Platform Integration: Quality Matters More than Quantity

By Steve Leivent
BLACK DIAMOND

Integration is one of those holy grails of technology that everyone aspires to or purports to deliver, yet it somehow remains elusive. Is it simply the ability to share data between two systems? Or to view data in one system through another? Or transmit data automatically rather than manually?

The dictionary defines integration as "combining into an integral whole," while an online tech glossary talks about creating "one large system" from a number of subsystems. This holistic concept – that system integration creates, in effect, a single system – is where we believe many wealth management platforms fall short.

Investment advisors are still looking for deeper integrations to get the most out of their technology stack. Solution providers are racing to build connections to parallel technologies and custodians in order to claim integration, and today's application programming interfaces (APIs) make it easier than ever to connect. Advisors, however, should question these claims. Many of these connections are very limited in functionality. Do they really add value, save time or improve client service? Or are they just there to check a marketing box? Quality matters more than quantity, and depth is more important than breadth. Better to have a few functionally deep integrations than a large network of superficial connections.

Single sign-on has become price of entry – nearly every competitive platform provider either offers it or is close to achieving it. Simply having access to complementary systems through a core system is no longer enough. Being able to see, for example, real-time cash balances through your portfolio management system certainly has advantages, but the greater advantage comes from being able to leverage that data automatically in a rebalancing component. That is true integration.

Let's think of integration from the user's perspective: what does an advisor want or need to accomplish? How can integration make it easier and more efficient? Picture an advisor moving across a continuum from prospecting, acquiring and onboarding a client through developing a financial plan, then turning that plan into an investment strategy that takes the client's risk appetite into account. The advisor then implements that strategy in the form of a portfolio, which requires continual monitoring and occasional adjustment. All the while, the advisor is communicating with the client, reporting results and tracking against the plan. Virtually every step in this lifecycle is performed by a different software component – CRM, financial planning, risk analysis, portfolio construction and rebalancing, accounting and reporting, custodial interfacing, and client communication via an online portal. Yet from the advisor's perspective, each process should work seamlessly with all others as part of a single system. The less work on the advisor's part to make that happen, the greater the overall efficiency and productivity.

Delivering on that vision requires more than simply opening APIs to the world. Complementary solution providers need to work in concerted partnerships and commit to deep and meaningful integration that adds value for the advisor. When you're evaluating platforms, look beyond the names and numbers of integration partners. Ask how specific integrations are going to help your business. ■

Steve Leivent is Senior Vice President of SS&C Advent's Advisory business unit.