



How Generative AI is Revolutionizing Wealth Management

Unlocking Personalized Client Service and Streamlined Workflows

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Throughout this eBook, read articles penned by industry experts exploring how generative AI is changing the way wealth management firms operate and engage with clients.





Streamline for Success: Generative AI's Role in Advisor Business Growth

Jason Pereira, Yelena Melamed, Greg King, CFA, Shannon Rosic

Overview

Generative artificial intelligence (AI) has the potential to revolutionize wealth management. From data capture to content generation to automated workflows, generative AI enables firms to offer personalized solutions at an unprecedented scale. This transformative technology addresses the unique needs of diverse client profiles, marking a significant move towards more client-centric services.

Although still in the early stages in wealth management, generative AI is already enhancing efficiency and client engagement through its ability to learn and refine its accuracy over time, similar to human learning. This iterative learning process allows financial professionals to sift through a large volume of data—including unstructured data such as financial statements and earnings call transcripts—thereby empowering firms to redirect staff to tasks that add greater value.

If financial advisory firms stay on top of generative AI's challenges, including data integrity and regulation compliance, the technology can transform wealth management.

Context

A panel of experts in the application of generative AI shared their thoughts on the integration of AI into wealth management.

Key Takeaways

Wealth management professionals can benefit by understanding and leveraging generative AI.

Generative AI is a subset of artificial intelligence that enables users to quickly generate new content based on a variety of inputs. Inputs and outputs for these models can include text, images, sounds, animation, 3D models, or other types of data.

Generative AI has transformed the way that machines understand

and generate human-like content. Traditional AI algorithms rely on predefined rules and patterns, whereas generative AI models can create original and creative outputs by learning from vast amounts of training data.

Generative AI enables wealth management firms to provide personalized solutions at scale, addressing the unique needs of different client profiles.

The integration of generative AI into wealth management operations is still in its early stages, yet it is already facilitating improvements in efficiency and client engagement.

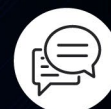
Generative AI learns iteratively and improves its accuracy over time, thus mimicking the human learning process. This advancement enables professionals to process and analyze vast amounts of data more effectively, creating tailored solutions for clients.

“Generative AI, from a technical perspective, is really just a **large probability engine** that, based on what I tell it to do, tries to figure out the best possible answer. But it's iterative and can **get better and more accurate** over time.”

- JASON PEREIRA, WOODGATE FINANCIAL, INC.

Use Cases of Generative AI in Wealth Management

Management



Chatbots

Portfolio Management



Compliance Management

Financial Analysis and Forecasting



Financial Advisor

For instance, advisors can leverage AI to summarize internal research for client communications, drastically reducing the time spent scouring information and allowing for quicker, more informed responses to client queries. This streamlines workflows and enhances the quality of client interactions by ensuring that communications are personalized and informed by the latest insights.

To effectively use generative AI, firms must understand the benefits and challenges that come with the three phases of the AI funnel.

The AI Funnel Process



Top of Funnel:
Data Capture



Middle of Funnel:
Generation



Bottom of Funnel:
Workflow Automation

- 1. Top of Funnel: Data Capture.** Generative AI can ingest and comprehend a wide array of structured and unstructured data, setting the stage for deep insights and personalized client engagement.
- 2. Middle of Funnel: Generation.** Generative AI has capabilities that enhance productivity and allow advisors to focus on higher-value tasks.
- 3. Bottom of Funnel: Workflow Automation.** Generative AI can initiate and oversee workflows across other software solutions, streamlining operations and reducing manual errors.

During data capture, firms must ensure integrity and regulatory compliance.

While tools and platforms that leverage AI to enhance data collection can streamline processes—including client onboarding, financial planning, and market analysis—AI technology comes with

challenges, particularly in ensuring data accuracy.

Amidst regulatory and trust issues, wealth management firms must ensure data accuracy, comprehensiveness, and timeliness. Traditionally, the wealth management industry has struggled with efficiently capturing and using data, leaving untapped value. Generative AI offers a solution by improving the quality and accessibility of data at the initial stages of client engagement. Tools like transcription services and data parsing software enable advisors to capture a richer, more accurate dataset from client interactions, which can be used to tailor advice and services more precisely.

