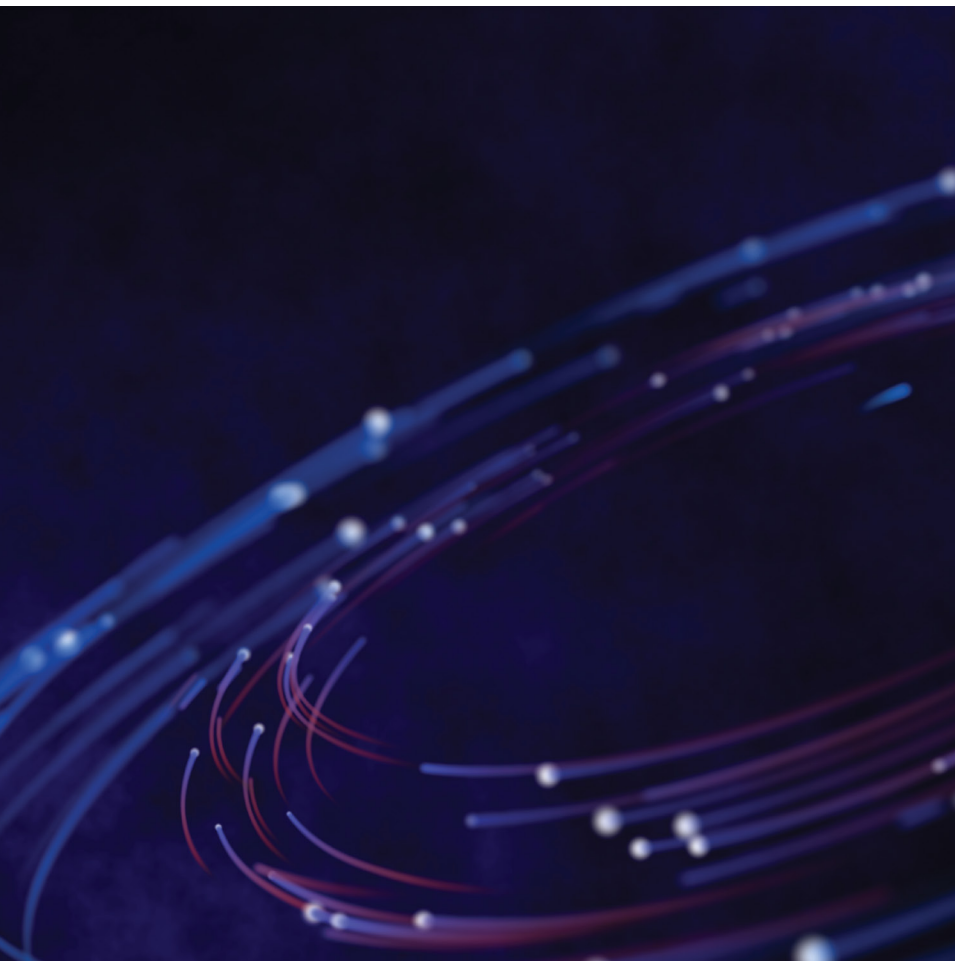


Digital Transformation in Wealth Management— the State of Play



Broadridge's 2022 Digital Transformation and Next-Gen Tech Survey of C-suite executives found that many wealth firms are having trouble keeping up with the pace of change.

Here we take a deeper look at the findings among the wealth firms surveyed¹ including:

- The progress they have made so far with digital transformation and the adoption of next-gen technologies.
- Where they are applying digital transformation to compete more effectively.
- How they are overcoming challenges to adoption.
- What leading firms do differently and the practical approaches they take to accelerate digital transformation and gain value from emerging technologies.

