that businesses are seeing an increase in demand for technology by their clients (78.6 per cent of AdviceTech Stars and 56.2 per cent Rest of Industry). And for AdviceTech Stars, client engagement and communication was the biggest business benefit they received from AdviceTech in 2019 (71.4 per cent of them versus 54.7 per cent of the rest of the industry).

Agree – My business is seeing an increased demand for technology from our client base



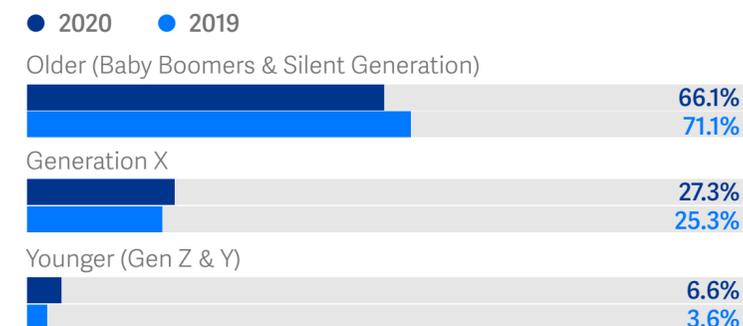
Agree – Business benefits from the following technology in the financial year ended June 30, 2019 (selected responses)



That shift to a “digital 1st” customer experience may have been underway already, partly driven by demographic trends and the rise of so-called “digital natives” (Generations X, Y and Z), who are increasing as a proportion of advisers’ clients, have grown up with technology, and for whom virtual relationships are second-nature and multi-mode communication is taken for granted.

But the trend has been accelerated for all consumers, and all businesses, by the social isolation and distancing measures demanded in response to the COVID-19 pandemic, requiring technology solutions when face-to-face meetings are impossible.

What generation do most of your clients belong to?



However, there is a problem. The proportion of advice firms that say technology is omnipresent in all client interactions has declined for the second year in a row, so that now fewer than one in 10 advice practices (8.9 per cent) believe their technology is “pervasive in all client engagement interactions”.

Agree – Technology is pervasive in all client engagement interactions that my business offers to clients



To address the disconnect, Netwealth has identified three areas of focus for an advice practice where AdviceTech can play an important role:

- 01** Offer a client portal that encourages self-service yet facilitates two-way interaction between adviser and client.
- 02** Deliver a multi-mode, interface-to-interface communication solution.
- 03** Improve trust and add value to the relationship, with personalised content distributed through the various relevant channels.

Client portals lead the charge in adding value to the relationship

A well-implemented client portal can provide a range of benefits, including improved communication with clients, better client collaboration, better engagement, improved client satisfaction, and improved efficiency for the business.

AdviceTech Stars are almost 12.4 per cent more likely to use a client portal today (32.1 per cent versus 19.7 per cent of the rest of the industry), and within the next 24 months almost 57.1 per cent plan to have deployed one for their clients.

Features-wise, they expect the portal to offer:

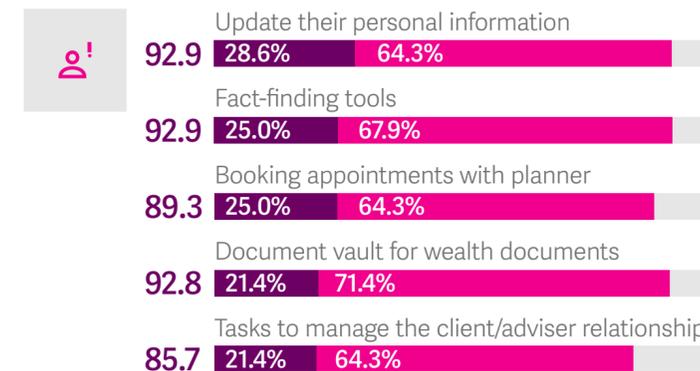
- Planning and monitoring tools to aggregate financial accounts & track progress to goals
- Investment execution, such as digital consent and signatures or authority to proceed
- Two-way communication & notifications
- The ability for clients to easily manage their relevant details, including wealth documents
- Education and insights, including economic or finance news.

AdviceTech Stars list their must-have client portal features

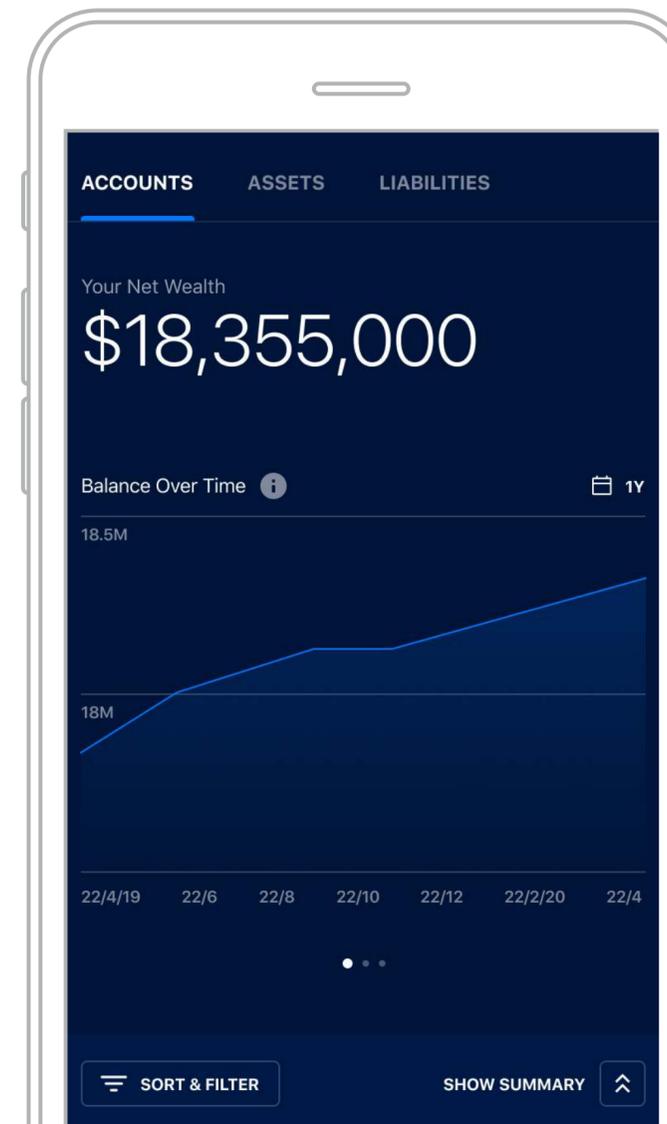
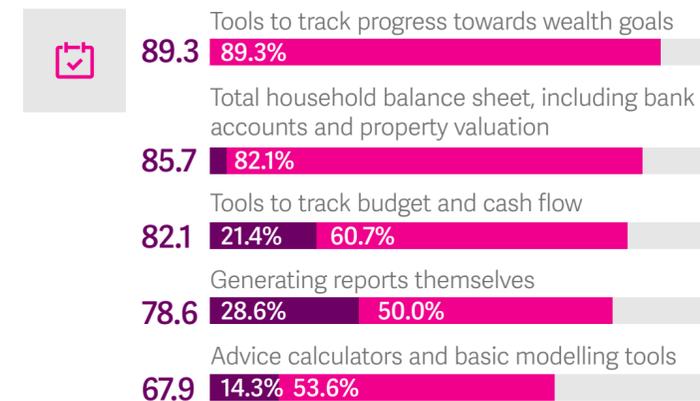
What features of an online client portal do you (AdviceTech Stars) currently offer or would like to offer to your clients?

● Currently offering ● Would like to offer

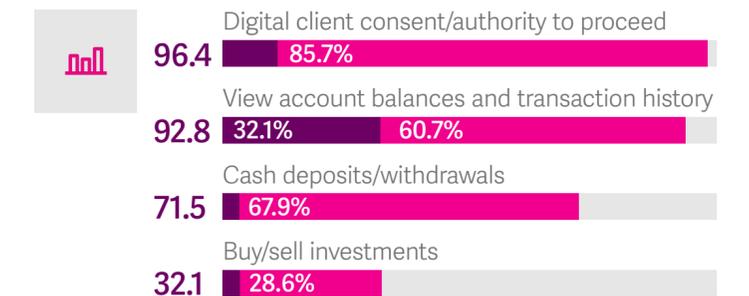
About the client



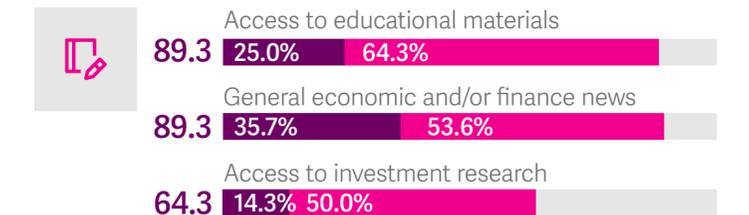
Planning / monitoring



Investing



Education / insights



Notifications & alerts



The perceived benefits of client portals are clear, but remain untapped.

AdviceTech Stars are clear on what they perceive as the benefits of client portals. On every criteria measured, at least 80 per cent of AdviceTech Stars believe or expect the benefits to include:

- Business efficiency
- Client communication, collaboration, education and engagement
- Transparency
- Marketing.

Perhaps most importantly, almost nine in 10 (89.3 per cent) AdviceTech Stars believe client portals will result in improved client satisfaction, a key performance metric for many businesses.

Client portals are a doorway to improved client communication, collaboration and engagement, and improved business efficiency.

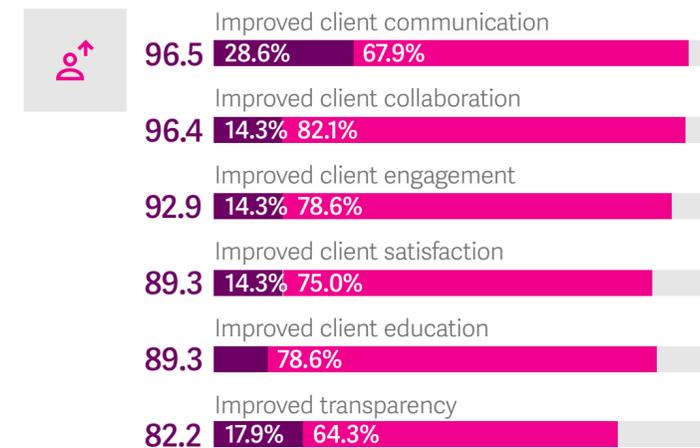
But the main benefits of portals are expected rather than realised – even for the AdviceTech Stars.

The biggest benefit of a client portal is better client communication

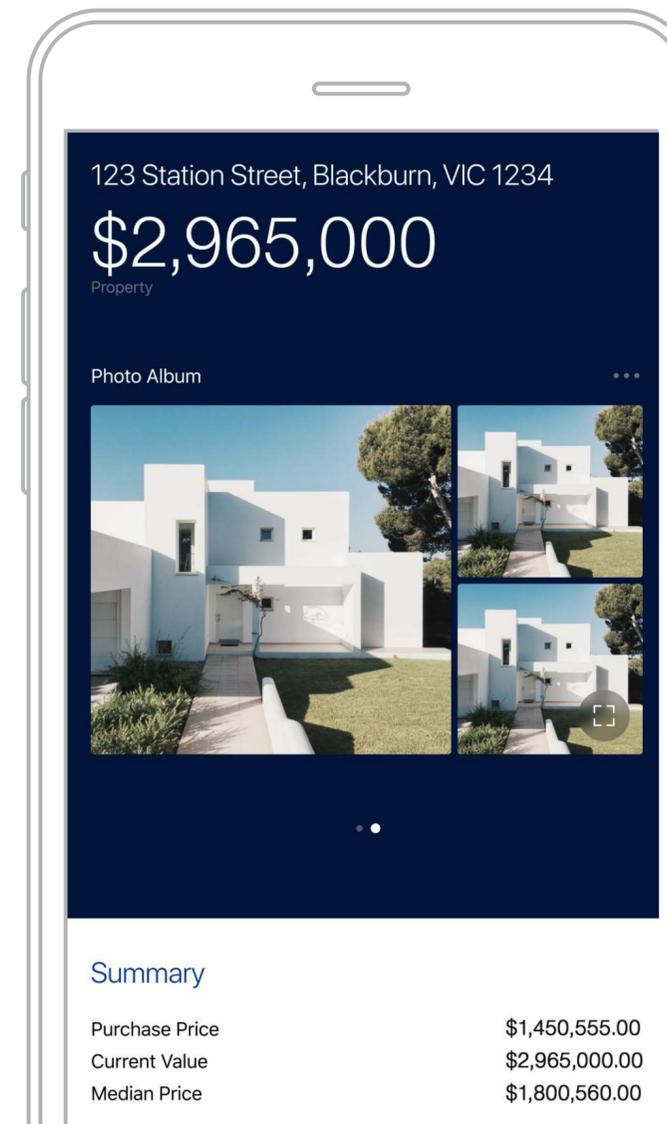
What key benefits do you (AdviceTech Stars) currently get or expect to get from your client portal?

● Currently get ● Expect to get

Improved client outcomes



Improved business outcomes



Multi-mode client and adviser communication

With choice comes complexity. Take a look at your own mobile phone or computer. Chances are you've downloaded a number of apps that all do essentially the same thing: Zoom, Microsoft Teams, Skype; Facebook Messenger, WhatsApp, and possibly more.

Your clients today would be little different. They use multiple communication apps, and they use them frequently. And what's more, they flip seamlessly from one to another as part of their ongoing communications and interactions. Today, human interaction is less face-to-face than it is interface-to-interface.

So, it is little surprise that although stock-standard phone and email remain the top forms of communication between adviser and client, there is a noticeable uptick in the use of other technologies.

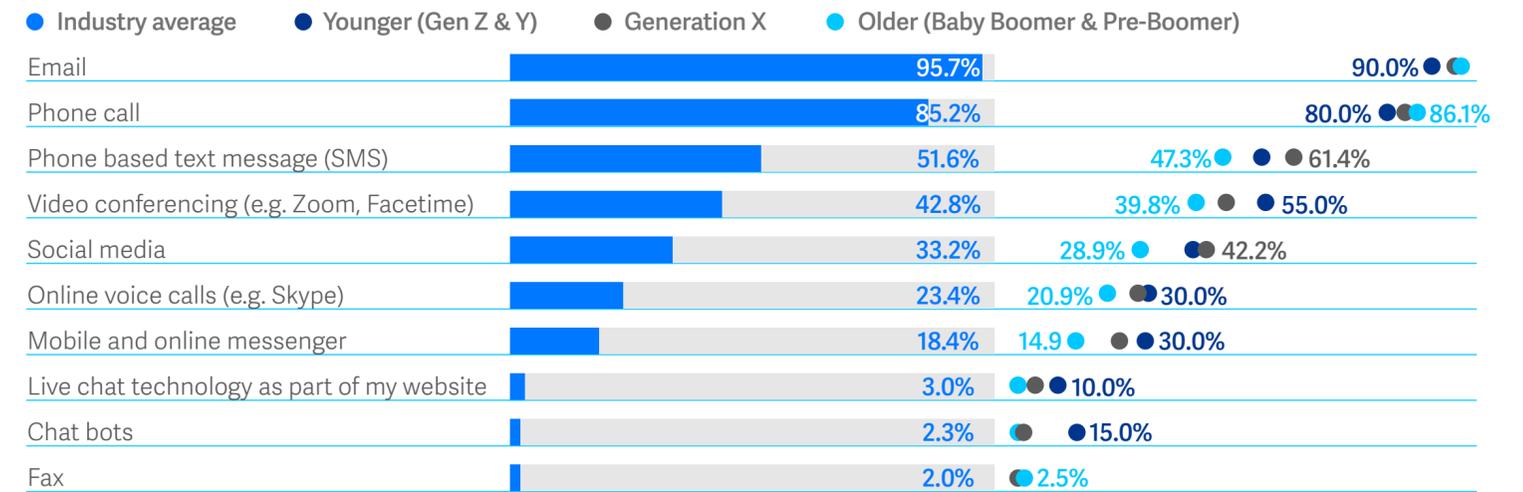
Since last year, video conferencing has seen a dramatic increase in use (42.8 per cent in 2020 versus 21.1 per cent in 2019) with AdviceTech Stars adopting it with the greatest fervour - three in every four use it. Video conferencing usage is also high,

with 35.0 per cent of AdviceTech Stars using it daily and a further 45.0 per cent using it weekly.

The preferred communication mode varies with the generation of client. Advisers with younger clients are more likely to use video conferencing, mobile and online messaging, and even chat bots. And they're less likely to use phone and email to communicate with younger clients than they are to communicate with older clients.

Video conferencing doubled in use from the previous year with younger clients preferring multi-mode communication more

What other technologies do you use to communicate with clients?



*Multiple answers allowed

Websites, social media and email: it's actually all about the content

As an expert in your field you have opinions and views on a range of subjects and want to express yourself clearly and in a timely manner. This “content marketing” is an effective way to extend client engagement beyond the usual one-to-one client meetings or your client portal, and it is best conducted through a variety of different digital channels.

Content comes in many forms, ranging from articles, white papers, videos, podcasts and webinars. You should aim at all times for your content to be engaging, informative and entertaining, and designed to help your intended audience identify and potentially solve a problem – or prompt them to come to you to solve it for them.

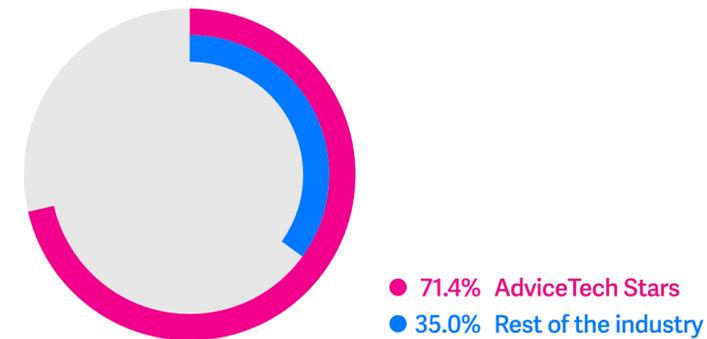
Content marketing is first and foremost a creative activity, with technology used to deliver great content to the right audience at the right time. It extends beyond selling products or services and is anchored in more educational and perhaps even emotive issues. Done well, it has the potential to create greater client satisfaction and loyalty.