However, the journey from data capture to actionable insights is not without difficulties. Establishing trust and accuracy in the data is paramount given the regulatory and client relationship implications. Firms must focus on collecting trusted data and employing tools to improve data quality and avoid regulatory concerns. Evaluating data requires careful oversight to avoid biases and errors, ensuring the generated insights are relevant and reliable.

“At FactSet, we’ve been using AI for 15 years and are dedicated to **maintaining high standards of data quality and reliability**. We advise that you start with data you trust. Think of it as a ‘walled garden’ that contains verifiable content. Then use tools that guarantee the **verifiability of information**, ensuring credibility in the outputs.”

– GREG KING, FACTSET

FactSet's GenAI Journey



During generation, generative AI can help financial firms create personalized communication, investment insights, and financial plans based on collected data.

Once the data is captured, we enter the generation phase which involves using this information to create client-centric outputs. Effective use of AI requires that it is finely tuned to the specifics of a wealth management practice, ensuring relevant and accurate content and advice. This personalization is crucial so advisors can provide meaningful, client-specific services rather than generic outputs that could be misaligned with client expectations.

“Catchlight allows you to **segment your prospect lists** based on the interests and life events of your leads, and then **leverage generative AI models** to help you build content around what’s relevant to each of those segments or individuals.”

- YELENA MELAMED, CATCHLIGHT INSIGHTS

The generation phase also includes content creation for marketing and client education, enabling advisors to effectively communicate their value proposition and investment strategies. Generative AI’s proficiency in handling unstructured data, such as earnings call transcripts and financial statements, allows firms to reallocate human resources to more value-added services, improving the overall quality of financial advice and client service.

Tying together data capture and generation by automating routine tasks and workflows allows advisors to focus on strategic activities.

It also presents the challenge of integrating AI-based processes

into operational systems. Automation includes portfolio management tasks such as rebalancing and tax-loss harvesting, streamlining compliance and reporting processes, and optimizing client communication schedules. By reducing the time spent on administrative tasks, advisors can allocate more resources to client acquisition, relationship building, and exploring new market opportunities.

The advancement in generative AI technology is making it increasingly accessible for advisors—who are not necessarily programmers—to automate and streamline their workflows. Emerging tools and platforms can write code or create connections between different operational systems using AI, lowering the barrier to implementing complex workflows.

However, ensuring accurate input at the data capture stage is crucial. Otherwise, automated workflows may propagate errors, leading to more significant issues. The move towards digital transformation in wealth management, traditionally hindered by manual processes, is now seeing rapid advancement with AI enabling more efficient and less manual task management. Yet, the transition to fully trusting these AI-driven systems will be gradual, emphasizing a “trust but verify” approach to manage exceptions and ensure accuracy.

This reflects the evolving relationship between financial advisors and AI technologies, highlighting the potential for significant improvements in operational efficiency while acknowledging the need for continued human oversight.

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Additional Information

To learn more, visit:

- [FactSet](#)
- [Catchlight Insights, LLC](#)
- [Woodgate Financial, Inc.](#)



A Closer Look at AI in Family Offices

Understand the risks to privacy, confidentiality, and fiduciary responsibility and do your best to mitigate them.

Hanna R. Dameron, Tracy L. McLaughlin, Kevin Matz

The integration of artificial intelligence has revolutionized various industries, offering efficiency, accuracy and convenience. In the realm of estate planning and family offices, the integration of AI technologies has also promised greater efficiency and precision. However, AI comes with unique risks and challenges.

Let's consider the risks associated with using AI in estate planning and family offices. We'll focus specifically on concerns surrounding privacy, confidentiality and fiduciary responsibility.

Using AI in the Family Office Context

Why should practitioners use AI in their practice? AI and large language models are advanced technologies capable of understanding and generating human-like text. They operate by processing vast amounts of data to identify patterns and make predictions. In the family office context, AI can offer assistance by streamlining processes and enhancing decision-making. On the investment management side, AI can identify patterns in financial records, asset values and tax implications through data analysis, facilitating better-informed asset allocation and distribution strategies. Predictive analytics capabilities enable AI to forecast future market trends and potential risks that may help family offices optimize investment strategies for long-term wealth preservation and succession planning.

AI may also help prepare documents relating to estate planning. If given a set of information, AI can function as a quasi-search engine or prepare summaries of documents. It can also draft communications synthesizing complex topics. Overall, AI offers the potential to enhance efficiency, accuracy and foresight in estate planning and family office services. That being said, concerns about its use remain.