MACRO-TRENDS ARE DRIVING THE NEED FOR TRANSFORMATION

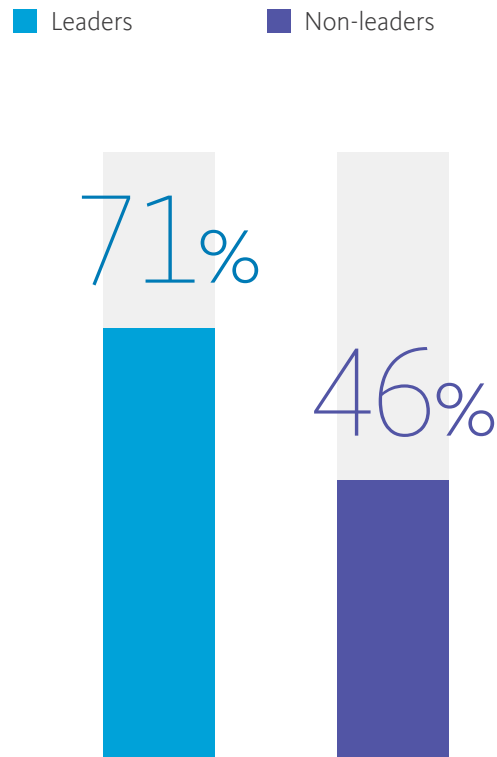
In addition to competitive dynamics and new challenger firms in the wealth space, a number of trends are leading to a need for change:

- Increasing wealth transfer from Boomers to Millennials.
- Greater desire from investors of all ages for digital interaction.
- Growing demand for new asset classes such as crypto and alternatives.
- A need to focus on advisor recruitment, retention and productivity.

THE BENEFITS OF DIGITAL TRANSFORMATION: DIGITAL LEADERS FOCUS ON TOP LINE GROWTH RATHER THAN JUST COST SAVINGS

As well as helping firms respond quickly to customer and market trends, digital transformation has clear benefits. Firms classed as Leaders in our Digital Maturity Framework² were 1.5x more likely to report revenue increases from digital transformation than Non-leaders.

INCREASED REVENUE.



QS: How is a focus on digital transformation and next-gen technologies creating value for your company now?

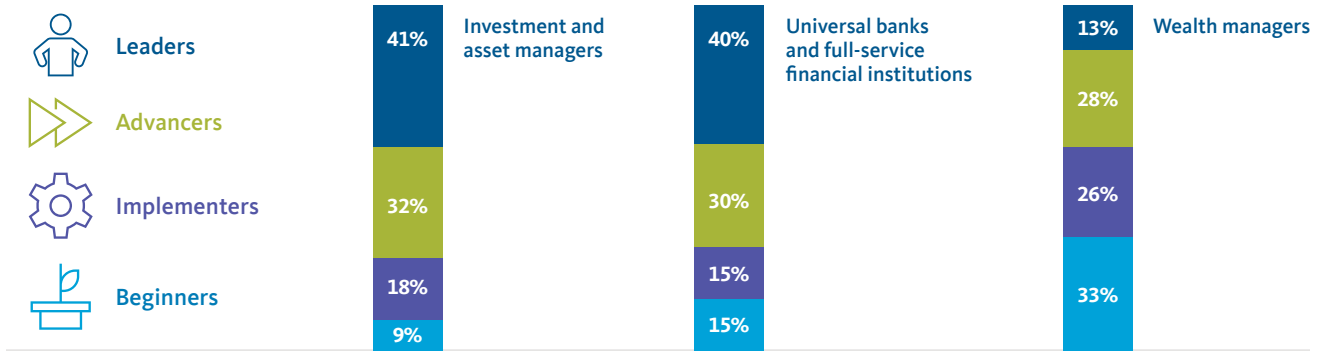
¹ A total of 82 wealth firms globally were surveyed including Family offices, financial advisory firms, registered financial advisors, private banks, wealth management arms of universal banks.

² For scoring methodology see the [full report](#).

HOW ARE WEALTH FIRMS STACKING UP IN DIGITAL TRANSFORMATION?

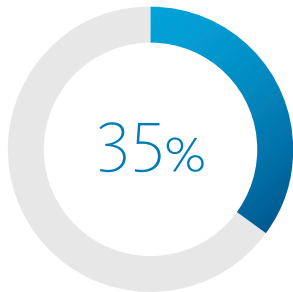
WEALTH FIRMS' PROGRESS VS PEERS IN OTHER SECTORS

Some wealth firms have made progress, but many are falling behind other financial industry sectors in digital leadership.