AdviceTech Stars are adept content marketers and are more than 20 per cent more likely (85.7 per cent versus 61.1 per cent for the rest of the industry) to use AdviceTech to distribute their content via email newsletters. They're twice as likely as the rest of the industry to use a website or blog (71.4 per cent versus 35.0 per cent) and they more often amplify their messages through social media to reach a wider audience (42.9 per cent versus 27.1 per cent).

Critically, AdviceTech Stars are 14.1 per cent more likely to have a mobile-compatible website or blog, recognising the fact that people often read content on the go, and across multiple devices.

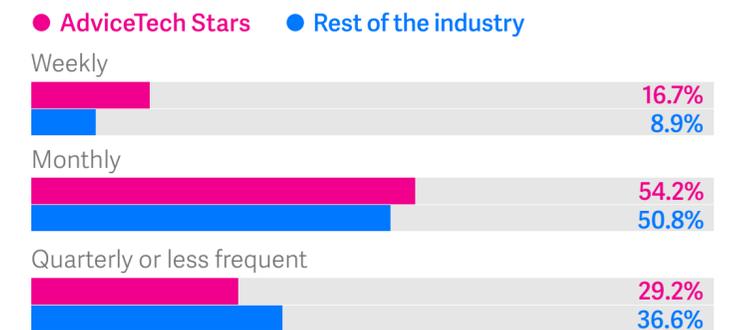
AdviceTech Stars update their website more frequently

Agree – My business adds or modifies content on our website, including our blog, at least weekly or monthly



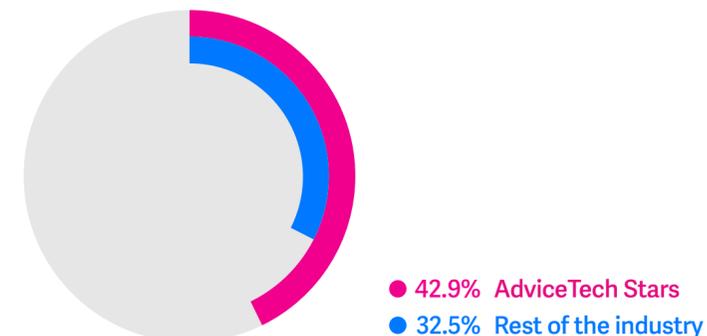
Monthly email send-outs is most popular among practices

Frequency my business sends email campaigns and newsletters of educational or informational nature to clients, by those that use them

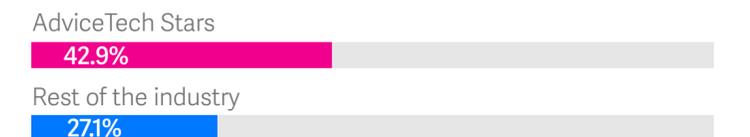


Leading advice practices are promoting content more actively on social media, with best practice to communicate at least weekly

Agree – My business uses social media to communicate with our clients



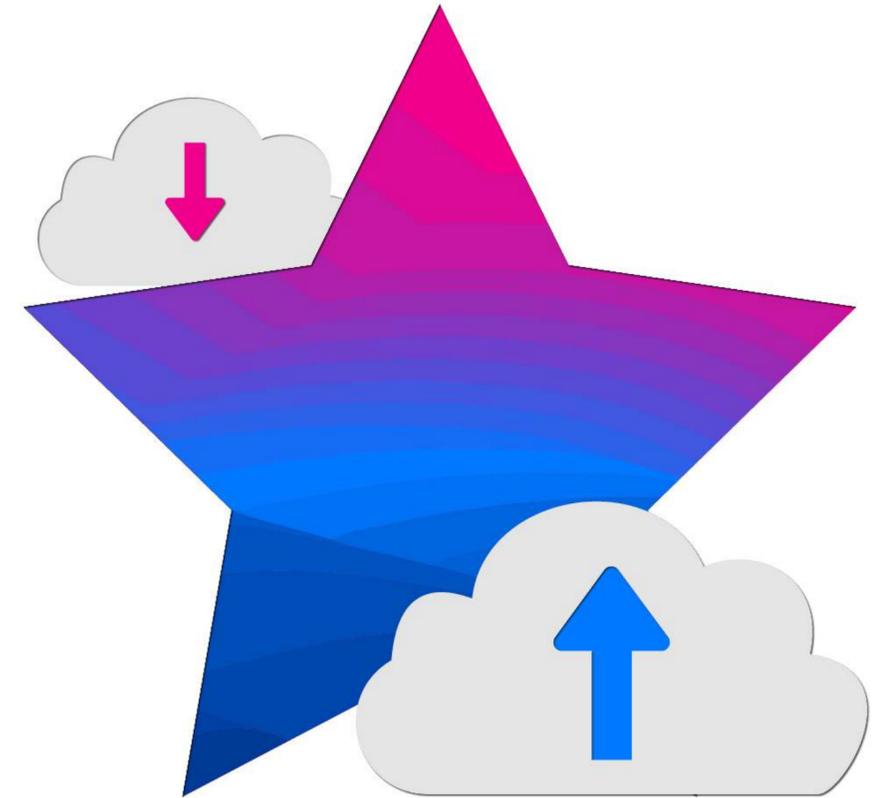
Agree – My business posts to social media networks at least weekly



3

AdviceTech and a remote workforce

- 19 Introduction
- 20 Business in the clouds
- 21 Making the most of your CRM
- 22 Investment execution at scale with managed accounts
- 23 Improving business efficiency with an integrated AdviceTech stack
- 24 Collecting data and analysing it – two ends of the advice process



Introduction

Almost a third (32.0 per cent) of all Australian employees regularly worked from home in 2019, according to the Australian Bureau of Statistics (Australian Bureau of Statistics (ABS) catalogue number 6333.0 - Characteristics of Employment, Australia, August 2019). While the arrangement was common, it was by no means the norm.

But all that changed in early 2020 with the COVID-19 pandemic, and the mass migration of workers from the nation's offices to home dinner tables and studies.

Businesses that had little or no experience of supporting a distributed workforce received a crash course in how to make it work. For others already more accustomed to flexible working hours and dealing with remote employees, the transition was less abrupt.

But in any case, businesses were forced to rely, often much more than they had before, on technology to manage employees as they dispersed to their respective remote workplaces, while seeking to

ensure continuity of business operations, effective communication between employees and regular contact with clients.

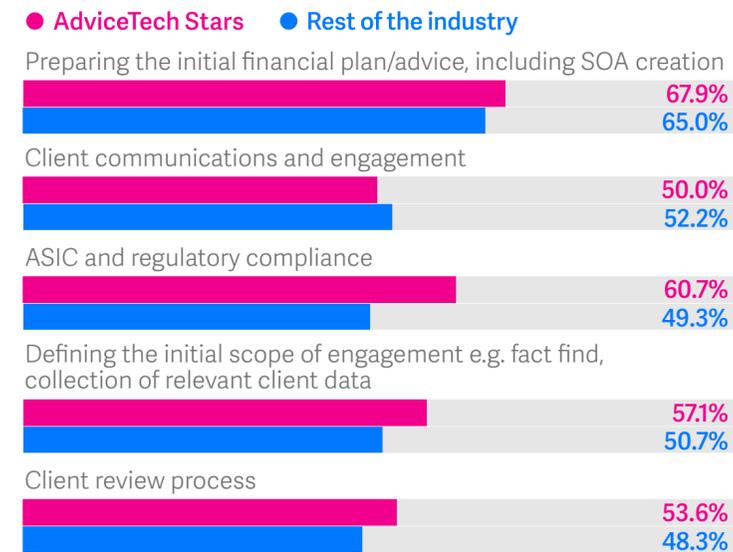
The impact of the pandemic on how advice businesses operate and how they interact with clients will continue to be felt even after the pandemic has passed.

AdviceTech Stars are businesses we can all take lessons from and at Netwealth we believe that COVID-19 will be the catalyst for many advice practices to bring forward their technology investment plans. We have heard many stories recently to support this, such as businesses having to abruptly prioritise IT infrastructure and back office administration technologies.

We suspect that practices will prioritise AdviceTech investment in the parts of the advice process believed most likely to be affected by technology in the next five years, including:

- Preparing financial plans and Statements of Advice
- Complying with ASIC and other regulatory requirements
- Defining the initial scope of client engagement
- The client review process.

Top 5 - Which parts of the advice process will be impacted most by technology in the next five years?

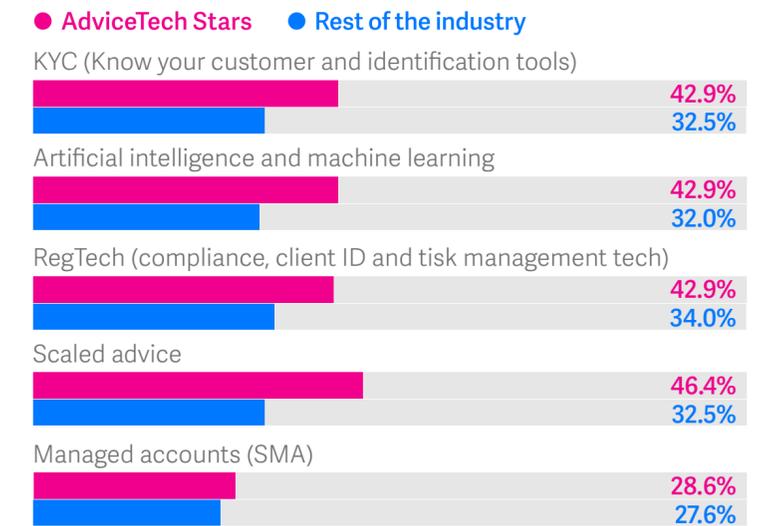


*Multiple answers allowed

Not surprisingly the AdviceTech Stars have been best placed to deal with the current changes, and in examining them closely the future trends of the industry become clearer.

AdviceTech Stars understand the importance of getting the back-end tech-stack correct to ultimately drive increased efficiency and productivity for staff.

Top 5 - Which of the following technologies will have the greatest impact on financial advice practices in the next five years?



*Multiple answers allowed

In this section, we discuss the must-have technologies for a distributed workforce, including cloud technologies, internal messaging and communications, CRMs and tools to manage onboarding, forms and documents.

We also investigate some of the future-forward technologies that will be common to advice practices within five years.

Business in the clouds

A distributed workforce demands a different approach to collaboration, and cloud-based services are critical in supporting this. They assist in communication and document storage, signing and sharing between staff, clients and business partners alike.

Forward-thinking advice firms have already migrated a significant part of their operations to the cloud, so the physical location of an employee from one moment to the next is of little consequence.

All (100 per cent) AdviceTech Star practices already use online file or document storage and sharing services, and when the moment came for employees to decamp, these services continued to operate as usual. That wasn't the case for all advice firms: only three quarters (72.4 per cent) of the rest of the industry was as well set up with cloud-based document and file storage services before the pandemic struck.

Similarly, almost 90 per cent of AdviceTech Stars were set up with cloud-hosted internal communication services (such as email, Skype or

Slack) which again was higher than the rest of the industry (74.4 per cent).

On the dotted line: massive take-up of e-signatures coming

It's jarring in an increasingly digital and online world that the advice process can grind to a temporary halt while paper documents are shuttled back and forth for pen-to-paper signing.

Should we really expect clients to print out forms at home (and put them in the post), or go into an adviser's office to sign them? Most advice firms clearly recognise this source of friction.

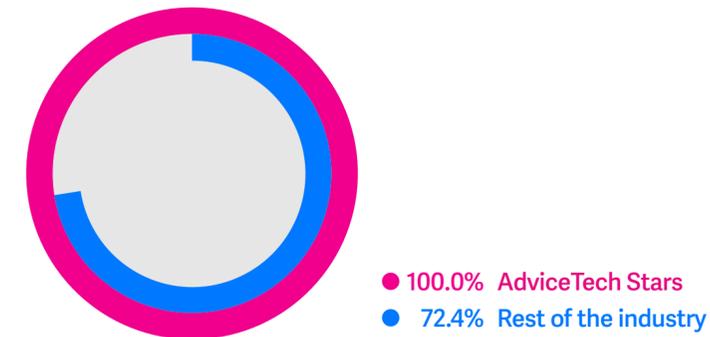
In the next 24 months, around 96 per cent of AdviceTech Stars will have or plan to have digital document signing (sometimes known as e-signature) capability, and around 84 per cent of all other firms will have or plan to have this capability.

Knowing me, knowing you

With many documents, particularly application forms and other onboarding documents requiring KYC identification, it's no surprise that in 2019 one in five (20.8 per cent) thought KYC technology's impact would be significant and in 2020 this has seen a substantial increase (to 34.9 per cent).

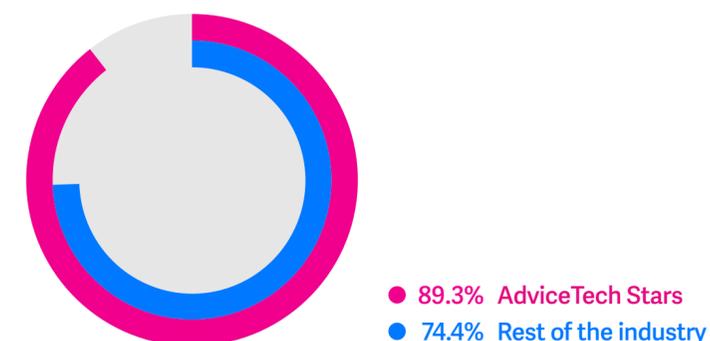
Cloud-hosted services are 'business as usual' for the majority of AdviceTech Stars

Agree – My business uses cloud-hosted online document/file storage and sharing services



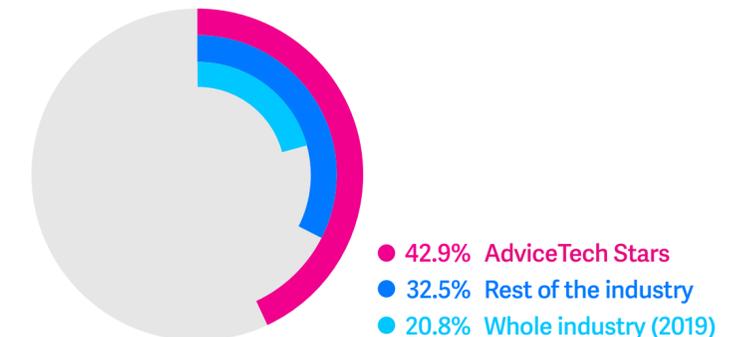
Email, messaging, online meetings in the cloud are the norm for AdviceTech Stars

Agree – My business uses cloud-hosted email or other cloud-hosted internal communication services (e.g. Office 365, Slack)



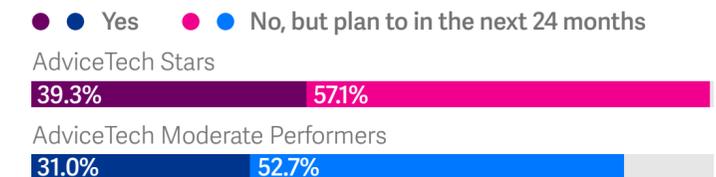
AdviceTech Stars responding to the KYC trend

Agree - KYC (know your customer) tech will have a significant impact on advice practices in the next five years



The benefits of digital signature tools are widely recognised

Do you use digital signature tools with clients?



Making the most of your CRM

Clients are at the core of all good advice businesses. A well-implemented customer relationship management (CRM) system empowers a business to know all there is to know about a client, and to collect, store and manage that information in a way that makes it available to support a range of critical activities. That might be scheduling regular meetings, setting ad-hoc discussions in response to specific events or storing and keeping track of critical advice documentation.

All AdviceTech Stars and the vast majority (98.9 per cent) of all other firms recognise the role of a CRM in supporting those basic functions. However, satisfaction with CRMs amongst these groups is low, ranging between 3.2 to 3.5 out of five for the past three years.

We suspect the reason for this is that advice firms may not be making the most of the rich functionality CRMs have to offer.

The deeper and more powerful functionality of CRMs, overlooked even by AdviceTech Stars include:

- Email marketing integration
- Analytics, reporting and dashboards
- Prospect/lead (sales pipeline) management.

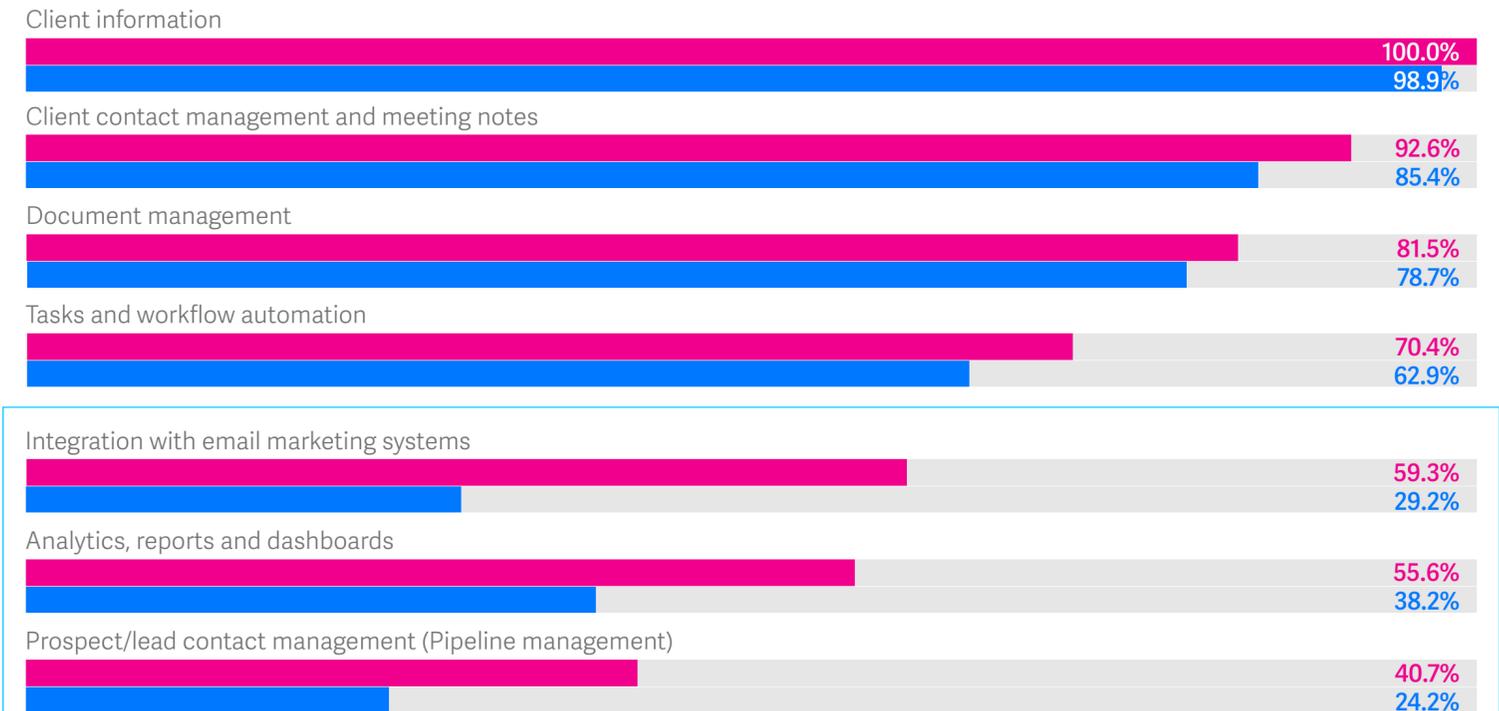
Even though these are among the most underutilised features, it is notable that AdviceTech Stars still make use of them more often than do other firms.