Privacy and Confidentiality

Family offices deal with highly sensitive information, including financial data, investment strategy, family dynamics and personal preferences. Sensitive client information can include intimate insight into one's estate plan (for example, inconsistent treatment of various family members) or succession plans and trade secrets of a family business. Using AI to manage and process this information introduces a new dimension of risk to privacy and confidentiality.

AI systems, by their nature, require vast amounts of data to function effectively and train their models. In a public AI model, information

given to the model may be used to generate responses to other users. For example, if an estate plan for John Smith, founder of ABC Corporation, is uploaded to an AI tool by a family office employee asked to summarize his 110-page trust instrument, a subsequent user who asks about the future of ABC Corporation may be told that the company will be sold after John Smith's death.

Inadequate data anonymization practices also exacerbate privacy risks associated with AI. Even anonymized data can be de-anonymized through sophisticated techniques, potentially exposing individuals to identity theft, extortion, or other malicious activities. Thus, the indiscriminate collection and use of personal data by AI systems without robust anonymization protocols pose serious threats to client confidentiality.

Even if a client's data is sufficiently anonymized, data used by AI is often stored in cloud-based systems, which aren't impervious to breaches. Cybersecurity threats, such as hacking and data theft, pose a significant risk to clients' privacy. The centralized storage of data in AI platforms increases the likelihood of large-scale data breaches. A breach could expose sensitive information, causing reputational damage and potential legal repercussions.

The best practice for family offices looking to use AI is to ensure that the AI tool under consideration has been vetted for security and confidentiality. As the AI landscape continues to evolve, family offices exploring AI should work with trusted providers with reliable privacy policies for their AI models.

Fiduciary Responsibility

Fiduciary responsibility is a cornerstone of estate planning and family offices. Professionals in these fields are obligated to act in the best interests of their clients (or beneficiaries) and to do so with care, diligence and loyalty, duties which could be compromised using AI. AI systems are designed to make decisions based on patterns and correlations in data. However, they currently lack the human ability to understand context, exercise judgment and consider ethical implications. Fundamentally speaking, they lack empathy. This limitation could lead to decisions that, while ostensibly consistent with the data, aren't in the client's best interests (or beneficiaries).

The reliance on AI-driven algorithms for decision-making may compromise the fiduciary duty of care. While AI systems excel at processing vast datasets and identifying patterns, they are not immune

to errors or biases inherent in the data they analyze. Additionally, AI is designed to please the user and infamously has made up (or “hallucinated”) case law when asked legal research questions. In the financial context, inaccurate or biased algorithms could lead to suboptimal recommendations or decisions, potentially undermining the fiduciary’s obligation to manage assets prudently. For instance, an AI system might recommend a particular investment based on historical data, but it might fail to consider factors such as the client’s risk tolerance, ethical preferences or long-term goals, which a human advisor would consider.

In addition, AI is prone to errors resulting from inaccuracy, oversimplification and lack of contextual understanding. AI is often recommended for summarizing difficult concepts and drafting client communications. Giving AI a classic summary question, such as “explain the rule against perpetuities in a simple manner,” demonstrates these issues. When given that prompt, ChatGPT summarized the time when perpetuity periods usually expire as “around 21 years after the person who set up the arrangement has died.” As estate planners know, that’s a vast oversimplification to the point of being inaccurate in most circumstances. Correcting ChatGPT generated an improved explanation, “within a reasonable amount of time after certain people who were alive when the arrangement was made have passed away.” However, this summary would still be inaccurate in certain contexts. This exchange highlights the limitations of AI and the importance of human review.

Given AI’s propensity to make errors, delegating decision-making authority to AI systems presumably wouldn’t absolve the fiduciary from legal responsibility in the case of errors or misconduct. As reliance on AI expands throughout professional life, fiduciaries may become more likely to use AI to perform their duties. An unchecked reliance on AI could lead to errors for which clients and beneficiaries would seek to hold the fiduciary liable.

Lastly, the nature of AI’s algorithms can undermine fiduciary transparency and disclosure. Clients entrust fiduciaries with their financial affairs with the expectation of full transparency and informed decision-making. However, AI systems often operate as “black boxes,” meaning their decision-making processes lack transparency. Unlike traditional software systems where the logic is transparent and auditable, AI operates through complex algorithms that are often proprietary and inscrutable. The black-box nature of AI algorithms obscures the rationale behind recommendations or decisions, making it difficult to assess their validity or challenge their outcomes. This lack of transparency could undermine the fiduciary’s duty to communicate openly and honestly with clients or beneficiaries, eroding trust and confidence in the fiduciary relationship.

