



Black Diamond
WEALTH PLATFORM

Scaling a Holistic Financial Advice Business

The Products, Services, and Technology Needed to Compete

The wealth manager's role is evolving, driven by changing client expectations and new business realities. Clients want to have a complete picture of their financial life beyond their investment portfolios so they can make important life decisions. They seek professional guidance to put all the pieces together, particularly for the complexities associated with taxes, retirement income, property ownership, estate planning, and more. At the same time, advisors are looking to provide broader services. Their traditional investment management offering is becoming commoditized, which means they need new ways to differentiate themselves and deliver client value. As a result of these converging interests, the trend toward comprehensive or "holistic" wealth management is accelerating.

The challenge for advisors is that bringing together the different aspects of their client's life requires integrating various product and service capabilities. Without a single underlying technology supporting this variety, putting together a cohesive picture of a client's wealth is often a manual, time-consuming effort, constraining the advisor's capacity and dampening the growth and profit potential of the firm. The business challenge for advisors

today is to figure out how to offer holistic planning and advice at scale. This whitepaper will delve into the trends driving this industry transformation and showcase new, integrated technology solutions that can bring the necessary efficiencies, productivity, and added capacity for growth. Thus laying out an action plan to help advisors deliver on the promise of holistic wealth management.

More advisors become planners

Technology has relentlessly taken the costs out of investment management, so advisors have been looking for new ways to add value to client relationships beyond managing their investments. Clients, meanwhile, have gravitated to advisors who take a more holistic view of the financial relationship. Summing up a survey of 360 advisors, Investment News said, "As clients demand that the financial planning process encompass more issues, advisors surveyed said they expect to discuss all topics under the 'holistic' umbrella more frequently over the next five years."¹ As a result, the line between investment advisors and financial planners is blurring considerably, with more people than ever seeking the proper credentials. According to the Certified Financial Planning Standards Board, more than 95,000 people held an active CFP® professional certification as of the end of 2022, an all-time high.²

The benefits of holistic financial planning are many. It provides clients with the peace of mind that the advisor is looking after all aspects of their financial lives, which enables them to make better-informed decisions with a grasp of the financial implications. At the same time, advisors uncover additional advice opportunities through the planning process. For example, they can attract held-away assets by addressing client needs beyond wealth accumulation and preservation, such as retirement income, risk mitigation, and asset protection.

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Ted Denbow

VICE PRESIDENT OF SALES, RIGHTCAPITAL

help clients navigate big life decisions will differentiate themselves and build stronger client relationships," said Ted Denbow, VP of Sales at RightCapital, a leading financial planning software provider.

Historically, however, being able to source all the data required to create a comprehensive plan and implement the recommendations has been challenging due to a lack of integrated technologies. Baby boomers are retiring at an all-time high of 10,000 each day, and that number is expected to increase with 12,000 Americans turning 65 every day in 2024.³ Advisory firms need to focus on providing these clients with accurate, efficient, tax-sensitive, and timely recommendations for reliable retirement income from assets accumulated during their working years.⁴ Advisors must develop a technology strategy that can provide them with an efficient, scalable, and centralized platform to effectively deliver a broad set of wealth management services, including retirement income planning.

Bringing it all together: An integrated approach to holistic wealth management

A scalable solution for holistic advice starts with a centralized wealth management platform capable of integrating with the range of products and services comprising a client's financial life. A core tenet of this integrated solution is a full-featured, comprehensive financial planning system that is either native to the platform or capable of being tightly integrated. Financial planning is core to a holistic advice offering, making this capability table stakes for advisors who want to compete for the whole client relationship.

With financial planning capabilities built into the business's tech stack, the next challenge for advisors is accessing products that will augment their offerings. Retirement income strategies have become a prime example of the advice clients seek. Accordingly, advisors are becoming more attuned to annuities and insurance products to help clients lock in guaranteed returns at attractive rates. In fact, with today's higher interest rates, fixed annuities brought in \$41 billion during the Q1 2023 quarter, a 157% year-over-year increase.⁵

According to DPL Financial Partners Founder and CEO David Lau, access to fiduciary-friendly annuities and insurance products and the ability to track them within a client's complete financial picture has historically posed a challenge for advisors.

"Without access to commission-free annuities, fiduciary advisors have had to work with an incomplete set of tools to deliver efficient retirement income solutions that meet their clients' needs. The industry is slowly but steadily shifting to a new distribution paradigm that puts investors first through eliminating sales commissions. As more fee-based products come to market, fiduciary advisors can use annuities as part of a holistic financial planning process, supported by new tools and technology that facilitate product discovery, purchase, and management from their desktops."

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David Lau

FOUNDER AND CEO, DPL FINANCIAL PARTNERS

Today, as turnkey insurance marketplaces and platforms catering to RIAs have emerged, it is easier than ever before for fiduciaries to compare a range of products on one centralized platform and incorporate these solutions in clients' financial plans. The combination of an insurance marketplace and financial planning capabilities, integrated into the advisor's core wealth management platform, makes it possible for advisor to manage a holistic approach all in one place, providing that elusive scale the industry has been searching for.

About SS&C

SS&C is a leading innovator in technology-powered solutions and operational services for the global investment management industry. Our comprehensive solution suite for wealth managers spans the entire investment process from ideas through execution and accounting, and supports a wide range of outsourced back- and middle-office services. We continually invest in innovative solutions to help advisors differentiate their offerings and gain a competitive edge.

For more information

Regardless of your firm's size or structure, the Black Diamond Wealth Platform and other leading SS&C solutions have the flexibility, infrastructure, and power to support your unique wealth management business. To learn more, please call 1-800-727-0605 or email info@advent.com.

SS&C's Wealth & Investment Technology Solutions Work Together to Provide a Complete Wealth Picture

By having the right technology in place for scaling financial planning and insurance and annuities, advisors can create a holistic wealth management experience for their clients.

For example, SS&C's Black Diamond® Wealth Platform and the Advent Insurance Marketplace Powered by DPL (AIM) work together to provide advisors with direct, no-cost access to discover, implement, manage, and bill on fee-only annuity and best-in-class insurance solutions for their clients. Select annuity data flows into Black Diamond via an Advent Custodial Data feed, bringing these assets natively into a client's financial reports and conversations.

Accessible through the Black Diamond interface, AIM enables advisors to:

- Discover commission-free annuity solutions from leading carriers
- Evaluate and compare products based on client needs with easy-to-use tools
- Implement and bill on chosen solutions in Black Diamond
- Review and report on selected policies within the context of a client's entire financial life
- Manage their client's annuity and insurance contracts alongside other assets in the portfolio through a single hub

In addition, through a two-way integration with RightCapital, key financial planning data is pulled into Black Diamond's award-winning platform. Then, account and portfolio information is pushed back to RightCapital in a continuous loop. Now, a single client portal empowers advisors to effectively communicate financial plans, updates, and reports to clients, removing the need to manage multiple portals and having clients remember multiple log-ins. The integration redefines the planning experience by saving time and enabling a more synchronized user experience.

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