These features are commonly built into existing CRM systems, meaning no new investment is necessarily required to unlock their potential. All it takes is a recognition of the benefit to a business and its clients, and a willingness to use these features.

Some powerful functions of CRMs remain underutilised

Which of the following features of your CRM technology does your business use?

● AdviceTech Stars ● Rest of the industry



Underutilised functionality

*Multiple answers allowed

Investment execution at scale with managed accounts

Big data and AI will play a growing role in the delivery of advice to Australians, but its greatest impact is yet to be felt. In the meantime, managed account technology provides advice firms with an immediately scalable and efficient way to roll out their investment philosophy.

Four in ten advisers (41.8 per cent) believe investment execution and implementation, including records of advice (ROAs) and document exchange, will be significantly affected by AdviceTech in the next five years.

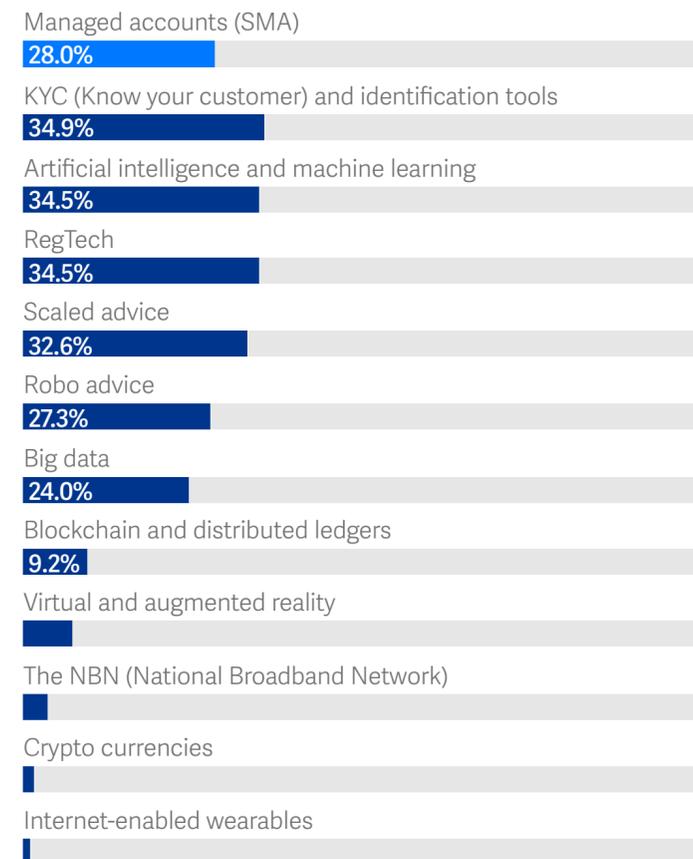
COVID-19 has highlighted the benefits of managed accounts clearly. In a volatile market, where investment decisions need to be made quickly, managed accounts allow advice firms to make these decisions and in essence press a button to roll out changes to all clients, not just a select few.

In 2020, AdviceTech Stars lead the way, with almost half of them already using managed accounts (46.4 per cent versus 37.4 per cent of the rest of industry).

Rather than being constrained by the time-consuming and laborious task of issuing RoAs and then chasing clients to obtain consent, these practices can rebalance portfolios for all clients with ease. Streamlined investment execution and more timely trading during times of market volatility lead to better results or “execution alpha” for all clients, not just a select few, further enhancing an adviser’s value proposition.

Managed accounts set to impact investment execution and advice processes

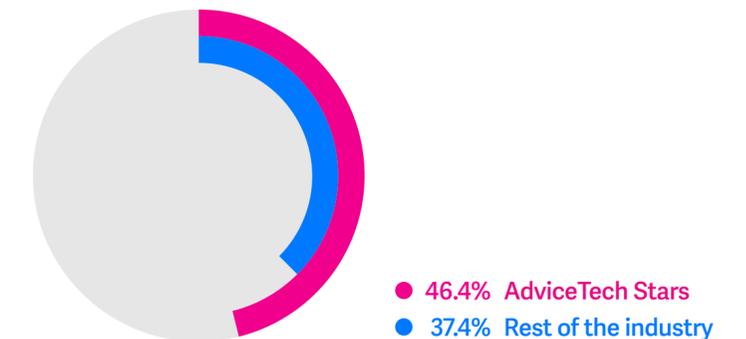
Which technology will have a significant impact on financial advice practices in the next five years?



*Multiple answers allowed

AdviceTech Stars leading the way with managed accounts

Agree – My business uses a managed account (SMA) solution for at least some of my clients



Improving business efficiency with an integrated AdviceTech stack

The efficiency that technology has always promised is slowly being eroded by the number of systems an advice firm must rely on.

Your practice, like most advice firms, likely relies on numerous technologies. AdviceTech Stars on average use 16 technologies, whilst the rest of the industry uses 12.

The smartest users of AdviceTech are tackling this problem by integrating their databases and software platforms (their “technology stack”) as much as possible to avoid issues such as the double-handling of data, bottlenecks or process interruptions caused by incompatible systems, and the possibility of delivering non-compliant advice due to incorrect or incomplete client information.

Almost two in five (37.8 per cent) have developed integration solutions for themselves. However, even among AdviceTech Stars there is considerable scope for improvement, with only one in four having

an integrated technology stack (which is three times as likely than the rest of the industry).

Managing tasks and projects to improve efficiency with advanced technology

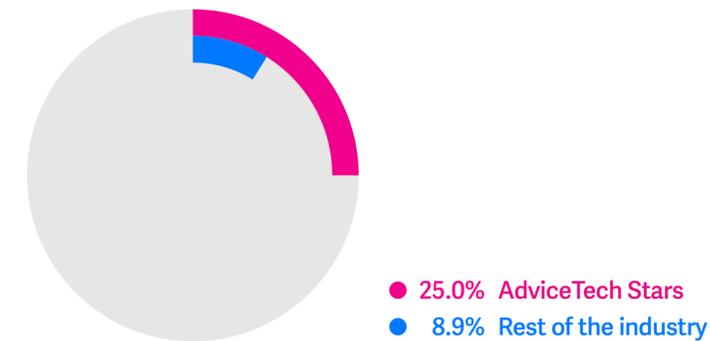
Managing internal projects is critical to ensuring they remain on-time and on-budget. Internal projects, such as improving efficiency of business processes or running training programs to upskill staff, shouldn't detract from a firm's ability to continue to offer a high level of service to clients. The most switched-on advice firms use internal project management tools at least daily, enabling them to manage them efficiently, and to spot problems early, should they arise.

AdviceTech Stars are significantly (20 per cent) more likely to use digital tools to manage non-client internal tasks, activities or projects. Almost two in five (38.1 per cent) AdviceTech Stars use internal project management tools daily, and most (42.9 per cent) use them weekly.

Project management tools are used less frequently among the rest of the industry, which raises the question of whether these firms have the capability to plan, implement and monitor projects when they do undertake them, and whether they might avoid undertaking much-needed business-improvement projects for fear of being unable to manage them effectively.

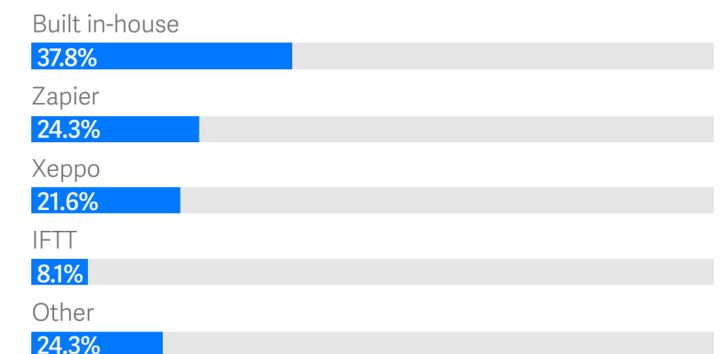
AdviceTech stars are almost three times as likely to have an integrated technology stack

Agree – My business has a highly integrated system of technologies that is fundamental to delivering our value proposition



More than a third prefer custom solutions to 3rd party integration software

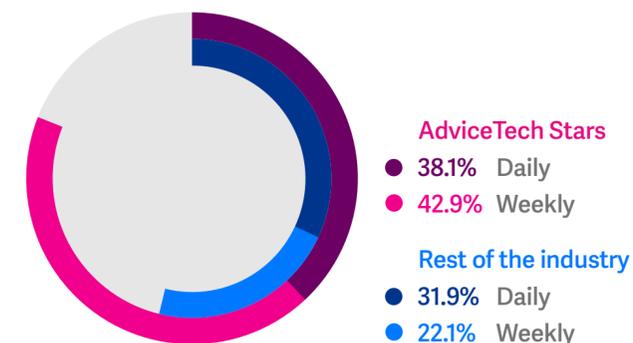
Which of the following technologies do you use to connect or integrate disparate/different internal systems or databases?



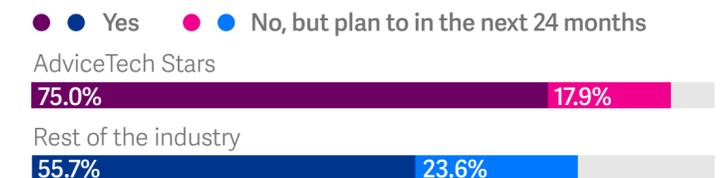
*Multiple answers allowed

Internal project management software is a growing priority for businesses

Frequency of use of internal project and task management tools by those that use them



Do you and/or your staff use digital tools to manage internal tasks, activities and/or projects in your business (i.e. not client tasks, activities and/or projects)?



Collecting data and analysing it – two ends of the advice process

The first step in the advice process is often the fact-find – the first opportunity an adviser has to gather all the information they need to paint a clear picture of a client’s current situation, their goals and objectives, and the first hint of the strategies that might be suitable to get them there.

Shifting from a paper-based to an online fact-find is a significant step in improving efficiency and has the added benefit that the process can often be completed by the client in their own time, at their own pace, ahead of a meeting with an adviser. And significantly, capturing information just once eliminates errors that may be caused by re-keying client information into a CRM or other system.

Online fact-finds are a common feature of the AdviceTech Star’s back office, with around 86 per cent either already having, or planning to have, the capability within the next two years.

One quarter of other advice firms will still not be equipped to offer online fact-find to clients within

the next two years, which is a little concerning given that over 50 per cent of the industry as a whole believe AdviceTech will impact the fact find process in the next five years.

At the other end of the advice process is analysing the information collected from clients, employees and the overall business itself. Technology is a great way to constantly monitor and manage a business’s key metrics.

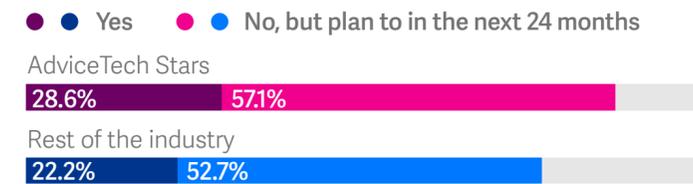
AdviceTech Stars make good use of dashboards and reporting tools (60.7 per cent) to understand their clients and businesses better, and for these firms it makes little difference if the workforce is centralised in one location or dispersed across many.

Within two years every single AdviceTech Star will be using or expects to be using dashboards and reporting tools to keep track of what’s going on inside their businesses, while around two in 10 (18.2 per cent) of the rest of the industry still won’t be using technology to help them manage their businesses in the same way.

Most AdviceTech Stars access business and client reporting dashboard tools every day. It’s deeply ingrained into how these top-performing businesses work.

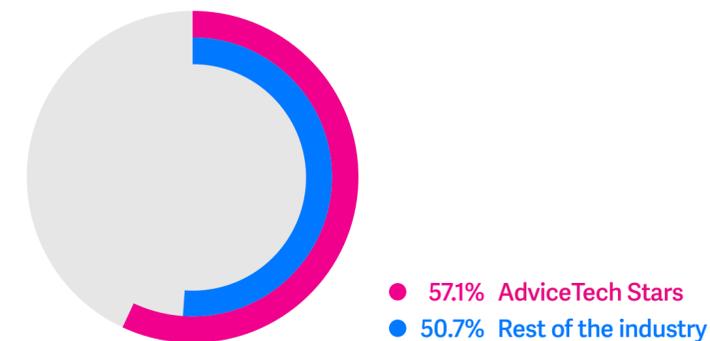
Use of online fact finds will take off in the next two years

Does your business use online self-service tools to capture client (or prospect) information, including their risk profile?



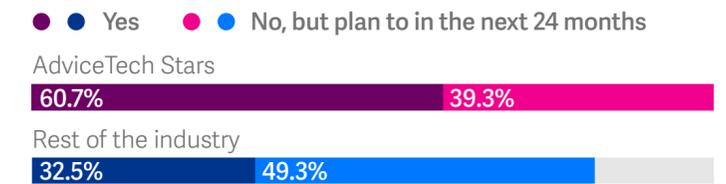
AdviceTech to influence the fact-find process in the next five years

Agree - Defining the initial scope of engagement (including the fact-find process and goal assessment) will be impacted by technology in the next five years



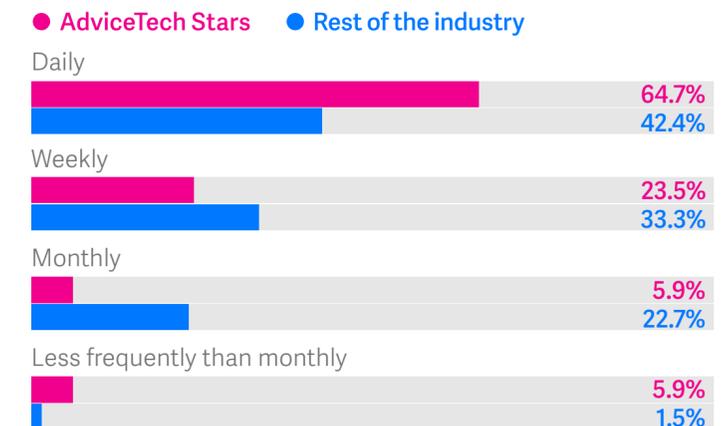
The best firms use dashboards and reporting tools to monitor performance

Do you use dashboards or reporting tools to better understand your business and/or clients?



Most AdviceTech Stars use reporting and dashboard tools every day

Frequency of use of business and client reporting and dashboard tools by those that use them



4

Capitalising on new revenue streams and opportunities

- 26 Introduction
- 27 Enhancing your value proposition with new services
- 28 Evolving your pricing model with scaled advice
- 29 Revenue opportunities with younger generations require a rethink of your AdviceTech stack
- 30 Next-gen technologies to drive blue-sky opportunities



Introduction

AdviceTech is an established driver of efficiency in delivering existing services to clients, but for some the greatest incentive is the promise of AdviceTech to unlock the door to new revenue streams.

In the year ended June 30, 2019, more than one in six (17.8 per cent) advice firms benefited from the use of technology to add a new service and around one in 20 (5.3 per cent) used it to help tap into a new revenue stream.

But in the next 24 months, the number of firms expecting to harness technology to expand services and grow revenue is expected to accelerate, with around one in four (25.3 per cent) believing they will add a new service, and one in eight (12.8 per cent) believing AdviceTech will help them exploit new sources of revenue.

New revenue streams can come from expanding a client base into new segments, offering new services, differential pricing models and the unclear, often high risk/high reward promise of next-gen technologies like big data and artificial intelligence (AI).

AdviceTech Stars do not hold their pre-eminent position by accident. They understand that technology in all its forms will have a significant impact on their businesses. As the industry's leaders, they show us where the financial planning industry is likely to go; and the opportunities they're already exploiting demonstrate where others can look to offer new services and tap new revenue streams.

Many advice businesses are looking for new service and revenue opportunities

Thinking about your business, in the next 24 months what are the key business objectives that you are focusing on.



AdviceTech unlocks the door to growth

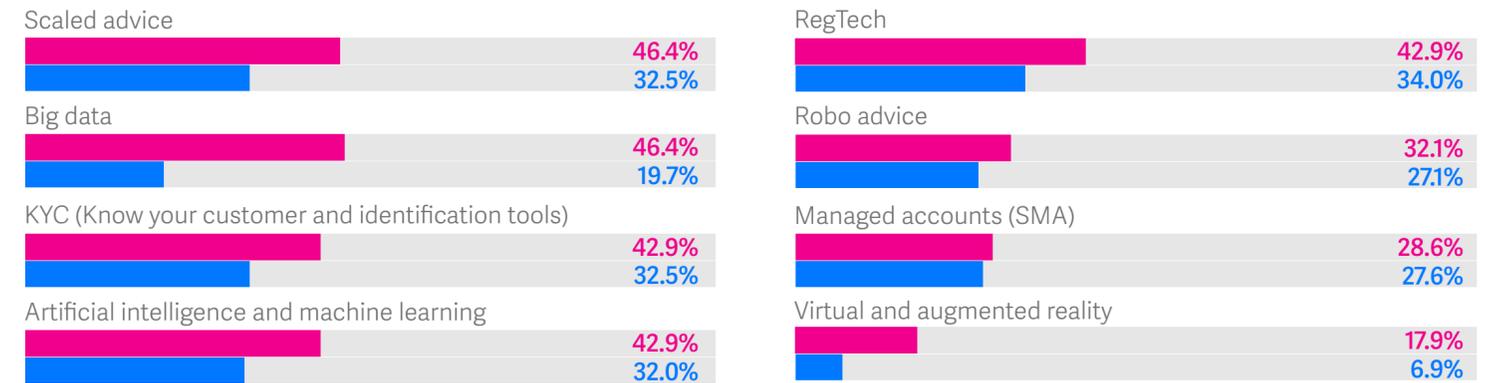
In what ways did your business benefit from technology in the financial year ended June 30, 2019.