Mitigate Risks

While AI offers many potential benefits, its use in estate planning and family offices isn’t without risk. Privacy and confidentiality concerns, coupled with the impact on fiduciary responsibility, highlight the need for careful consideration and regulation.

It’s crucial that professionals in these fields understand these risks and take steps to mitigate them. This could include implementing robust cybersecurity measures, counteracting the lack of transparency in AI decision-making processes, and, above all, maintaining a human element in decision-making that involves the exercise of judgment.

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AI Is an Advisor's Co-pilot, Not Its Competitor

Understanding generative artificial intelligence to maximize opportunities in estate planning and beyond.

Rafael Loureiro

With the introduction of programs like ChatGPT and Google's Gemini, the integration of artificial intelligence into the advisor's tech stack has become a hot topic of discussion in the financial advice community. Although the advent of generative AI applications signals a new era in AI's evolution, it's worth noting that much of the foundational technology has existed for decades. Advisors, whether knowingly or unknowingly, have benefited from AI for quite some time. In this context, advisor Justin Castelli observes, "There is a seemingly overblown fear of AI by the advisor community."

Despite the apprehension many advisors feel toward this technology, the truth is that AI is already integral to their daily tasks. Moreover, the advent of generative AI brings more opportunities than threats. To assist advisors in overcoming their hesitation about this new frontier, we aim to clear up some common misconceptions and explore how AI serves as a co-pilot rather than a replacement.

Busting AI Myths

Financial advisors harbor numerous misconceptions about AI, which risk obscuring the true potential of this transformative technology. On one end of the spectrum, there's a segment of financial advisors who believe AI will not directly impact their work, underestimating its growing influence in the industry.

However, the data reveals a different reality. According to Hostinger, [35% of companies](#) are already using AI in their current business model, with financial services demonstrating one of the highest adoption rates.

Contrastingly, at the other end, some advisors envision a doomsday scenario, fearing AI might render them obsolete. This concern, though, overlooks AI's inherent limitations. While AI excels in tasks such as

35% of companies are already using AI in their current business model, with **financial services** demonstrating one of the highest adoption rates.

pattern recognition, it lacks the human intuition that's crucial for nuanced financial planning, including the ability to interpret a client's facial expressions and tone. AI's inability to 'read the room' underscores the irreplaceable value human advisors bring to the table.

There's a common belief among some seasoned advisors that they are 'too old to learn AI.' This notion is unfounded, as advisors of any age can—and should—utilize tools such as ChatGPT. With AI becoming increasingly prevalent in areas ranging from fraud detection to estate planning, it's essential for advisors from all generations to adapt to stay competitive. While concerns about security are understandable, as with the adoption of any new technology, generative AI can indeed be securely integrated into a practice with the right due diligence and implementation.

AI is Already in the Water We Are Swimming In

Artificial intelligence has been playing the role of co-pilot to the advisor since long before the onset of the generative AI tools receiving so much attention at present. Let's talk through a few examples.

Generative AI introduces the ability to **create original content**, including **text, images, audio**, and more—capabilities that advisors ought to wholeheartedly welcome.

For one, nearly every advisor has technology in their stack that assists them with forecasts and projections. Machines are excellent at detecting patterns and trends, and therefore AI features of this kind lie under the hoods of nearly all predictive models and similar tools. Another example would be optimization. The robo advisor solutions available in today's market largely rely on AI for automated portfolio optimization, showcasing another practical application of this technology in the financial advice profession.

Prospecting has also been heavily impacted by this technology long before ChatGPT came into the picture. Advisors who engage in paid advertising on key social platforms like Facebook and LinkedIn are essentially using AI-driven tools. These mainstream social media platforms use AI to determine the best audience for a given ad, once again showing up as the advisor's teammate, not their competitor.

More recently, the integration of AI into estate planning is serving to transform the process into a more efficient and client-centric experience. Advisors can now leverage AI to quickly upload and summarize key estate planning documents, providing clarity for both the advisor and the client. Some platforms also offer the ability to intelligently incorporate previous client actions into their guidance, streamlining the update of essential documents. This serves to ensure that wills, trusts and other important documents accurately represent the client's current intentions and life circumstances, safeguarding their legacy.

