

OPENERS

Fodder For the Water Cooler

Robo Ain't All Bad

Is there a way for financial advisors to incorporate robo-advisors into their practices? Switching your mindset to view digital as a business solution as opposed to a threat could be the key. In an interview with *FORUM*, Kim Thompson, senior vice-president of Advisory Services at Credential Financial, says that such trends as regulatory and demographic changes, as well as consumer preferences, are fuelling the push for advisors to embrace technology as a way to enhance the client experience.

Consider the retail shopping experience, for example. “The very fact that as Canadians we have become more comfortable in retail shopping online is proof that we will use that channel so long as it provides us with an enriching experience.” However, she notes that the emergence of digital advice is an opportunity to augment and enhance the member experience and expand credit unions’ wealth offering, as opposed to robo-advice replacing the human experience.

“Advisors can no longer solely provide investment management services in this new environment,” says Thompson. “Using digital solutions to handle accounts with straightforward investment needs can help increase advisor capacity, by providing an efficient, multi-generational solution for smaller investors as part of a larger household [i.e., Millennials]. This in turn enables them to focus on the more complex needs of their primary clients [i.e., the parents].”

So what could this look like in practice? “You could use a low-cost, digital advice solution as a bit of a greenhouse strategy in



that you’re continuing to feed and nurture [the client relationship], but perhaps not having to spend a ton of time on managing less complex investment needs,” Thompson explains. “As that account continues to grow and family dynamics change, you would eventually bring the account back into your book once it’s matured. That’s sort of how I see that playing out — really the advisor looking at the entire relationship at the family level, as opposed to just at the individual level.”

Whether advisors successfully embrace tech solutions may depend on the level of support they receive from their dealer. Ideally, there will be a robust support system in place to help the advisor integrate and leverage any new digital offerings.

DID YOU KNOW?



Only **54%** of Australians believe that their superannuation will see them through retirement

Source: Part 3 – A Path to Saving for Retirement, August 2016.
mlc.com.au/australiatoday

STUDY:

Australians more confident with an advisor

Those who used a financial advisor were more likely to feel “very well/fairly well prepared” for retirement.

With **36%** vs. Without **9%**