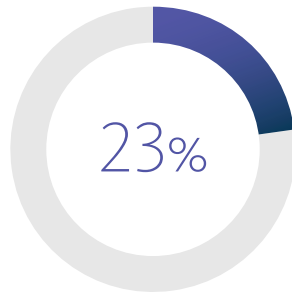


OVERCOMING CHALLENGES

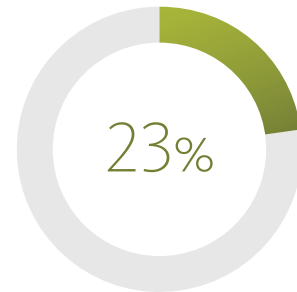
Wealth firms cited 3 key challenges in driving digital transformation.



Pace of technology change



Lack of a roadmap for innovation



Company is struggling to modernize its IT infrastructure

SETTING CLEAR PRIORITIES

To overcome these challenges and because it is impossible to do everything at once, wealth managers must set clear priorities for which functions to transform.

AREAS OF HIGHEST PRIORITY FOR DIGITAL TRANSFORMATION OVER THE NEXT 2 YEARS



FOCUSING ON 3 KEY AREAS FOR TRANSFORMATION

Wealth firms should focus their efforts on transforming these key areas:



EXPERIENCES



WORKFLOWS



ANALYTICS

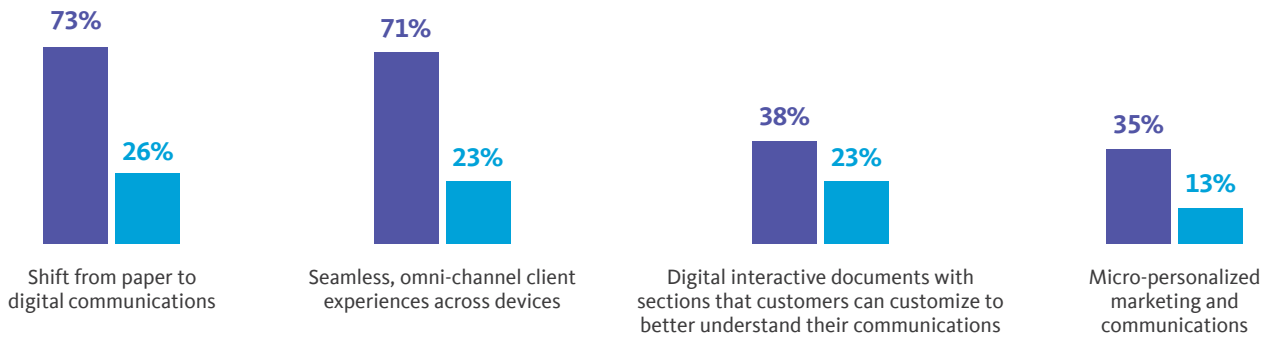
Here we look at the progress made so far in the activities underpinning transformation of these areas.



1. Communications and experiences

Customer experience and interaction was the top priority area for transformation cited by wealth firms.

As well as digitizing paper communications, leading firms are providing clients with more interactive tools to manage their investments and more personalized content, often using **AI and predictive analytics**. While delighting clients and driving top line growth, these digital tools can also boost advisor productivity and retention.



QS: How much enterprise-wide progress has your company made in the following activities underpinning the digital transformation of customer communications and experiences?

■ mid-implementation
■ advanced implementation

“We have adopted a data-centric approach that incorporates the use of machine learning to provide hyper-personalized solutions to our customers.”

CHIEF FINANCIAL OFFICER/FINANCIAL DIRECTOR, WEALTH MANAGER, US



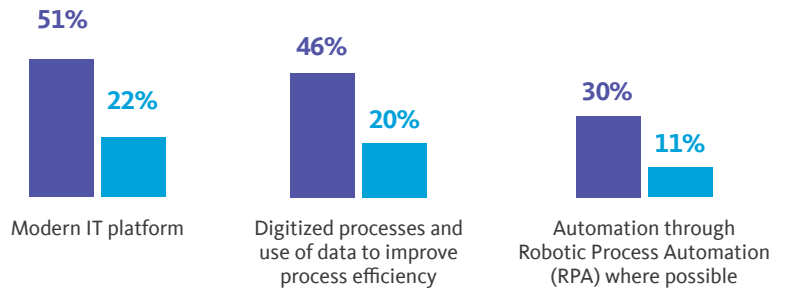
2. Workflows and Processes

When it comes to building a foundation to optimize workflows and processes, wealth managers are in the midst of modernizing IT platforms, which they see as a major challenge.