Why Generative AI Really Is Worthy of the Hype

For advisors, generative AI has the potential to provide countless additional benefits beyond its existing applications. Unlike traditional AI, which is designed to perform specific tasks using predefined algorithms and rules, generative AI introduces the ability to create original content, including text, images, audio and more—capabilities that advisors ought to wholeheartedly welcome. This technology can improve efficiencies in administrative tasks like drafting client communications, summarizing vast amounts of important information, identifying the best tools to educate clients about various financial planning concepts, and much more.

Just as the internet revolutionized the profession, AI offers a similar transformative potential, augmenting productivity and enabling advisors to allocate more time to client-centric activities. With appropriate safeguards in place, advisors can leverage generative AI to streamline processes, improve decision-making and enhance client satisfaction. It does not have the capability to replicate the personal engagement advisors are known for, especially in understanding and navigating clients' emotional and complex needs in areas like estate planning, but AI serves as an invaluable complement to these essential human skills.

Adopting generative AI enables advisors to redefine their service offerings, accentuating the value of personalized advice in an increasingly automated world. This technology should be considered as an extension of the advisor's capabilities and a value multiplier, facilitating a shift towards more strategic and meaningful client interactions. As advisors harness the power of generative AI, they not only streamline their processes but also underscore their commitment to delivering exceptional, client-centric advice. When viewed through this lens, it's clear that generative AI is more co-pilot than competitor.

Rafael Loureiro is the co-founder and chief executive officer of Wealth.com.





From Reactive to Proactive: The Expansion of Growth Platforms in Wealth Management

Jon Russell

We all know having a solid framework in place for growth is essential to a successful wealth management business. However, the transfer of wealth to a younger, more tech-savvy generation requires a change to the traditional methods used by wealth managers. This is especially the case for contacting and acquiring new clients, constructing portfolios, and handling future communications and reporting.

Historically, advisors rely heavily on human expertise. This is not just in how they interact with existing clients and prospects, but also in how they analyze market trends, evaluate risks, determine investment decisions, and craft proposals. While the human factor has many advantages, it also has limitations.

New tools to enhance workflows are developed daily as new players in FinTech offer their services. Many even stress their AI integration(s) as a key selling point. But how far can AI truly go to enhance these workflows? What other tools should make up wealth management? The answer here is simple: prospecting and proposal monitoring.

Prospecting

Prospecting (and proposal creation) is a mainstay in any wealth manager's daily life; advisors typically spend up to ~10 hours a week on it. It's more than just finding new clients. Building on existing relationships is also important, especially amid the wealth transfer to a generation that's more tech friendly.

Prospecting can be a laborious and overly manual task that eats away at the advisor's day with limited positive results. Who wants to make cold calls, anyway?

New technology, tools, and AI can all play a part in streamlining this task. There are several products available today that partially fulfill the prospecting workflow, which we'll briefly discuss throughout this article.

Warm Leads

Many wealth managers rely on referrals to grow their business. In essence, leads known as "warm" are potential clients that the advisor has an existing connection to, like a relationship with a current client. New tools in the market can turn the reactive to the proactive by identifying potential clients that fall within required criteria, such as those that are under the age of 45, live in the same county, have recently changed roles, and work in technology. Several data aggregators put a lot of work into building these systems and they rely upon their own algorithms and AI to draw out those connections. Simply having a list of the 10 best calls they can make each morning can lead to greater success.

FactSet's Intelligent Prospecting system pulls in over 190 million professional profiles, offering a clear overview a client's connections and networks. It also clearly indicates where they live and their wealth segment so advisors can find their next best lead quickly. Prospecting systems like FactSet that use their own datasets on public and private companies with an expansive people dataset, such as Aidentified, can make all the difference.

Another example is Microsoft's Relationship Sales, which uses expansive data (from LinkedIn) to provide additional context. However, it lacks the net worth data that companies such as Aidentified, Wealth-X, or Windfall possess.

One great labor-saving function that Aidentified built into their mobile application is the ability to scan a person's business card and immediately surface details including their interests, estimated net worth, and perhaps most importantly, their relationships. With this function, keeping track of multiple business cards, manually entering the details, and finding them within say, LinkedIn or your CRM, is no longer necessary.