Look to the AdviceTech Stars to spot new opportunities

Agree - The following technologies will have the greatest impact on financial advice practices in the next five years

● AdviceTech Stars ● Rest of the industry



* Selected responses

Enhancing your value proposition with new services

There is growing evidence that financial advisers are shifting away from investment and insurance as their focus to offer more holistic services, encompassing a broader range of elements, including accounting, tax, banking and even philanthropy, healthcare and aged care.

As advice firms respond to changing client demands for advisers to be more like financial coaches than the traditional salesperson, they will have to fundamentally rethink their service proposition.

Learning from AdviceTech Stars could be the key. They are more likely to offer accounting services (28.6 per cent versus 7.9 per cent for the rest of the industry), aged care services (53.6 per cent versus 38.4 per cent), business advice (35.7 per cent versus 19.7 per cent), cash-flow management (71.4 per cent versus 58.6 per cent), and more.

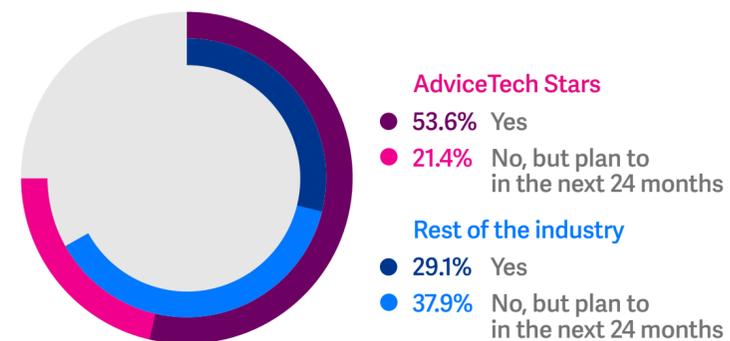
Cash-flow, budgeting and account aggregation tools are an integral part of an AdviceTech Star's arsenal, with four in five (86.7 per cent) using them weekly or more frequently. In 2020, more than half (53.6 per cent) of AdviceTech Stars are using technology to

aid cash-flow management, with a further 21.4 per cent intending to use them in the coming two years.

Interestingly, AdviceTech Stars also see cash flow and budgeting as being relevant to the client portal, with two in 10 already offering this service to their clients via a portal and a further six in 10 planning to offer this service to their clients in the future.

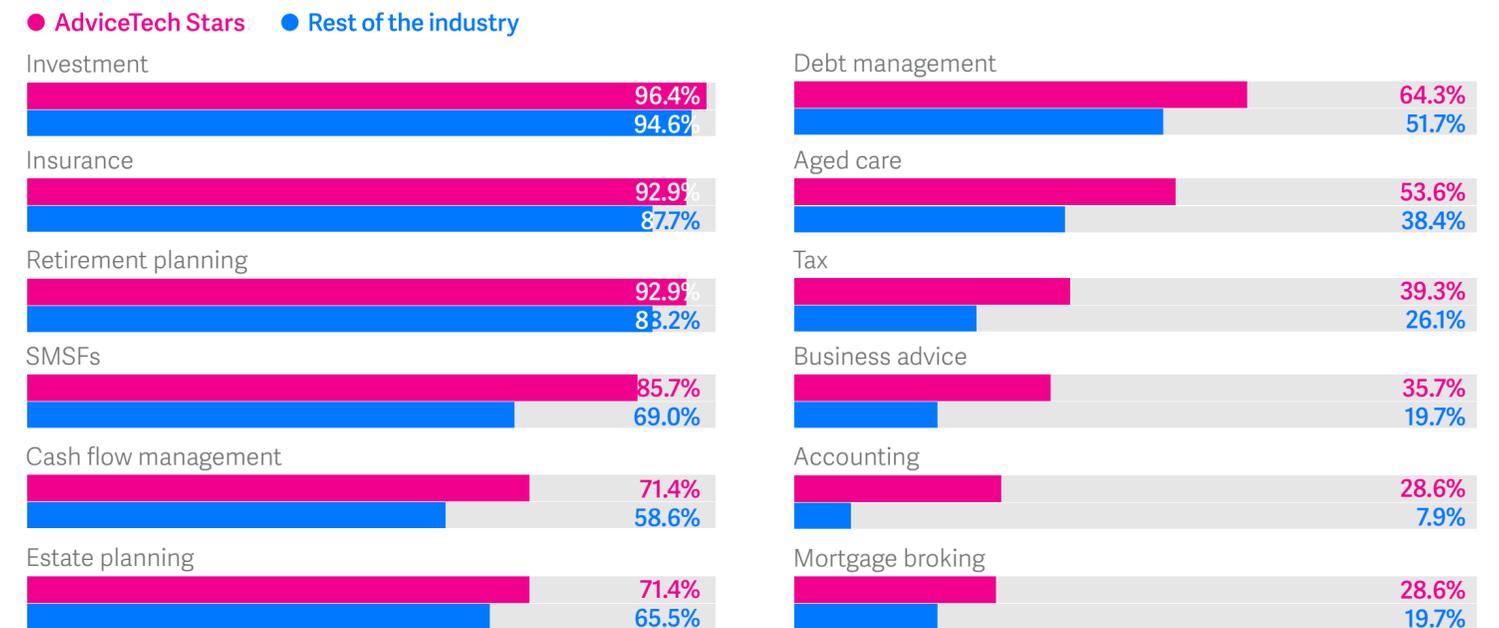
Cashflow and budgeting tools as a way to drive new revenue

Does your business use cash flow, budgeting and account aggregation tools for client advice?



AdviceTech Stars offer a broad range of non-typical financial advice services

Agree – My business offers the following types of services to our clients



Evolving your pricing model with scaled and robo advice

Regulatory reforms, including the Future of Financial Advice (FoFA), the findings of the financial services royal commission in 2019 and changing consumer demands are pushing financial advice firms to rethink their pricing models. The industry is moving away from its traditional methods of structuring fees to charging a fee for services provided.

It's a familiar approach for a growing number of consumers. It can be seen in the online world where streaming services such as Netflix and Spotify have helped move consumer expectations to a subscription model – a monthly fee with different price tiers, depending on the service. Such a fee structure isn't based on the wealth of the consumer; it's based on the services they use.

Scaled advice, although not a subscription model, at its core requires clients to pay only for the financial services they consume. This “unbundled” offer addresses a client need only when they need it.

In 2020, almost one third (32.1 per cent) of AdviceTech Stars use scaled advice technologies for the provision of advice, including production of SoAs and RoAs, and a further 53.6 per cent are looking to use them in the next 24 months.

Scaled-advice technology is also being used with high frequency by AdviceTech Stars, with more than three-quarters (77.8 per cent) using it daily or weekly.

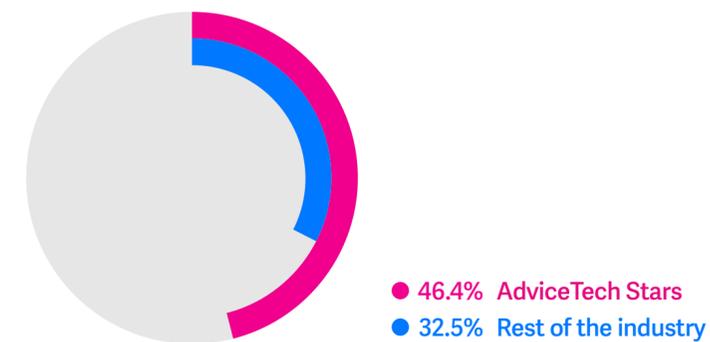
Robo-advice is another service often offered on subscription (US wealth giants Vanguard and Charles Schwab, for example, offer flat-fee subscription services).

The impact of robo-advice has yet to materialise, but many advisers still see its potential.

Almost one in three AdviceTech Stars believe that robo-advice will have a significant impact on financial advice practices in the next five years.

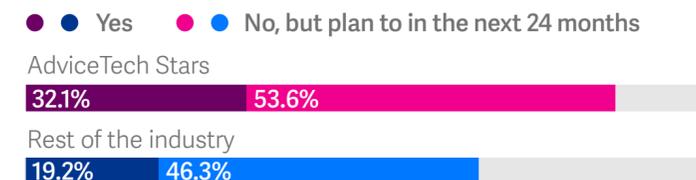
A third of AdviceTech Stars believe scaled advice will impact the future

Agree - Scaled Advice will have the greatest impact on financial advice practices in the next five year



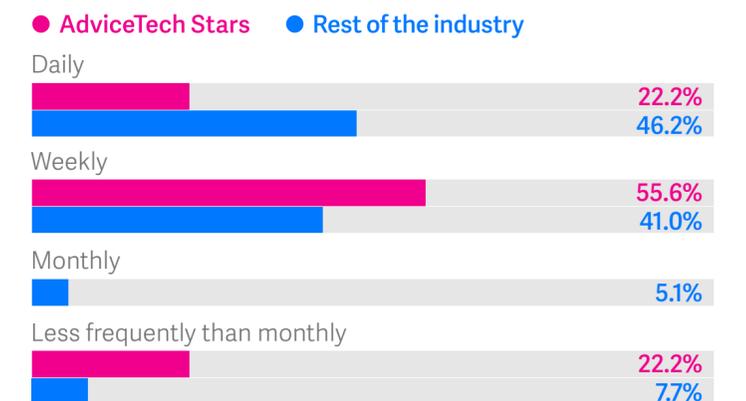
On balance, AdviceTech stars are more focused on delivering scaled advice

Does your business use scaled advice technologies for the provision of advice, including SOA/ROAs to clients?



At least weekly use of scaled advice tools is common among better practices to drive efficiency

Frequency in which scaled advice tools are used in my business by those that use them



Revenue opportunities with younger generations require a rethink of the AdviceTech stack

It's no secret that the wealth industry will witness the greatest inter-generational transfer of wealth over the next five to 10 years, as Baby Boomers look to pass their considerable wealth onto younger generations.

Almost one in three advice practices are not waiting for this and already focus their attention on the needs of Generations X, Y and Z. And it's not surprising that advice firms are seeing significant demand for technology. These clients – the so-called “digital natives” – have grown up with technology embedded into their lives in a way that older generations simply have not experienced.

Practices serving younger-generation (Gen Z and Y) clients make more use of client portals than those serving older generations (Gen X and Baby Boomers), although greater use of portals to engage Gen X and Baby Boomer clients is expected over the next two years.

The benefits of using client portals to engage younger clients are clear in several critical areas.

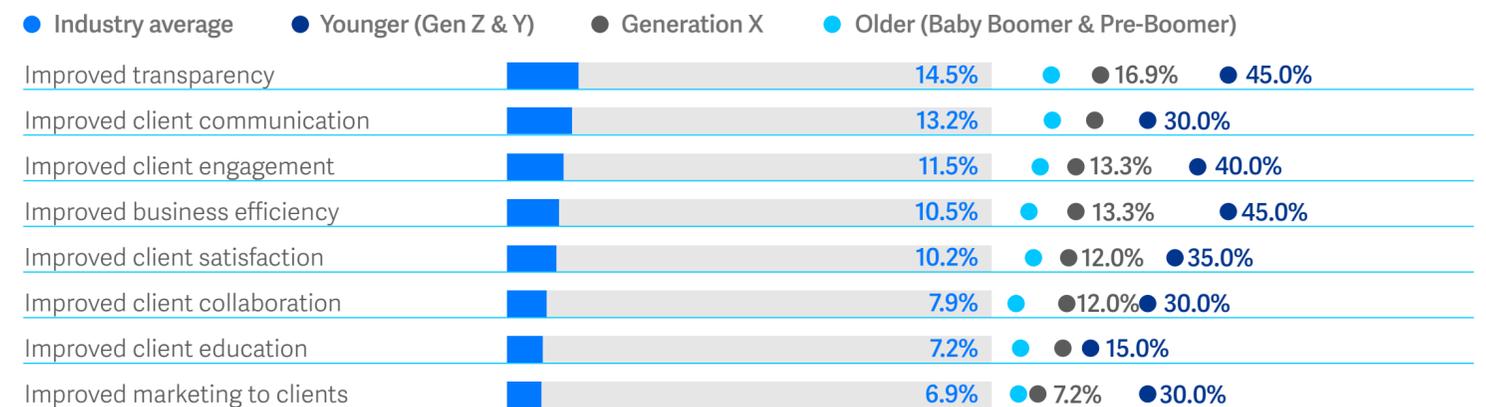
Practices servicing Gen Z and Y benefited more from improved transparency compared to the industry (45 per cent versus 14.5 per cent), improved client engagement (40 per cent versus 11.5 per cent) and improved client satisfaction (35 per cent versus 10.2 per cent).

Other benefits included:

- improved client communications
- improved client collaboration
- improved marketing to clients.

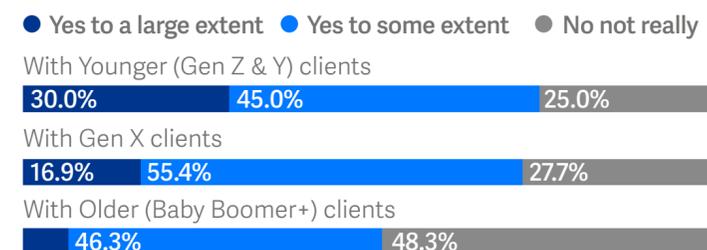
Digital natives are experiencing greater benefits from client portal AdviceTech

What key benefits do you currently get from your client portal, from those that use (selected responses)?



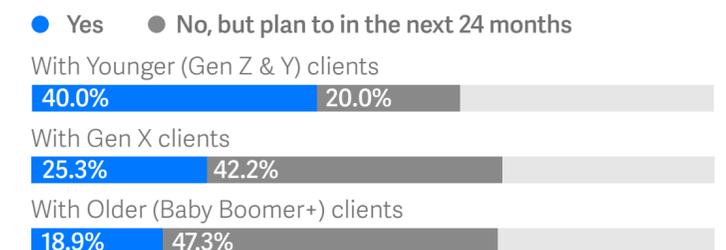
Digital natives expect advice firms to offer them AdviceTech services

Are you seeing an increased demand for technology from your client base?



Businesses with younger clients are more likely to utilise online client portals

Does your business use a client portal to improve client engagement?



Next-gen technologies to drive blue-sky opportunities

Business and technology strategists often talk in terms of horizons, where future horizons require you to place bets on technologies now to avoid disruption, or better still, be the disrupter, later.

AdviceTech Stars believe that two such disruptive technologies are artificial intelligence (AI) and big data. Almost half of all AdviceTech Stars believe big data (46.4 per cent) and AI (42.9 per cent) will have a significant impact on advice practices.

The challenge for advice firms is how to take advantage of these two technologies. Netwealth's view is that businesses should not sit back and wait – it's better to invest, try new things and learn how these technologies can help than be caught out and too late.

Partnerships with technology providers can help advice practices learn about their own and their clients' needs and jointly help to unlock these blue-sky opportunities.

The opportunity of big data

The success of a modern advice business is driven by an ability to understand its clients. This

understanding leads to a greater ability to attract new clients, but also to tailor and evolve a service for current clients.

There's never been more data freely available to businesses. The challenge for advice firms is knowing how to tap into these data streams, how to organise the data, and how to understand and interpret that data to gain deeper insights into client behaviour and needs.

The opportunity of AI

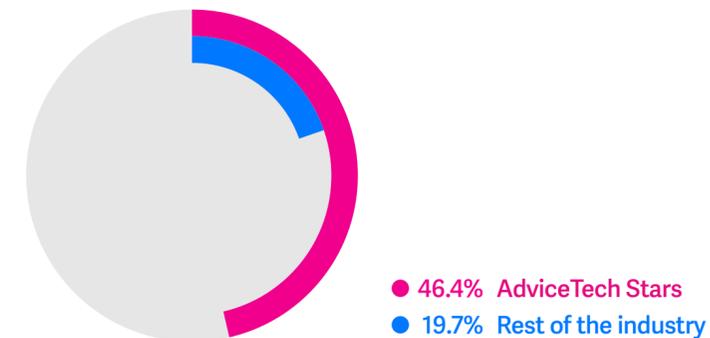
In an era of greater fee transparency and lower fees, both AdviceTech Stars and the rest of the industry alike acknowledge that improving profitability is one of their top six business objectives in the next 24 months – and improving efficiency is number one.

With this in mind, advice firms may need to be radically leaner than they are today, using technologies like AI to reshape their workforce and improve profit margins.

We don't believe the entire industry will be displaced by AI. Financial advice deals with basic human emotions and desires and remains, fundamentally, a human-to-human activity. AI will support the role of the human adviser and become a powerful addition to the adviser's armoury.

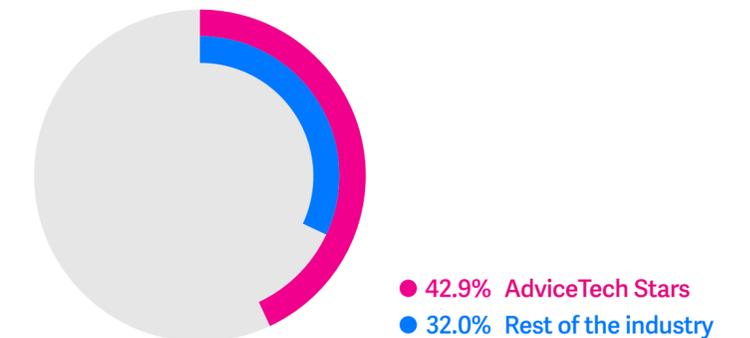
The big data impact

Agree – Big data will have the greatest impact on financial advice practices in the next five years?



The rise of the machines

Agree – AI and machine learning will have the greatest impact on financial advice practices in the next five years?



The AdviceTech landscape

Your guide to AdviceTech suppliers across 25 categories.



