How 2020 Changed Everything While Changing Nothing at All

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The pandemic of 2020 should have brought titanic changes to the wealth management industry, and at least during the first month and the subsequent lockdown, it seemed like it would. Markets gyrated wildly, and advisors and their clients braced for the sort of disruption that we all experienced during the Great Recession. Over time, however, markets stabilized, clients and advisors returned to some sense of normalcy, and we moved ahead as an industry by adjusting our approach, our toolset and our practice management.

Today, as we anticipate a vaccine and an eventual end to this awful chapter in history, the wealth management industry can reflect on the truths that were apparent to some all along. Namely, that one critical piece of maintaining excellent client outcomes has been technology, process improvements and scalable solutions. Embracing these trends not only kept advisory firms running and helped clients stay on track to meet their goals, they created real enterprise value within advisors' practices.

In terms of technology, the pandemic revealed the value of tools such as video conferencing software, digital client portals, interactive goals-based planning software and effective CRM solutions. Looking back, those solutions were already in place and were being used by many advisors well before we were all *forced* to use them. Likewise, the availability of outsourced solutions like TAMPs and rebalancing software, platforms that provide operational, compliance or billing support, and services such as virtual assistants all predate the pandemic. For advisors who had not yet embraced these solutions, the ability to leverage these services to focus on revenue-generating activities such as client interaction and prospecting, especially in a time when clients are more available and easier to pin down for meetings, has led to tangible increases in enterprise value.

In addition to the proliferation of technology among independent firms, the movement away from wirehouses towards independence has continued to accelerate, and the willingness of advisors to make that move during a period of such uncertainty is remarkable. Again, the pandemic revealed to many advisors that the carpeted corridors and mahogany desks of a wirehouse were not the determining factor of their success. Just as the vaunted brands of the largest wealth management firms became a liability in 2008, the trappings of this captive channel seems out of step with the way that we now interact, a clear signal to advisors that

independence is a more than viable option.

In stressful times, great advisors show their greatest value. Keeping the ship steady during the pandemic revealed to clients the importance of having a competent, empathetic, and true fiduciary in their corner. While technology adoption, the embrace of outsourced solutions and the migration towards independence did not begin in 2020, it is clear that these trends have solidified and will impact the industry well into the future. The industry's acceptance of these trends has had a mutually beneficial effect on advisors and clients, providing clients with an enhanced, unbiased and truly meaningful advisory experience while advisors who adopt technology, outsource certain functions in their practice, and welcome independence not only enjoy the gift of time returned to them, they undeniably create a more valuable practice through their new scalable and replicable processes. ■

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