Relationship Maintenance

This same interface technology can also provide timely insight into an advisor's existing clients. Why wait for a client to tell you about their promotion to CTO of their company when you can beat them to the punch and congratulate them after receiving an automated alert? Successful wealth managers ace client relationships, so, use tools to make it easier to find new clients and build trust.

FactSet's Intelligent Prospecting system and Aidentified's Prospect Finder can complement each other well in this area, providing insight above and beyond simple job changes for clients. Alerts are sent to keep the advisor informed on a bunch of events, from simple company mentions in the news to whether their company just IPO'd or received an investment.

The same companies that aggregate data from myriad sources can also identify the relationships your clients already have, allowing you to tap into those with greater ease rather than going in cold. Reviewing a client's LinkedIn profile allows you to view all their contacts if you're already connected to them, but it doesn't take away your responsibility to uncover true connections versus, for example, someone your client met at a conference 20 years ago and hasn't talked to since. These new tools can often process huge amounts of data and serve up the results in a clear, concise manner.

Discovering that your client knows someone from your hometown takes a long time to uncover manually through systems such as LinkedIn's Sales Navigator, or Salesforce's Sales Engagement, but these tools could easily find that important insight automatically across your entire client base. They go a level further, detailing who the prospect is, the best person to connect you, and for tools such as Aidentified's Prospect Finder, how likely that connection will lead to a successful meeting.

Proposal/Prospect Monitoring

With prospecting's improved effectiveness, greater demands will be placed on the monitoring of those proposals. Yet another drain on an advisor's day, monitoring all those clients, prospects, and proposals is a time-consuming task. Tools can help to alleviate this.

Tracking Prospective Clients

When advisors talk to prospective clients (or even existing clients with a major life event), the work needs to be tracked, logged, and followed up on. The emails sent, phone calls made/connections to CRM systems, and documentation created and returned can be monitored with new tools. You can track prospective clients by the status they're in, such as Prospect Found, Contacted, Meeting Arranged, Proposal Sent, and so on.

Though existing CRMs track a lot of this—such as the Sales Engagement feature within Salesforce and their new Einstein AI, or RedTail's Opportunities Tracker—few provide much detail. These tools not only track progress, but also alert advisors when a client has been in the same category for too long. Some even craft a follow-up email that can be quickly reviewed and sent.

Engagement Analytics

Systems can also be built to analyze both successful and unsuccessful leads, potentially highlighting the failure of a specific strategy. This can help wealth management firms refine their models and materials which, in turn, can support increased win rates. Tools can also be used to confirm when a client reviews a proposal, especially if it was delivered online rather than via a PDF.

Proposal Creation

The creation of a visually appealing and data-rich proposal is an art unto itself. The process begins with gathering data from the clients' or prospects' current portfolio(s) to fully understand their exposure and performance. According to a recent Cerulli webinar, [satisfaction with proposal generation is the lowest amongst all technology](#) used by wealth management companies.

The next stage is to determine the model or strategy that best suits the client's requirements—this is often actioned with rules-based processing. The proposal needs to detail not only the portfolio that the advisor is recommending, but why the changes are necessary to achieve the clients' desired results.



These tools not only **track progress**, but also **alert advisors** when a client has been in the same category for too long. Some even craft a follow-up email that can be quickly reviewed and sent.

Tools that exist today can reduce the manual aspect of this process. They can read PDF statements to automatically create an overview of the existing portfolio(s), render comparison tables and charts, and output all in a clean, fully branded report that can be delivered through a client portal or PDF. One of the newer solutions in the marketplace today that can deliver professional-looking reports through a simple interface is CapIntel. The CapIntel product does a great job of comparing a client's existing portfolio against the advisor proposed portfolio or model. It allows advisors to spend their time in other areas, without the need to integrate content from multiple sources or build a presentation through a visualization tool such as Microsoft PowerPoint.

Naturally, these types of reports integrate with a tracking tool that helps keep all the applicable data and reports in one place with the ability to modify reports based on client feedback.

Generative AI is a key player in this space, specifically with crafting a portfolio comparison summary. Systems can fully generate text based on the portfolios' IDs; they can also detail changes in asset allocation, relevant news, market conditions, and more. These summaries can then be reviewed, edited, and personalized by the advisor to facilitate the conversation.

