

The Universal Wealth Platform: The Flexibility to Master Diverse Client Needs

By Steve Leivent

BLACK DIAMOND

Did you know more than 300 technology applications make up the WealthTech universe?¹ That's mind-boggling! They range from broad portfolio management platforms to narrowly focused, single-purpose niche products. So it's no wonder advisors are often puzzled as they try to figure out what they need.

This product proliferation has generated interest in the concept of a "universal wealth platform." This concept does not mean a single platform with all the functionality of 300 discrete products. Instead, a wealth management hub broadly addresses most firms' core needs—portfolio accounting and reporting, performance, rebalancing. The platform also can cover multiple client segments and integrate with specialized solutions appropriate to a firm's unique business needs.

A firm's clients are the chief drivers of its technology strategy. Today, a wealth manager's clientele can span a broad spectrum. At one end are the high-net-worth investors moving into retirement, starting to draw down on their substantial accumulations and thinking about estate planning. At the other end of the spectrum are young earners just starting to accumulate wealth or perhaps poised to receive an inheritance. In between is the mass-affluent market, steadily building wealth. Multi-family offices often experience this demographic diversity within a single-family.

Meanwhile, the retail investor base keeps growing. According to Bloomberg Intelligence, individual investors represent nearly 20% of U.S. equity trading in 2020, more than 4% over the previous year and twice as many as in 2010.² Moreover, a Charles Schwab survey of retail investors aged 21 to 70 found 15% had entered the market for the first time in 2020, owing mainly to the pandemic lockdown, when people had more time and fewer ways to spend their disposable income.³

This infusion of people into the investment arena adds to the diversity of wealth management firms' client personas.



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While more established clients may look forward to quarterly meetings and presentations, next-generation investors want on-demand, real-time smartphone access to their portfolios and personalized progress reports. Additionally, firms catering to ultra-high net worth families must deliver family limited partnership (FLP)

reporting in formats suiting the preferences of both older and younger family members. Across the spectrum, investors expect a more personalized experience, including their portfolios' composition, fueled by greater ESG awareness. On top of all that, advisors are entering into more customized billing arrangements, requiring accurate tracking and management.

A universal wealth platform provides firms the flexibility to master this diversity of needs across the investor lifecycle. At SS&C Advent, we work on two fronts with the Black Diamond® Wealth Platform to address these challenges. First, based on ongoing dialogue with advisors, we continue to expand the platform's native capabilities to keep pace with changing demands. This includes such functions as accounting for alternative investments, Rebalancer to enable portfolio personalization at scale, a flexible billing engine to support bespoke fee models, and a mobile Relationship Timeline to help keep clients engaged. Secondly, we've built an ecosystem of solid integration partners whose specialized solutions complement our core capabilities – and hopefully spare advisors from having to demo 300 products.

More than ever, it is accurate to say, "No two clients are alike." Universal wealth technology can equip firms to meet a growing diversity of client needs and expectations and to capitalize on the growth of the wealth management market. ■

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Learn more at blackdiamond.advent.com.

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2. Osipovich A. Individual-investor boom reshapes U.S. stock market, www.wsj.com/articles/individual-investor-boom-reshapes-u-s-stock-market-11598866200, Wall Street Journal.

3. www.aboutschwab.com/generation-investor-study-2021



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