

Two decades ago, and the times to come: How technology has shaped financial services

By [Richard Rattue](#)

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A little shy of two decades ago, I penned an article on how technology was impacting financial services and importantly, financial advice. I thought it would be interesting to review some of my statements, in light of the present day, as well as to peer ahead



Richard Rattue, MD, Compli-Serve

“It has invaded almost all business sectors in one form or another,” I had written – and how true this still stands, as technology has itself, invented whole new business concepts and changed others beyond recognition. Financial advisory businesses are no exception. The addition of a global pandemic has further shaped how the land lies, and technology has many times been the hero in keeping many livelihoods going.

The same question I posed all those years ago is a going concern today; if the public can buy their investments directly online, why would they need an adviser to assist them? The advisers who can bring value, embracing the essential digital component required in business, and who can successfully answer this question, are the survivors.

In short a ‘survivor’ will have to combine effective and ethical portfolio management with high service levels that clients will expect, together with disclosure and 24-hour access in the quickest possible time. That statement is directly from the past but still true, and through using technology, it is easier for an adviser to fulfil these obligations.

Where is tech going?

We can only expect technological capabilities to increase exponentially and for more competition to come onto the market via robo-advice offerings to more application-based options for younger investors. Going forward, capturing millennial and Generation Z investors will be no easy task for advisers who will need to be positioned to capitalise on those who are hungry for non-traditional personal finance solutions, with on-demand access.

It will be very difficult (impossible really) for the financial adviser of the future to operate without some key technologies in place from client management software to cloud based operations. It can take time to integrate but it's important to get it right.

We have seen financial services remain largely resilient over lockdowns and the like, as the industry has slowly kept up digital integration. But adoption of technology does not guarantee survival. It is simply a ticket to the game.

It can help to improve many processes and outcomes, by getting the right advice for your practice and to consider the best technology applicable to your business. It is also wise to include your compliance officer in your technology acquisition process to assist with any legislative requirements and key compliance considerations.

The exponential growth of the internet and ecommerce will only continue to fuel change for the foreseeable future. Technology is the force no one can stop. You can't avoid it, and it is best to join the process.

ABOUT THE AUTHOR

Richard Rattue is the managing director of Compli-Serve SA

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