With new tools, **advisors become more proactive** rather than reactive, strengthening those relationships already in place and offering **opportunities to expand**.

Be Ready for the Future

The expansion and release of these tools in wealth management is not just a response to changing demographics within advisor and client worlds, but a necessity to stay relevant in an increasingly digital one. The transfer of wealth to the younger generation pushes wealth managers to adapt their processes, leverage new technologies, and meet their clients where they want to be met. The tools we've discussed do all of this and more, streamlining historically laborious tasks and enhancing their effectiveness and efficiency in clients' daily lives.

By embracing new tools, advisors become more proactive rather than reactive, strengthening those relationships already in place and offering opportunities to expand. The days of "making do" with older technology, relying on word of mouth to gain new business, or struggling with older reporting processes are gone—or at the very least, in decline.

Such tools will continue to enhance, deliver more value, and ultimately become crucial to sustaining growth and maintaining the advisors' competitive edge. Failure to embrace these technologies, or even simply the ideas, will leave them struggling.

Jon Russell is Senior Director of Strategic Partnerships and Wealth Product Management at FactSet.





Data Builds Relationships

By embracing a data-driven approach to personalization, financial advisors can significantly enhance their client engagement efforts.

Matt Ryan

For many financial advisors, their website is a critical tool for attracting new clients and building lasting relationships. Yet, reports show that [nearly 50% of visitors to financial services websites leave after viewing just one page—and this figure is rising](#). For retail financial advisors, this challenge is even more pronounced. Many providers offer similar services and investment strategies. Beyond price and specific products, there's often little to differentiate them. As a result, potential clients, overwhelmed by similar options, may simply choose the easiest option to navigate. On the surface, this could be interpreted by advisors as a negative, yet it indicates a significant opportunity for improvement in how advisors engage with potential clients online.

Consider a typical user journey on an advisor's website: there's often little personalization, with firms displaying the same content to all visitors regardless of their individual needs and knowledge. Contrast this with sectors like retail, where consumers are offered tailored experiences based on their browsing history, purchases, demographics and more. These tailored experiences create unique interactions, strengthen relationships and ultimately boost sales.

The Importance of Personalization in Financial Services

Personalization is not just a trend; it's a critical component of modern client engagement. In the financial services sector, where trust and personal connections are paramount, a one-size-fits-all approach to content delivery is simply insufficient. Companies can generate [as much as 40% higher revenue through personalization](#). The same report shows that almost three-quarters of clients (71%) expect a tailored experience, and in that acknowledges their unique financial goals, concerns and knowledge levels. By failing to provide this, advisors risk losing potential clients to competitors who offer a more personalized touch.

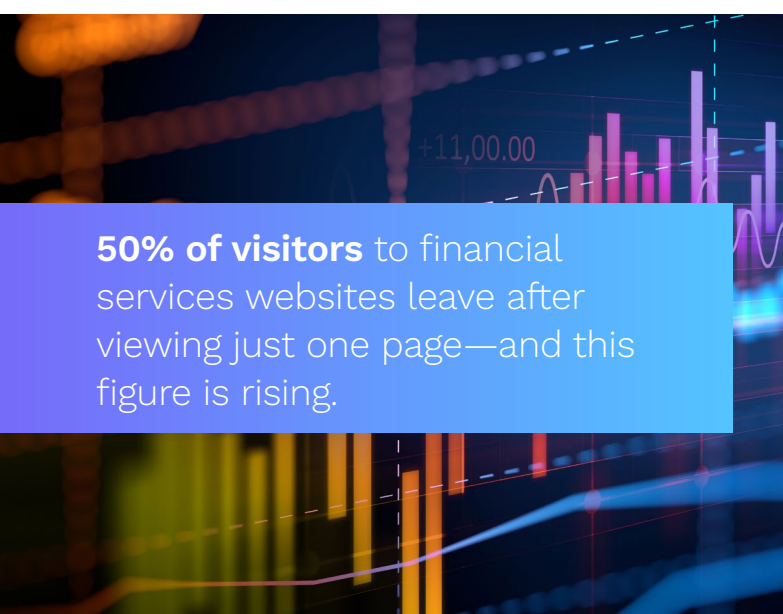
Data and Tailoring the Client Journey

Visitors to any website leave a trail of breadcrumbs wherever they go, showing the website owner exactly what interests them and what doesn't. Harnessing this data and linking each digital profile to a real person can be difficult, but new technology makes it possible. More importantly, there are ways to do this without violating a potential client's privacy.