 **Download the 2020 AdviceTech Suppliers Guide** to see the most widely used vendors and to benchmark your business' tech adoption

Industry profiles

Size of business

- 33 Small size
- 34 Medium size
- 35 Large size

Age of client base

- 36 Young clients
- 37 Gen X clients
- 38 Older clients

Business maturity

- 39 New business
- 40 Young business
- 41 Experiences business
- 42 Mature business

Number of services

- 43 Single disciplinary
- 44 Multi disciplinary

Institutional alignment

- 45 Aligned
- 46 Unaligned

AdviceTech Segments

- 47 AdviceTech Stars
- 48 AdviceTech Moderate Performers
- 49 AdviceTech Underperformers
- 50 AdviceTech Pragmatists
- 51 AdviceTech Laggards

Small Size Business

200 or less Active clients

● Small Size Business ● AdviceTech Stars

AdviceTech investment

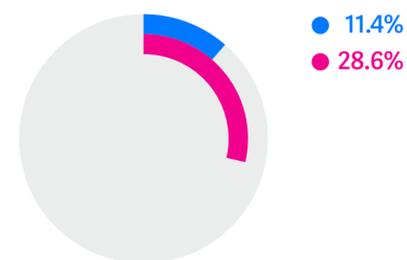
Proportion of business revenue spent on technology (%)



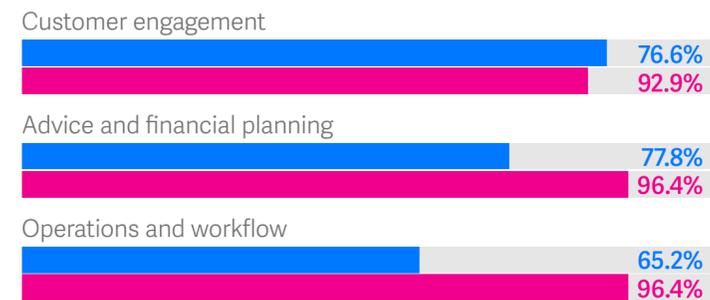
Agree: Have an annual budget for AdviceTech



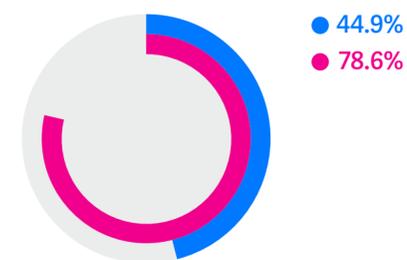
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

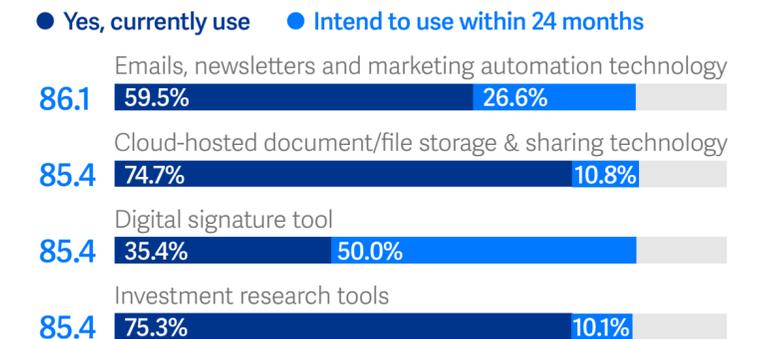


AdviceTech in practice

Number of technologies used in your practice



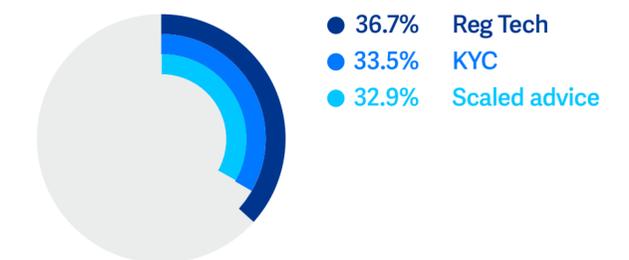
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- Digital signature tool
- CRM system
- Financial planning software

Top 3 technologies to have the greatest impact in the next 5 years



Medium Size Business

201 to 500 Active clients

● Medium Size Business ● AdviceTech Stars

AdviceTech investment

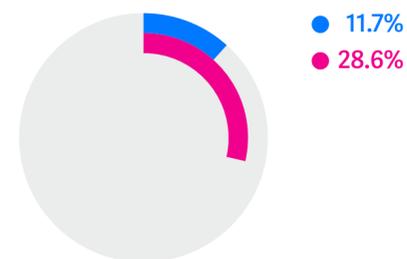
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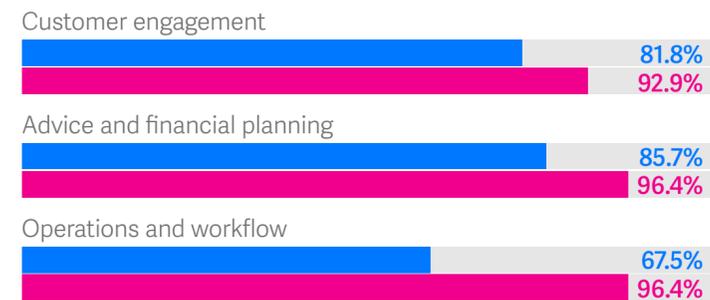
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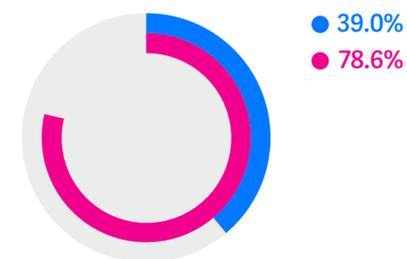
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Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months



59 Technology Adoption Score
vs. 72

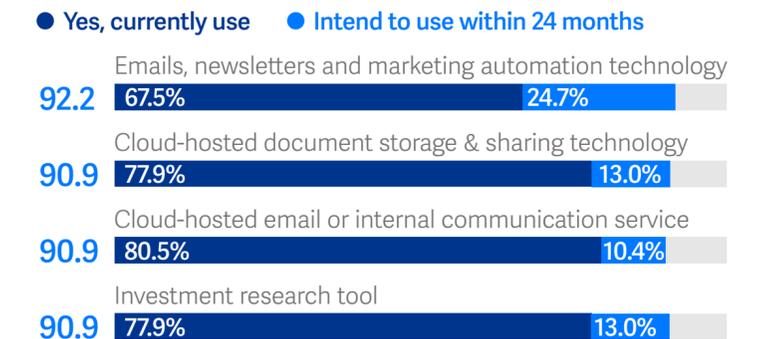
66 Business Success Score
vs. 69

AdviceTech in practice

Number of technologies used in your practice



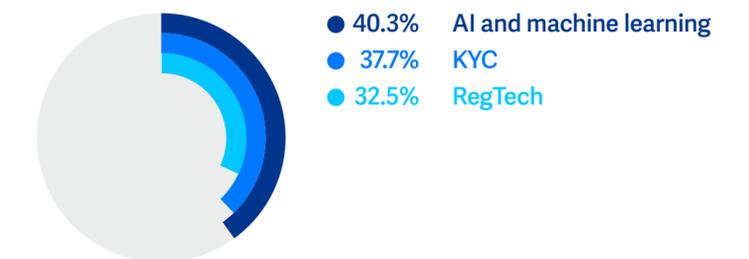
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM System
- 2 Online meeting tool
- 3 Website

Top 3 technologies to have the greatest impact in the next 5 years



Large Size Business

501 or more Active clients

● Large Size Business ● AdviceTech Stars

AdviceTech investment

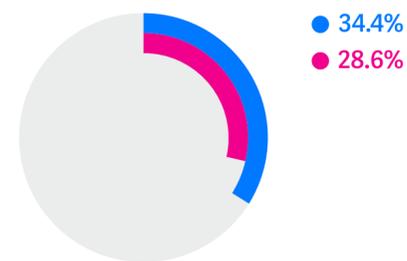
Proportion of business revenue spent on technology (%)



Agree: Have an annual budget for AdviceTech



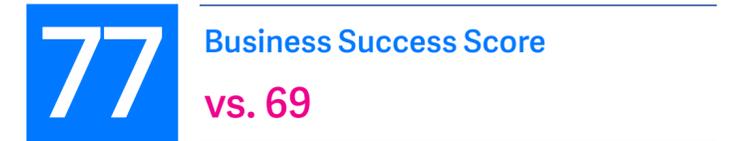
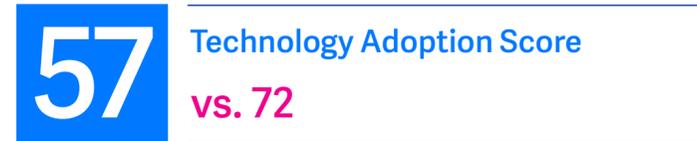
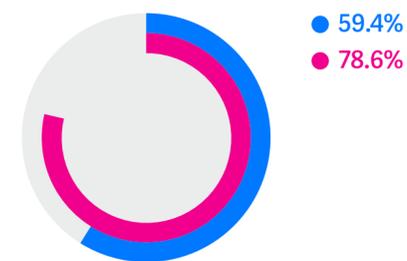
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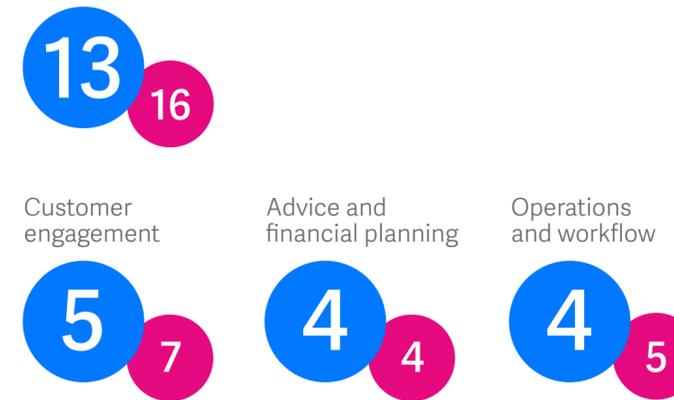


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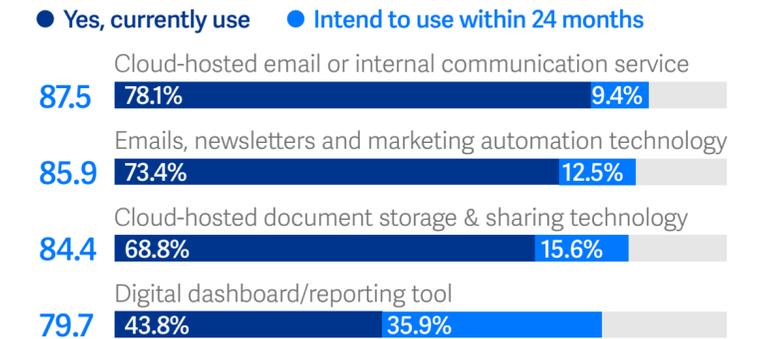


AdviceTech in practice

Number of technologies used in your practice



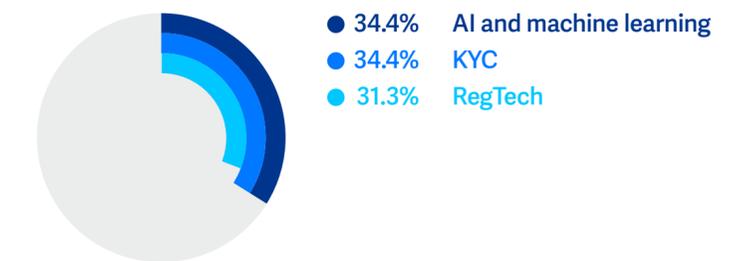
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM System
- 2 Cloud-hosted document storage & sharing service
- 3 Online meeting tool

Top 3 technologies to have the greatest impact in the next 5 years



Young Clients

Majority of clients Gen Y & Z

● Young Clients ● AdviceTech Stars

AdviceTech investment

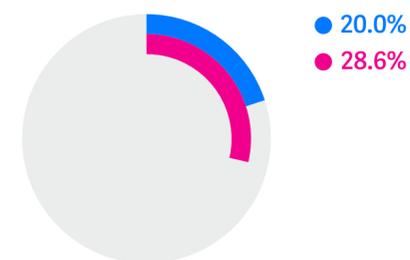
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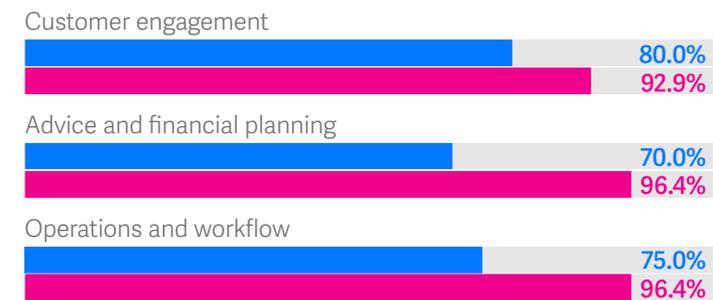
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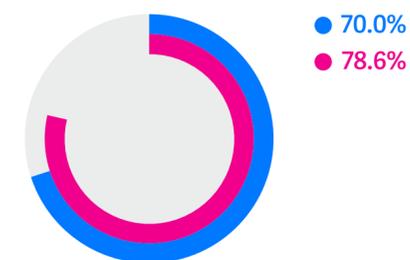
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Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months



61 Technology Adoption Score
vs. 72

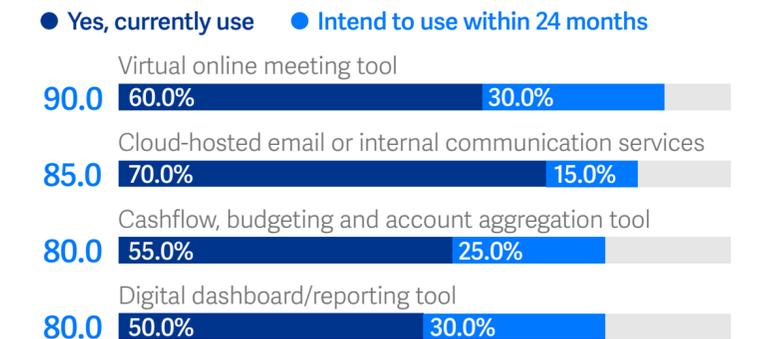
54 Business Success Score
vs. 69

AdviceTech in practice

Number of technologies used in your practice



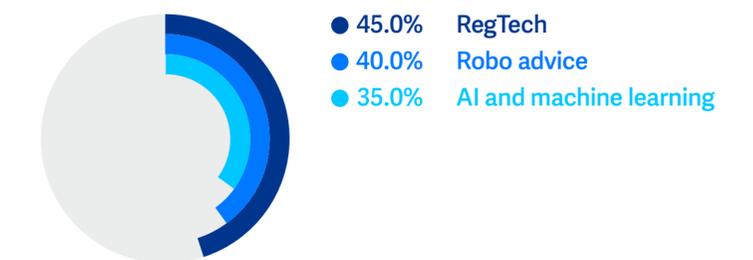
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Digital signature tool
- 2 CRM system
- 3 Financial planning software

Top 3 technologies to have the greatest impact in the next 5 years



Gen X Clients

Majority of clients Gen X

● Gen X Clients ● AdviceTech Stars

AdviceTech investment

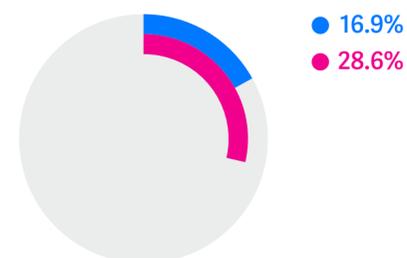
Proportion of business revenue spent on technology (%)



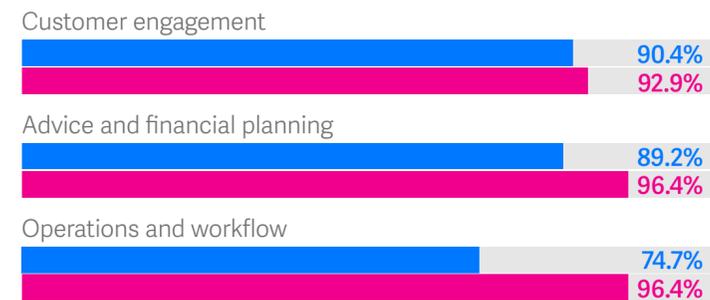
Agree: Have an annual budget for AdviceTech



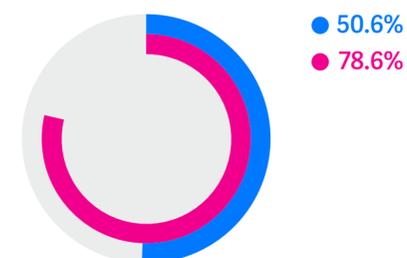
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Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

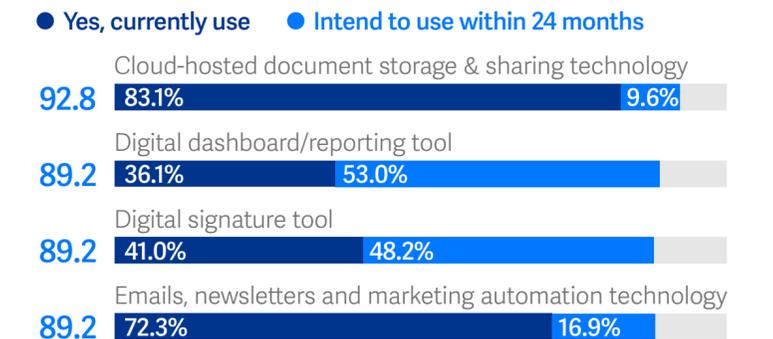


AdviceTech in practice

Number of technologies used in your practice



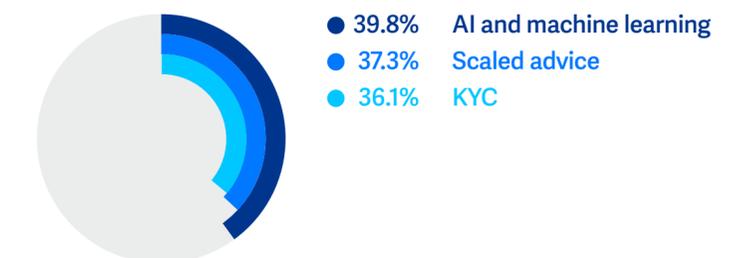
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Online meeting tool
- 2 Email campaign & newsletter management platform
- 3 Cloud-hosted document storage & sharing service