Moving to Cloud enabled, platform-based architectures based on microservices and APIs allows firms to achieve greater business agility by accessing a more customizable and modular toolset.

Digitized processes can also help firms to automate time consuming manual and paper based processes using tools such as robotic process automation (RPA). This can improve efficiency and streamline the customer journey in areas such as Know Your Client (KYC) and onboarding.

■ mid-implementation ■ advanced implementation



QS: How much enterprise-wide progress has your company made in the following activities underpinning digital transformation of workflows and processes?

“We use a unified wealth management technology platform to assist our customers in a timely manner and to provide a better experience.”

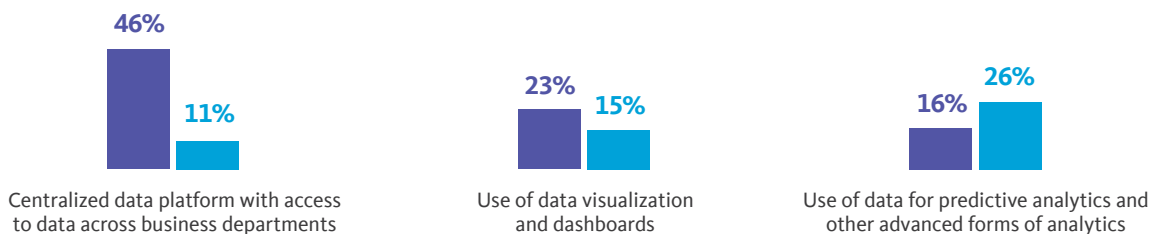
CHIEF PRODUCT OFFICER, WEALTH MANAGER, US



3. Data and Analytics

Data and analytics can improve strategic decision-making through better market analysis, investment planning and client segmentation. Furthermore, data can support ongoing trends such as ESG investing, which due to their complexity need to make sense of a wide range of data points.

■ mid-implementation ■ advanced implementation



QS: How much enterprise-wide progress has your company made in the following activities underpinning the digital transformation of data and analytics?

Data visualization tools can provide a key way to optimize advisor productivity and boost retention. When offered to clients, data visualization tools can also captivate customers with insightful visuals and financial insights.

A new wave of **AI and predictive analytics solutions** can also improve sales prospecting and customer experience by targeting the right clients with the right content, at the right time.

FIVE THINGS DIGITAL LEADERS DO DIFFERENTLY

In addition to prioritizing the activities and technologies underpinning transformation, firms must also ensure they put in place the firm-wide capabilities that support rapid change and innovation as well as leveraging the wider ecosystem of fintech providers.

For example, firms classed as Leaders are:

1. 1.5 times more likely to have a clear vision and implementation roadmap for digital transformation.
2. Twice as likely to report that they have a culture of continuous innovation.
3. Placing a strong focus on their talent acquisition and retention strategy.
4. Twice as likely to have clearly defined roles for digital transformation, including an executive and team accountable for driving digital transformation across the organization.
5. Looking to the benefits of mutualization to access innovation and next-gen technologies.

[Read the Full Report](#)



BROADRIDGE CAN HELP.

Broadridge helps clients accelerate digital transformation. We do this from our vantage point at the center of financial services, delivering the value of our network, including data, a range of innovative solutions and our expertise. This helps clients mutualize the costs and risks of innovation and feel confident about the future.

Let's talk. Broadridge can help you increase the pace of your digital transformation and enhance your business with next-gen technologies.

To find out more visit broadridge.com/resource/be-relevant-no-matter-what-comes-your-way »



To scan, simply open the camera app on your mobile device and point the camera at the QR code.

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