For decades one of the most important parts of a retail financial advisor's marketing arsenal were in-person meetings, seminars and reports. As time has moved on, these events shifted to online and are now a staple for even the largest fund managers. It's easy to see why: an online seminar over Zoom is far cheaper and easier for clients to buy into than a conference at a country club. And, unlike an in-person event, it can be recorded so potential clients who aren't able to attend live can still access the information shared.

The downside is a lack of impact: anyone can arrange a Zoom call, and it doesn't necessarily communicate the brand's value. High-net-worth investors, in particular, are typically used to a white-glove level of service, so financial advisors will need to deliver it. Data is the key to achieving this: by gathering information about potential clients, content can be tailored to them.

By using a unified platform that consolidates all content—articles, videos, webinars—financial advisors can streamline the user experience and create a data-rich environment. By analyzing user behavior on this platform, advisors can identify a multitude of patterns and trends.



50% of visitors to financial services websites leave after viewing just one page—and this figure is rising.

The Role of Unified Platforms

While traditional web analytics tools like Google Analytics offer insights into user behavior, they often provide a fragmented and anonymous view—you'll see visitors might be dropping out at a certain page, but you won't know why. A holistic approach, which includes not just demographics and browsing history but also content preferences and engagement metrics, enables true personalization. For instance, if a potential client is deeply engaged with content and webinars on a specific topic, the platform can trigger timely, personalized outreach, fostering a deeper connection. This approach aids in client acquisition and strengthens relationships with existing clients.

Advantages of Unified Platforms

- 1. Integrated Content Delivery:** By hosting all content types on a single platform, financial advisors can ensure a consistent user experience. This integration facilitates seamless transitions between different types of content, such as moving from an informative article to a related video or webinar.
- 2. Comprehensive Data Collection:** Unified platforms collect data from all user interactions, providing a more complete picture of client behavior and preferences. This comprehensive data collection is crucial for developing effective personalization strategies.
- 3. Enhanced Analytics:** Advanced analytics tools integrated into unified platforms can process and analyze large volumes of data, identifying trends and patterns that might not be apparent through traditional analytics methods. This capability enables advisors to make data-driven decisions that enhance client engagement.

By harnessing the power of data, financial advisors can transform the client journey. Visits to your website will no longer feel like awkward introductions but rather ongoing conversations tailored to the specific needs and preferences of each individual investor. This transformation requires a shift from a fragmented approach to a cohesive, data-driven strategy.

Turning Visitors into Clients

Too many websites today fail to leave a lasting impression. They do not engage prospects effectively to build meaningful connections. By utilizing audience engagement platforms, financial advisors can gain valuable insights into their audience's behavior and preferences,

enabling them to deliver personalized experiences that drive engagement and loyalty.

Providing access to essential digital hospitality features and ensuring seamless communication across various channels is the key to making every visit to your website feel like a continuing conversation, not a first date.

Practical Steps for Financial Advisors

To leverage intent data effectively, financial advisors should consider the following steps:

- 1. Implement a Unified Platform:** Choose a platform that can integrate all content types and provide comprehensive analytics. This will streamline the user experience and facilitate data collection.
- 2. Analyze User Behavior:** Use advanced analytics tools to understand how clients interact with your content. Look for patterns in content consumption and engagement to tailor your outreach efforts.
- 3. Personalize Content Delivery:** Based on the insights gained from data analysis, personalize the content delivery for each user. This could involve recommending articles, videos or webinars that align with their interests and needs.
- 4. Enhance Communication:** Ensure that communication with clients is seamless and personalized. Use data-driven insights to inform your outreach strategy, making sure that every interaction is relevant and timely.
- 5. Continuous Improvement:** Regularly review and adjust your strategy based on new data and feedback. Personalization is an ongoing process that requires constant refinement.

By embracing a data-driven approach and leveraging intent data, financial advisors can significantly enhance their client engagement efforts. This approach not only helps in attracting new clients but also in building deeper, more meaningful relationships with existing ones. A personalized, seamless user experience is no longer a luxury but a necessity in the competitive financial services landscape. Financial advisors who adapt to this new paradigm will be well-positioned to succeed in an increasingly digital world.

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