Top 3 technologies to have the greatest impact in the next 5 years



Older Clients

Majority of clients Baby Boomer & older

● Older Clients ● AdviceTech Stars

AdviceTech investment

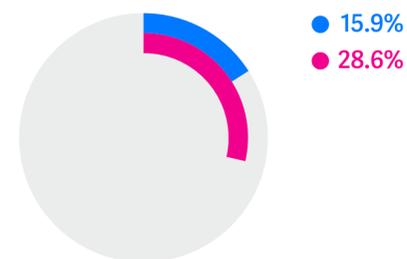
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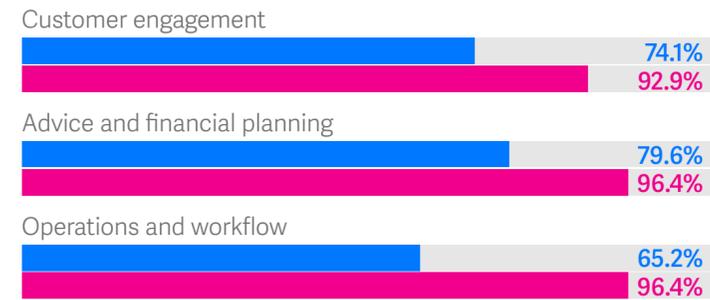
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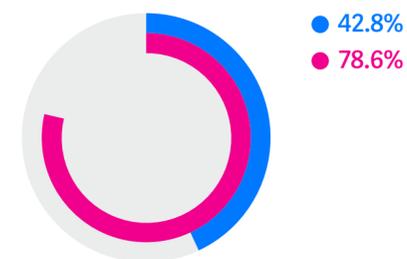
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Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

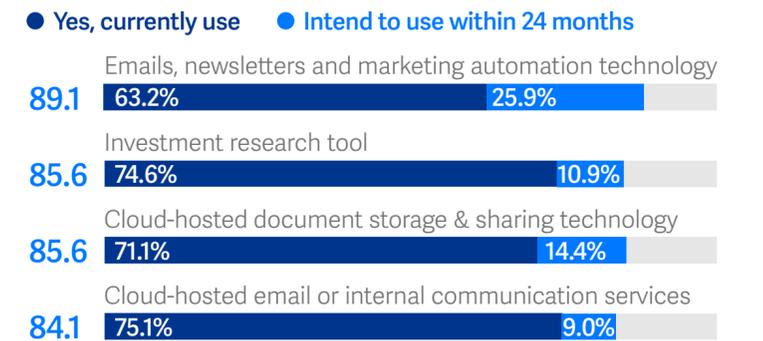


AdviceTech in practice

Number of technologies used in your practice



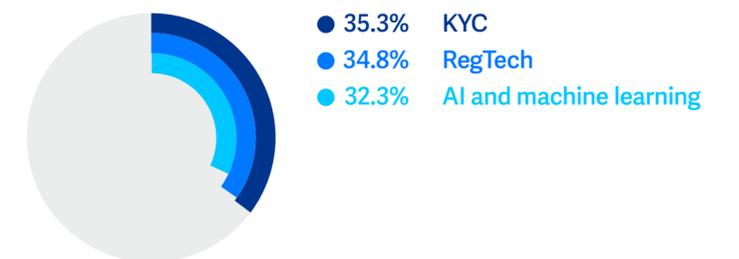
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Website
- 3 Digital signature tool

Top 3 technologies to have the greatest impact in the next 5 years



New Business

3 years or less in operation

● New Business ● AdviceTech Stars

AdviceTech investment

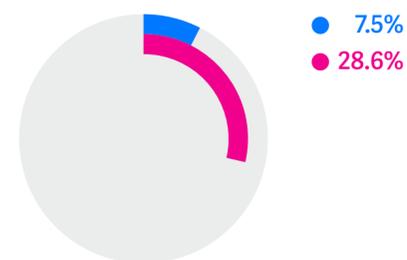
Proportion of business revenue spent on technology (%)



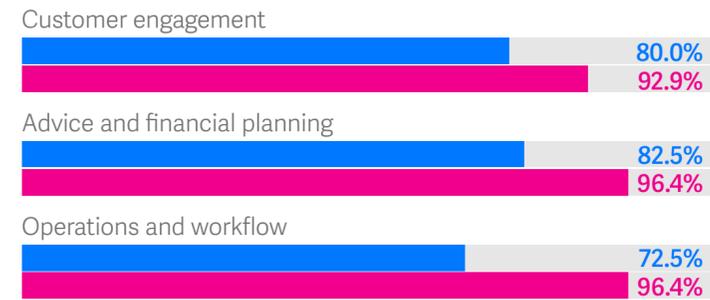
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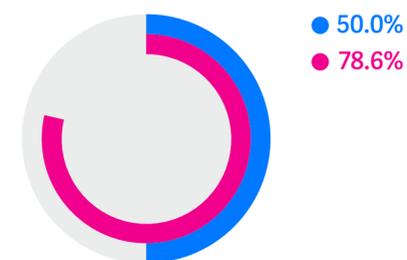
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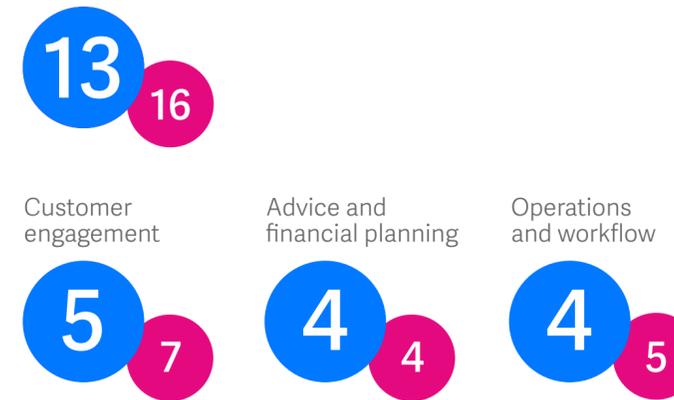


Agree: Have a technology roadmap for the next 12 months

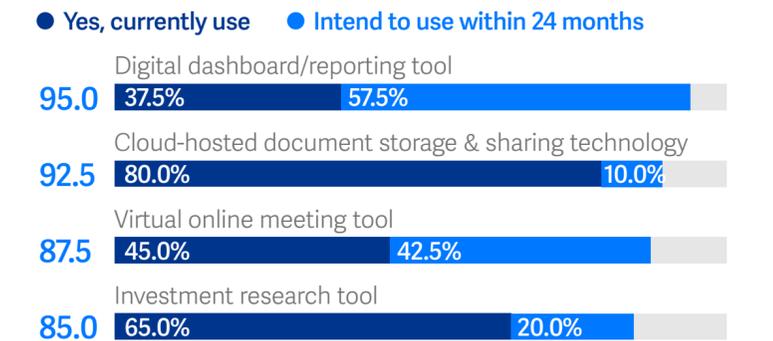


AdviceTech in practice

Number of technologies used in your practice



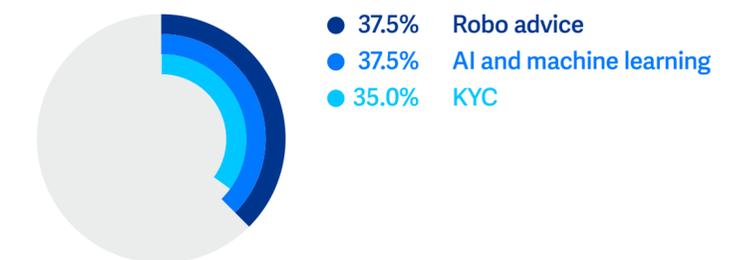
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Financial planning software
- 2 Digital signature tool
- 3 CRM system

Top 3 technologies to have the greatest impact in the next 5 years



Young Business

4 to 7 years in operation

● Young Business ● AdviceTech Stars

AdviceTech investment

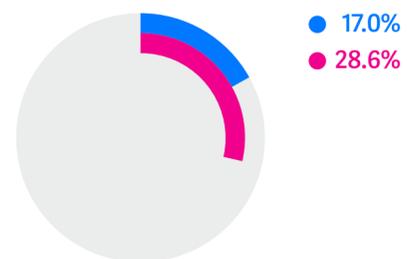
Proportion of business revenue spent on technology (%)



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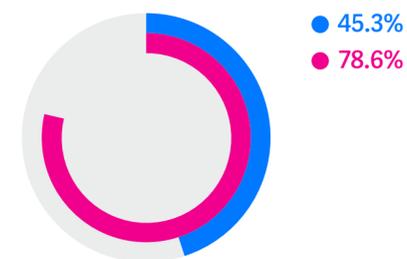
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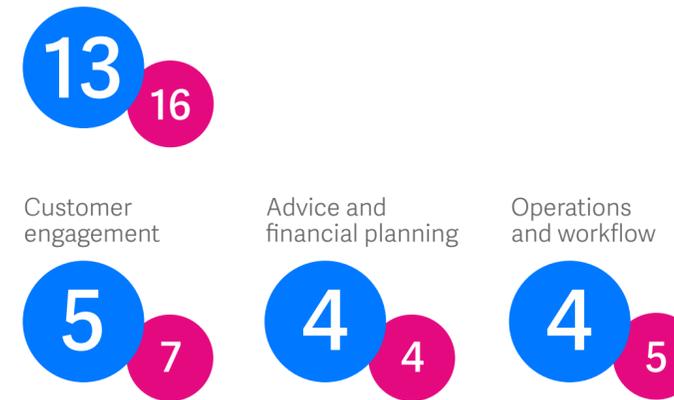


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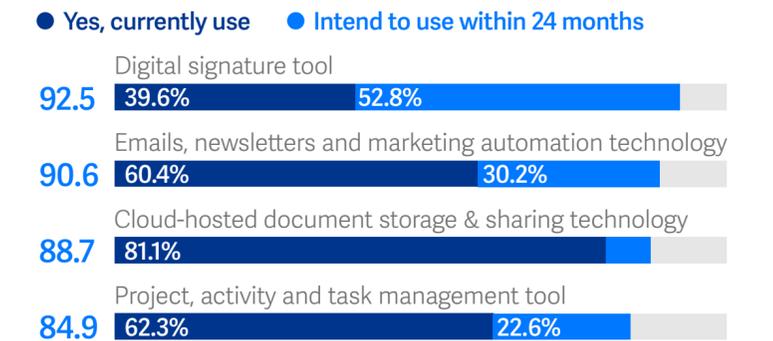


AdviceTech in practice

Number of technologies used in your practice



Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- Digital signature tool
- CRM system
- Website

Top 3 technologies to have the greatest impact in the next 5 years



Experienced Business

8 to 15 years in operation

● Experiences Business ● AdviceTech Stars

AdviceTech investment

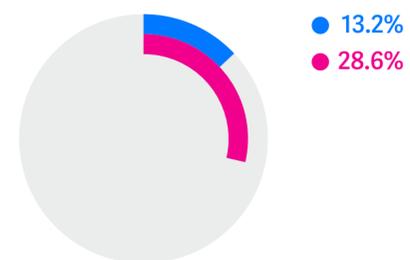
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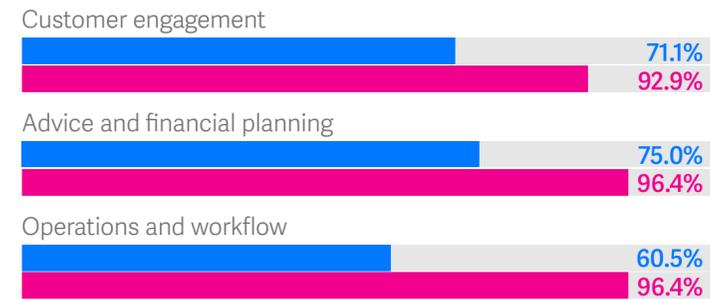
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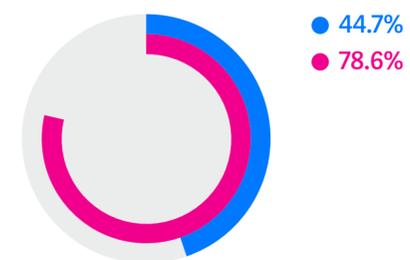
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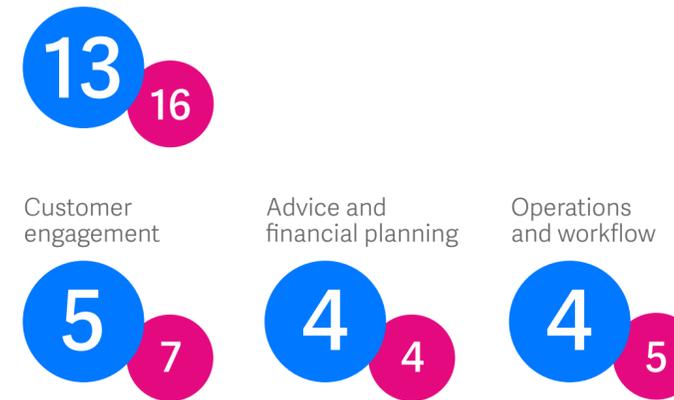


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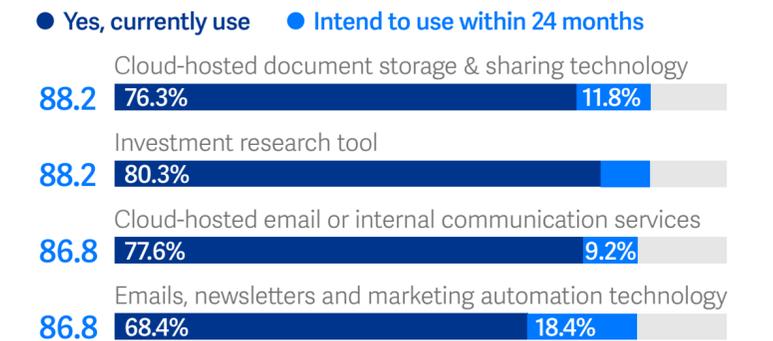


AdviceTech in practice

Number of technologies used in your practice



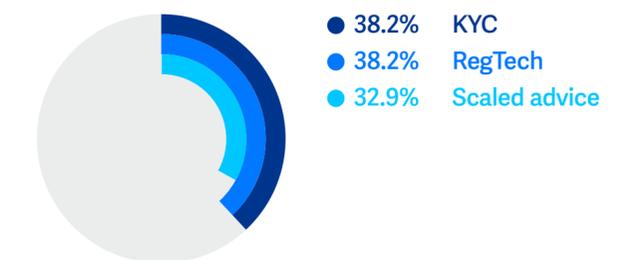
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Online meeting tool
- 2 CRM system
- 3 Cloud-hosted document storage & sharing service

Top 3 technologies to have the greatest impact in the next 5 years



Mature Business

More than 15 years in operation

● Mature Business ● AdviceTech Stars

AdviceTech investment

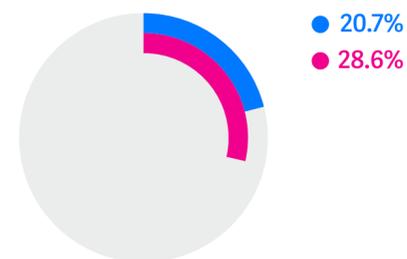
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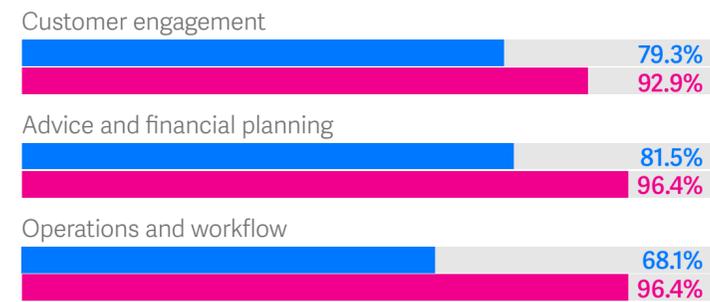
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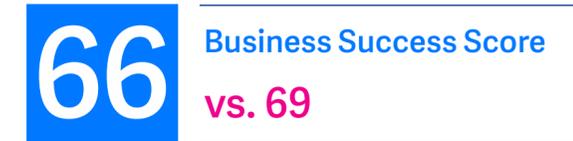
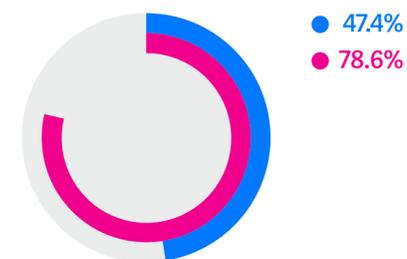
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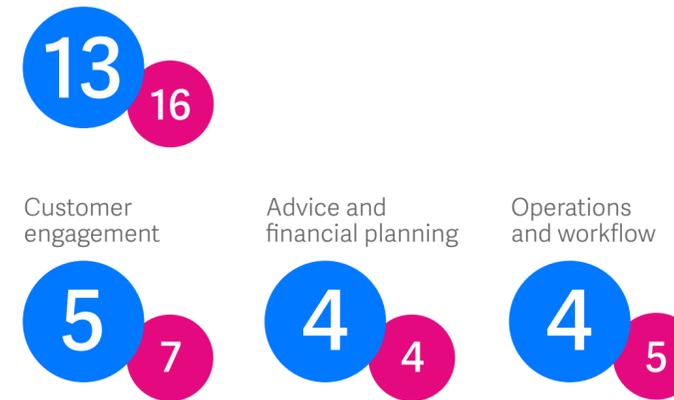


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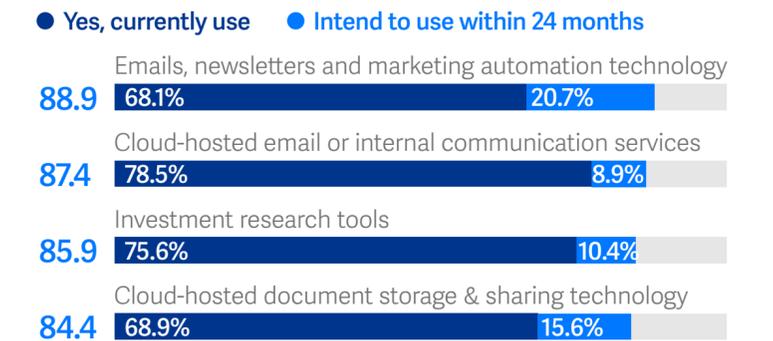


AdviceTech in practice

Number of technologies used in your practice



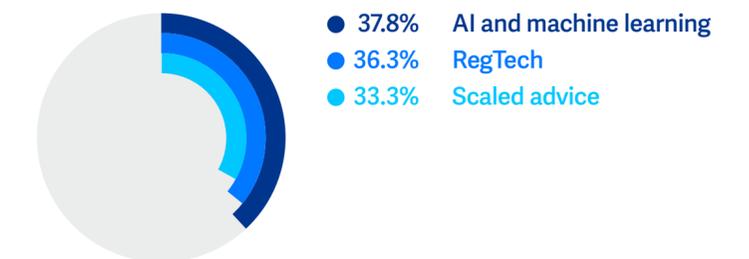
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Online meeting tool
- 3 Website

Top 3 technologies to have the greatest impact in the next 5 years



Single Disciplinary Wealth services only

● Single Disciplinary ● AdviceTech Stars

AdviceTech investment

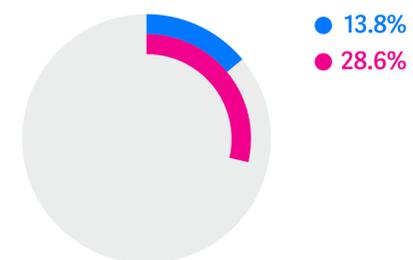
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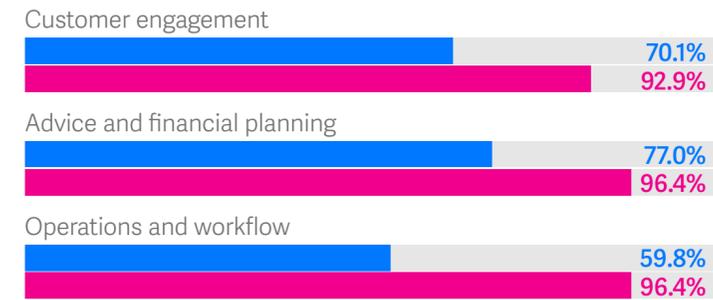
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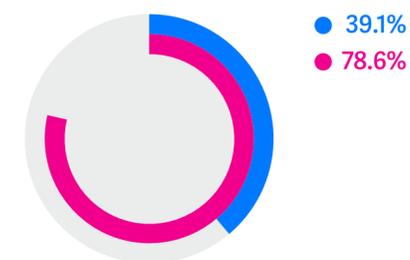
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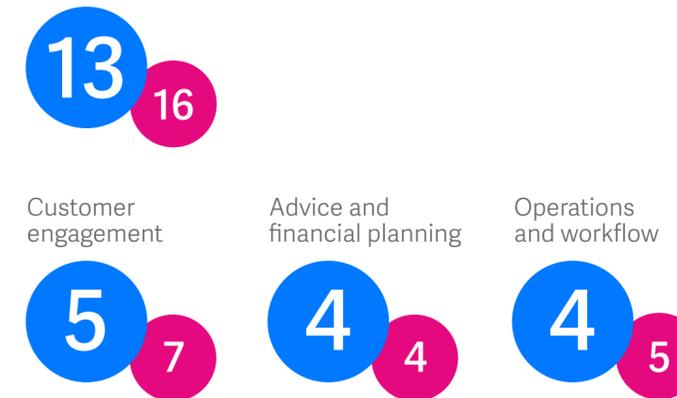


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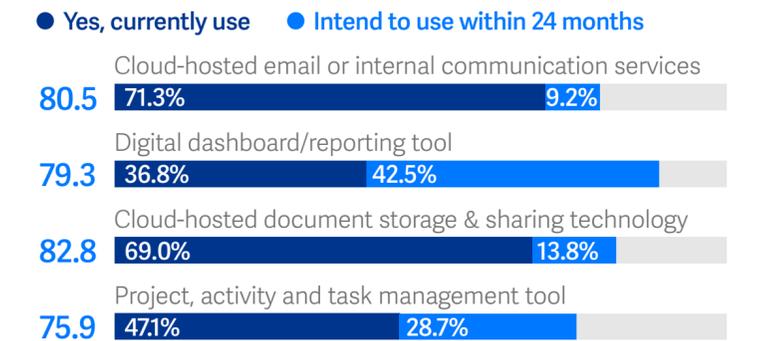


AdviceTech in practice

Number of technologies used in your practice



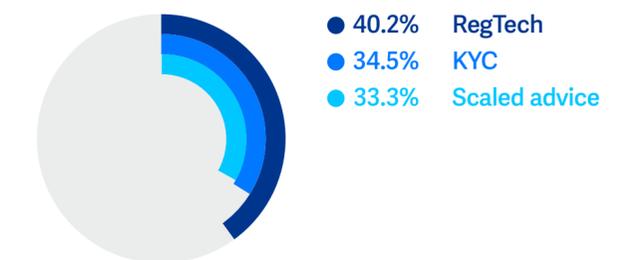
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Digital signature tool
- 3 Cloud-hosted document storage & sharing service

Top 3 technologies to have the greatest impact in the next 5 years



Multi Disciplinary Wealth plus other services

● Multi Disciplinary ● AdviceTech Stars

AdviceTech investment

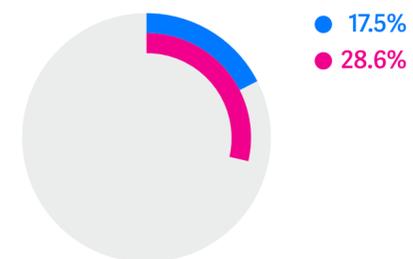
Proportion of business revenue spent on technology (%)



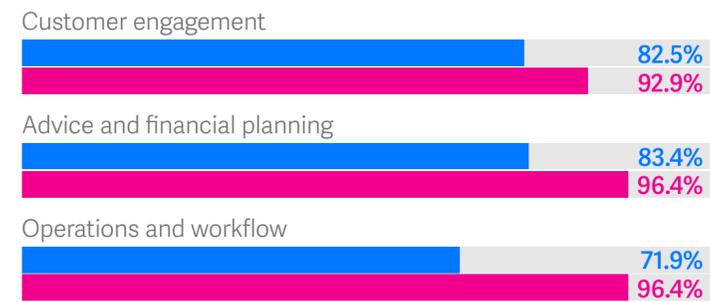
Agree: Have an annual budget for AdviceTech



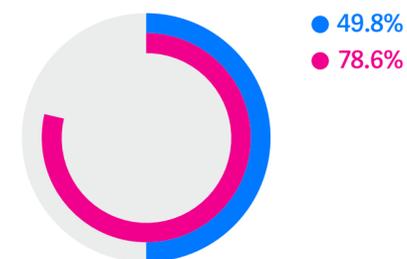
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

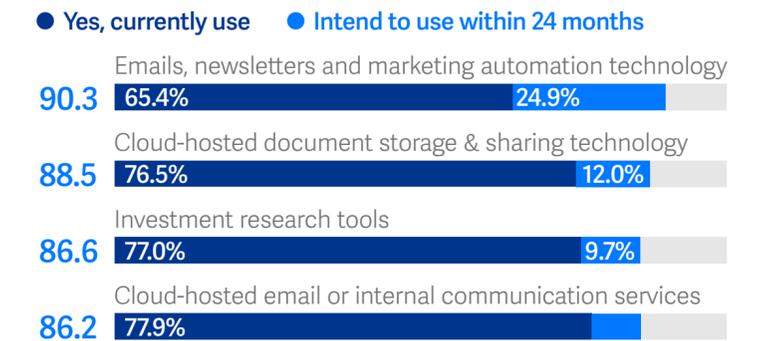


AdviceTech in practice

Number of technologies used in your practice



Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Online meeting tool
- 3 Website

Top 3 technologies to have the greatest impact in the next 5 years



Aligned

Institutionally aligned practices

● Aligned ● AdviceTech Stars

AdviceTech investment

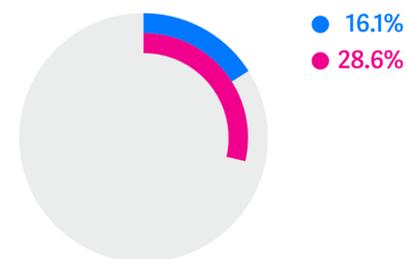
Proportion of business revenue spent on technology (%)



Agree: Have an annual budget for AdviceTech



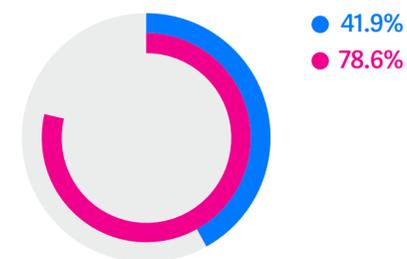
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

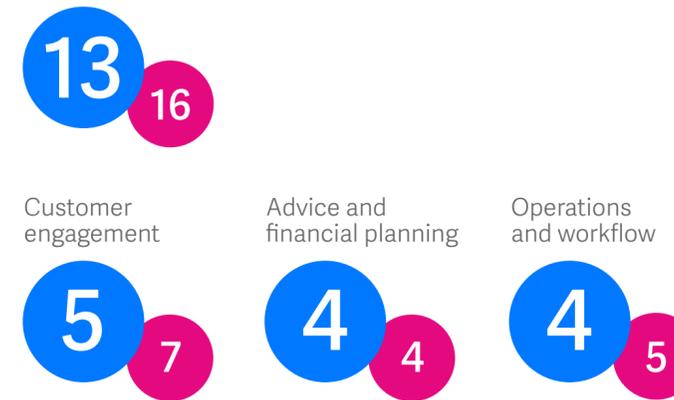


58 Technology Adoption Score
vs. 72

61 Business Success Score
vs. 69

AdviceTech in practice

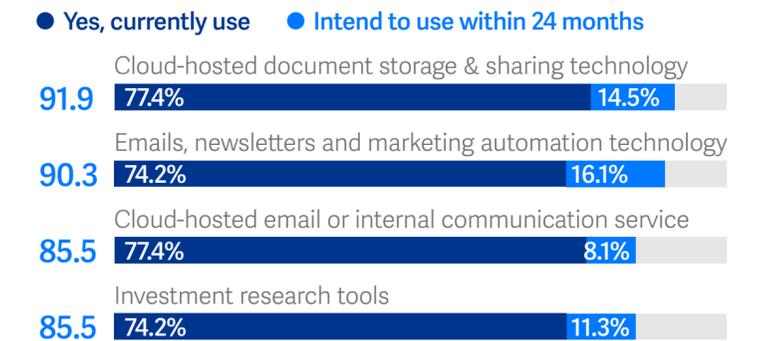
Number of technologies used in your practice



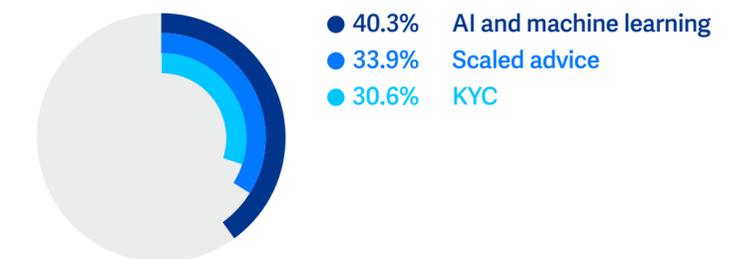
Top 3 technologies with the greatest benefits in the past 24 months

- 1 Online meeting tool
- 2 CRM system
- 3 Digital signature tool

Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies to have the greatest impact in the next 5 years



Unaligned

Non-institutionally aligned practices

● Unaligned ● AdviceTech Stars

AdviceTech investment

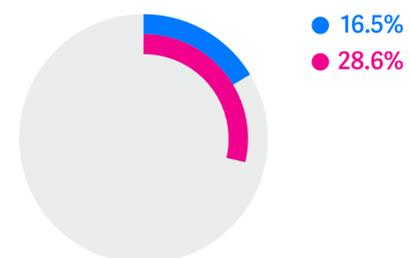
Proportion of business revenue spent on technology (%)



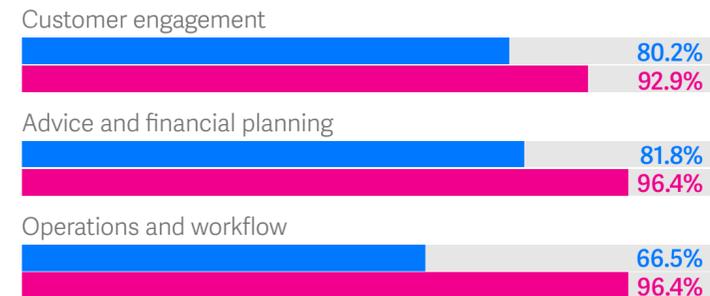
Agree: Have an annual budget for AdviceTech



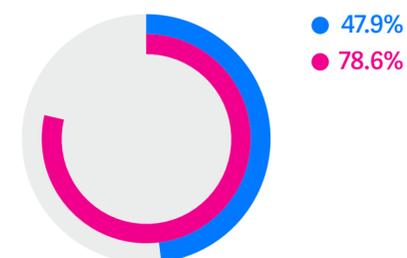
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months

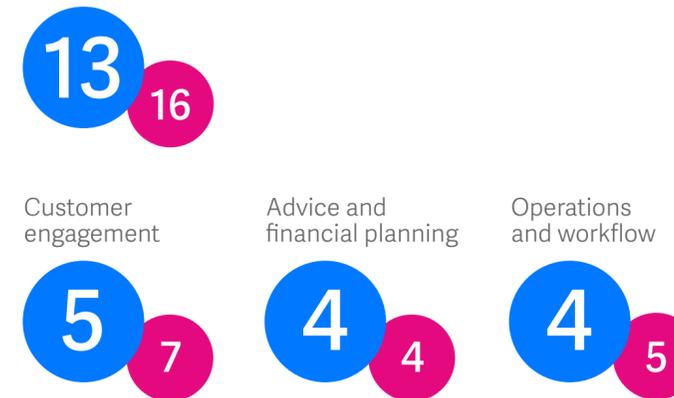


58 Technology Adoption Score
vs. 72

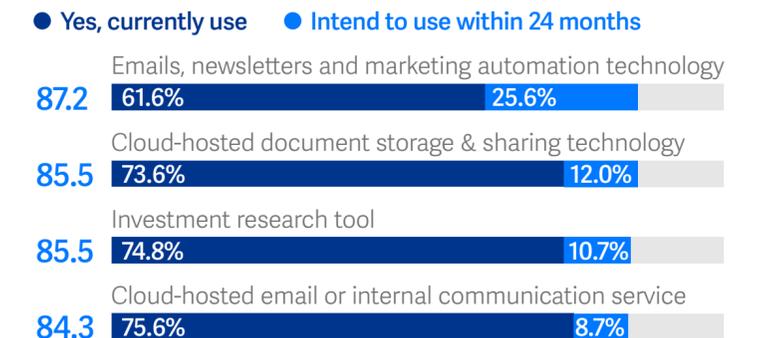
60 Business Success Score
vs. 69

AdviceTech in practice

Number of technologies used in your practice



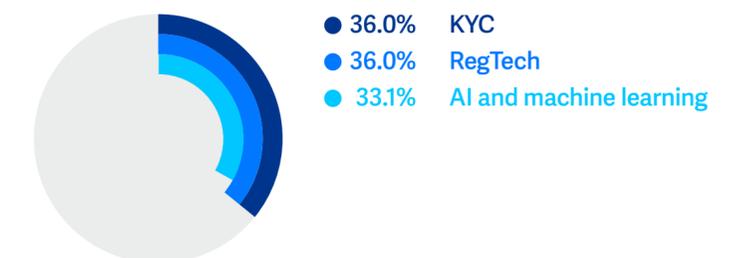
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Website
- 3 Digital signature tool

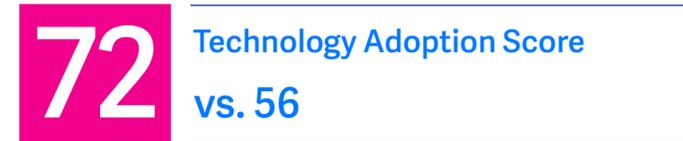
Top 3 technologies to have the greatest impact in the next 5 years



AdviceTech Stars

Top Tech Score / Top Business Score

● AdviceTech Stars ● Rest of the industry



AdviceTech investment

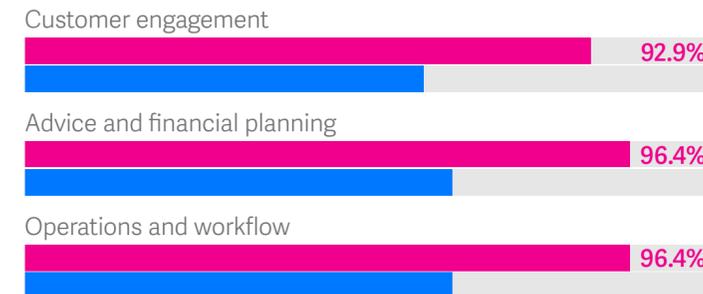
Proportion of business revenue spent on technology (%)



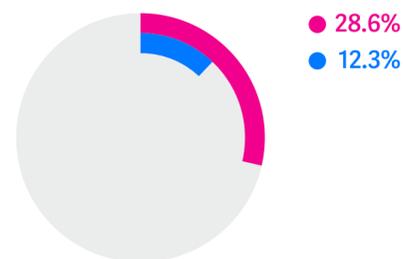
Agree: Have an annual budget for AdviceTech



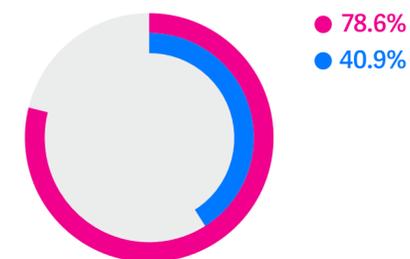
Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Employ a dedicated in-house technology manager



Agree: Have a technology roadmap for the next 12 months

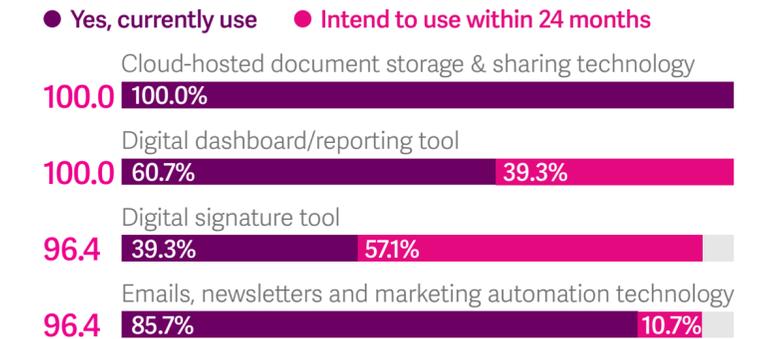


AdviceTech in practice

Number of technologies used in your practice



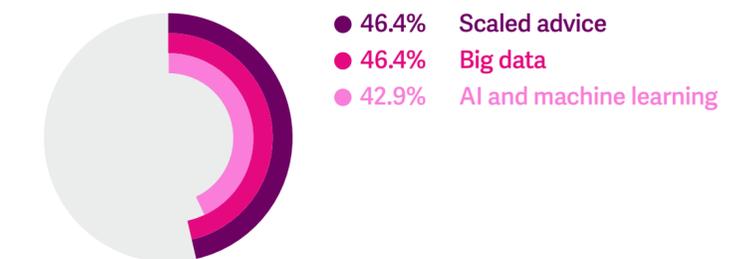
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Online meeting tool
- 2 CRM system
- 3 Cloud-hosted document storage & sharing service

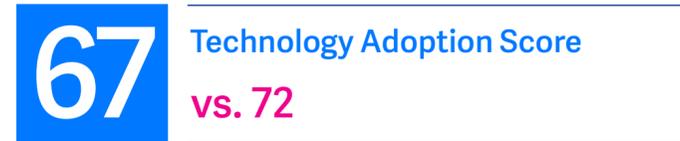
Top 3 technologies to have the greatest impact in the next 5 years



AdviceTech Moderate Performers

High Tech Score / Avg. Business Score

● AdviceTech Moderate performers ● AdviceTech Stars



AdviceTech investment

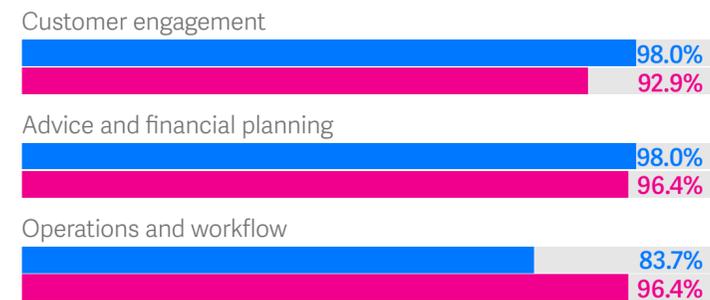
Proportion of business revenue spent on technology (%)



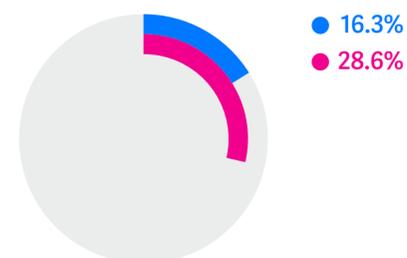
Agree: Have an annual budget for AdviceTech



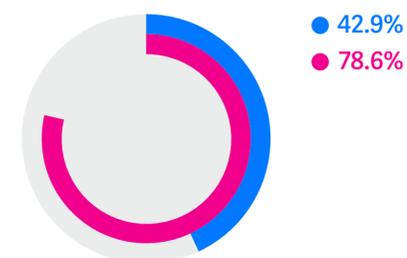
Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Employ a dedicated in-house technology manager

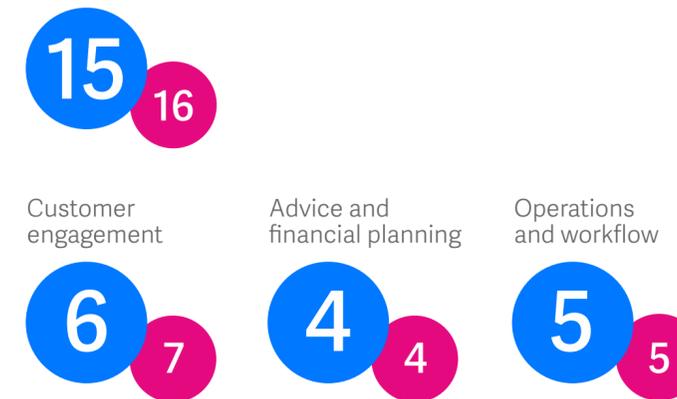


Agree: Have a technology roadmap for the next 12 months

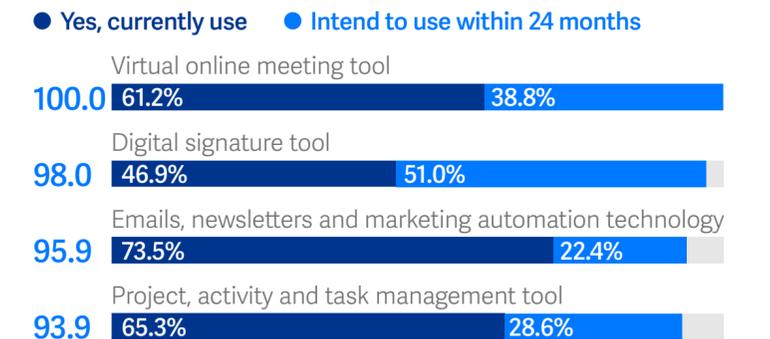


AdviceTech in practice

Number of technologies used in your practice



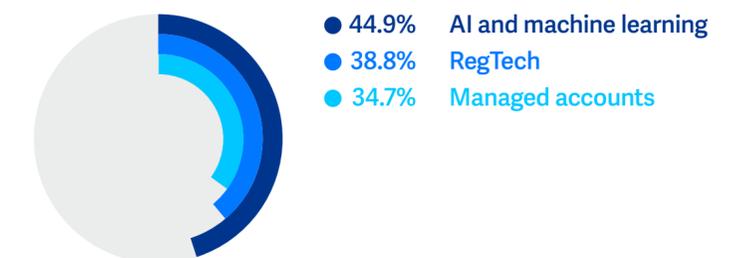
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- Digital signature tool
- CRM system
- Cashflow, budgeting and account aggregation tool

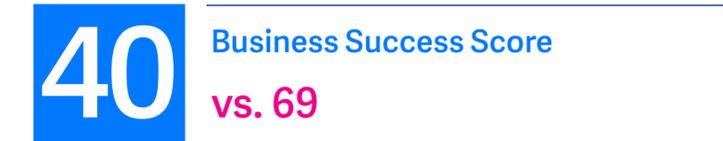
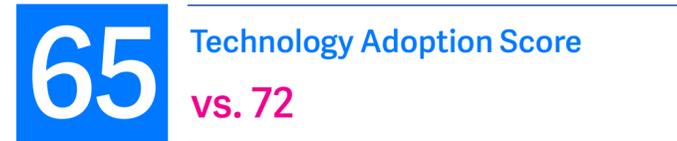
Top 3 technologies to have the greatest impact in the next 5 years



AdviceTech Underperformers

High Tech Score / Low Business Score

● AdviceTech Underperformers ● AdviceTech Stars



AdviceTech investment

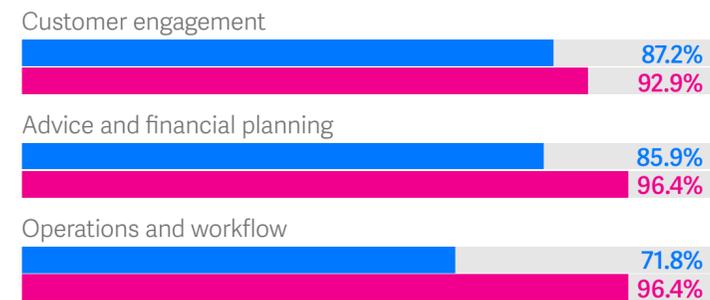
Proportion of business revenue spent on technology (%)



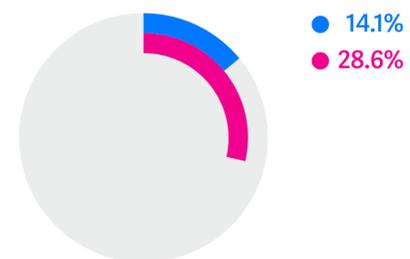
Agree: Have an annual budget for AdviceTech



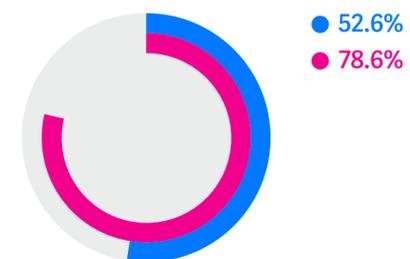
Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Employ a dedicated in-house technology manager



Agree: Have a technology roadmap for the next 12 months

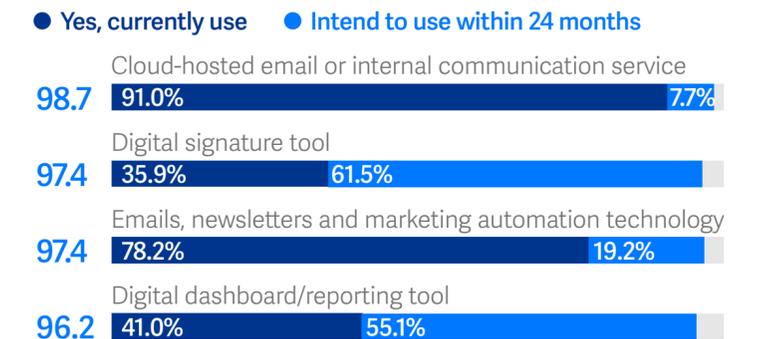


AdviceTech in practice

Number of technologies used in your practice



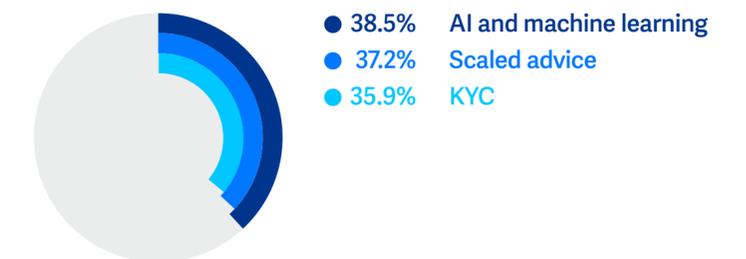
Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies with the greatest benefits in the past 24 months

- 1 Online meeting tool
- 2 CRM system
- 3 Website

Top 3 technologies to have the greatest impact in the next 5 years



AdviceTech Pragmatists

Low Tech Score / High Business Score

● AdviceTech Pragmatists ● AdviceTech Stars

AdviceTech investment

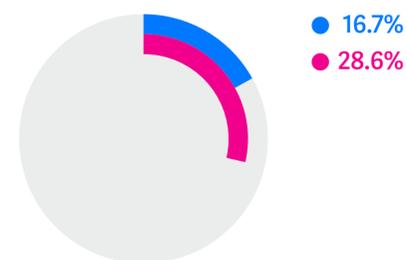
Proportion of business revenue spent on technology (%)



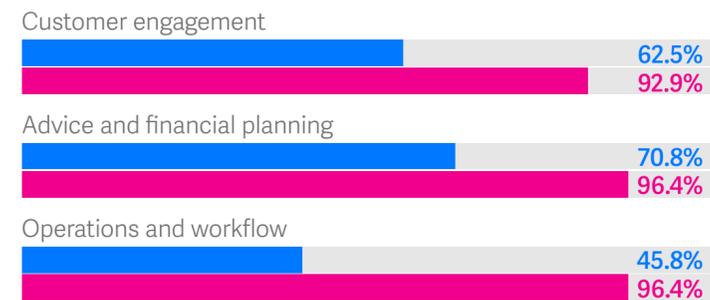
Agree: Have an annual budget for AdviceTech



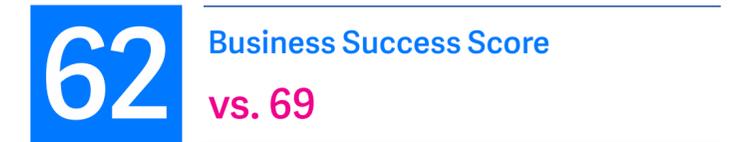
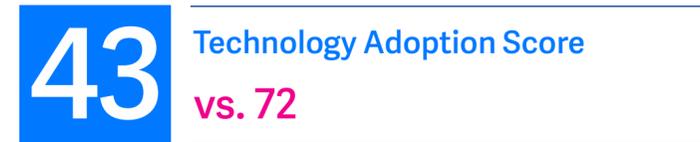
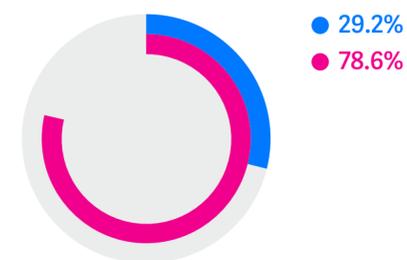
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category:



Agree: Have a technology roadmap for the next 12 months



AdviceTech in practice

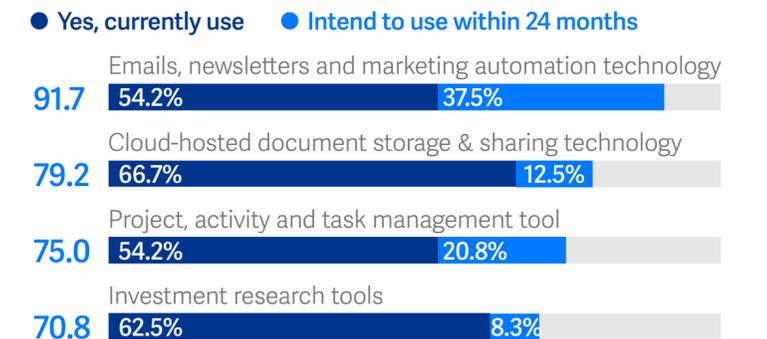
Number of technologies used in your practice



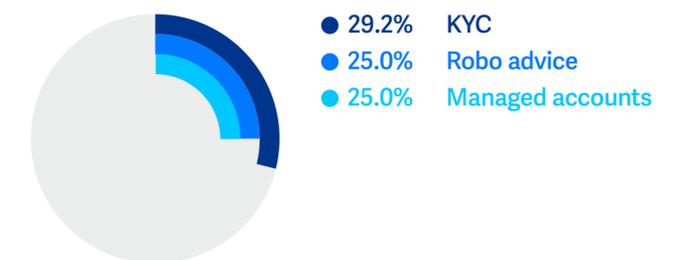
Top 3 technologies with the greatest benefits in the past 24 months

- 1 Website
- 2 Digital signature tool
- 3 CRM system

Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies to have the greatest impact in the next 5 years



AdviceTech Laggards

Low Tech Score / Low Business Score

● AdviceTech Laggards ● AdviceTech Stars

AdviceTech investment

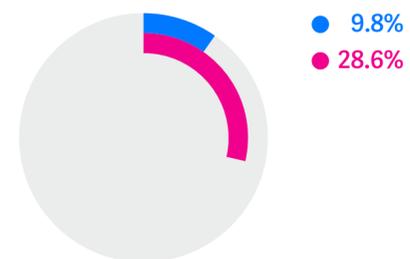
Proportion of business revenue spent on technology (%)



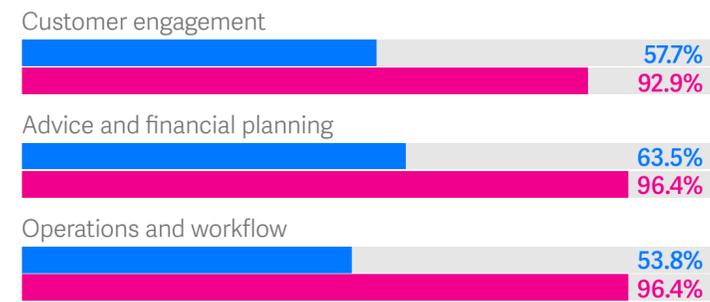
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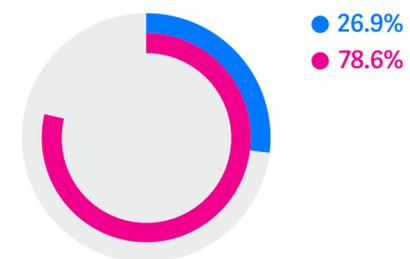
Agree: Employ a dedicated in-house technology manager



Proportion looking to spend in the next financial year by AdviceTech category



Agree: Have a technology roadmap for the next 12 months



AdviceTech in practice

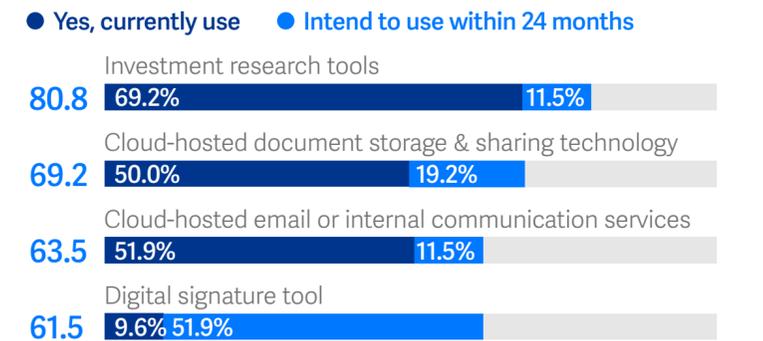
Number of technologies used in your practice



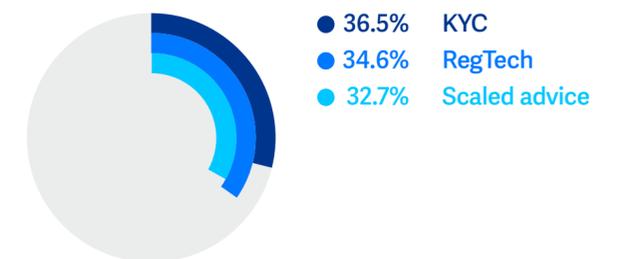
Top 3 technologies with the greatest benefits in the past 24 months

- 1 CRM system
- 2 Financial planning software
- 3 Super/investment platform

Top 4 technologies used / intend to use excluding CRM, investment platform and financial software



Top 3 technologies to have the greatest impact in the next 5 years



Speak to Netwealth

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Email contact@netwealth.com.au

Web netwealth.com.au



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