

Advisor Wealthtech Survey

February 2023

0530-OAS-2/21/2023

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Methodology

Methodology

Orion partnered with Logica Research to conduct the inaugural Advisor Wealthtech Survey to highlight drivers and roadblocks impacting firms' technology adoption.

The 202 advisors surveyed were recruited using Orion and Redtail internal databases. Participation into the survey was voluntary and was fielded during January 2023.

Logica Research is neither affiliated with, nor employed by, Orion Advisor Solutions.

202

Participants
Surveyed

10
minutes

Length of
Survey

Jan 10 –
Jan 23,
2023

Survey field
dates

Key Findings

Key Findings

Advisors expect client-facing technology (e.g., client portals, collaboration tools) to drive growth and plan to primarily invest here in 2023.



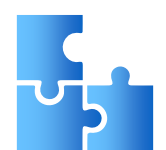
- Most often advisors are planning to invest in technology that will help deliver a personalized client experience. Technology to meet higher client expectations and personalized asset management round out the top areas advisors plan to invest in the next three years.
- A major headache for advisors is portfolio management, which is an area client-facing technology could help solve.

Further technology adoption and integration saves advisors time and money, and technology spending remains steady over the next year.



- 47% expect to increase investment in 2023 and those who are investing more expect to increase investment by an average of 14%.
- Most blame time constraints, lack of personnel, lack of training, and integration problems as reasons why their technology adoption is held back.

Firms have room for improvement on utilizing the technology they currently have.



- On average, advisors are only using 70% of the technology their firm has available. One in ten say that they're utilizing less than half of their tech stack.
- Advisors feel that fully utilizing their tech increases operational efficiency and helps them deliver better value for their clients. Most blame a lack of time as to why they are not fully utilizing their technology today.

Investments in Tech

Only one in ten advisors say their firm has all the tech it needs

CURRENT TECH STACK

10%

Have **all** of the technology solutions we need

60%

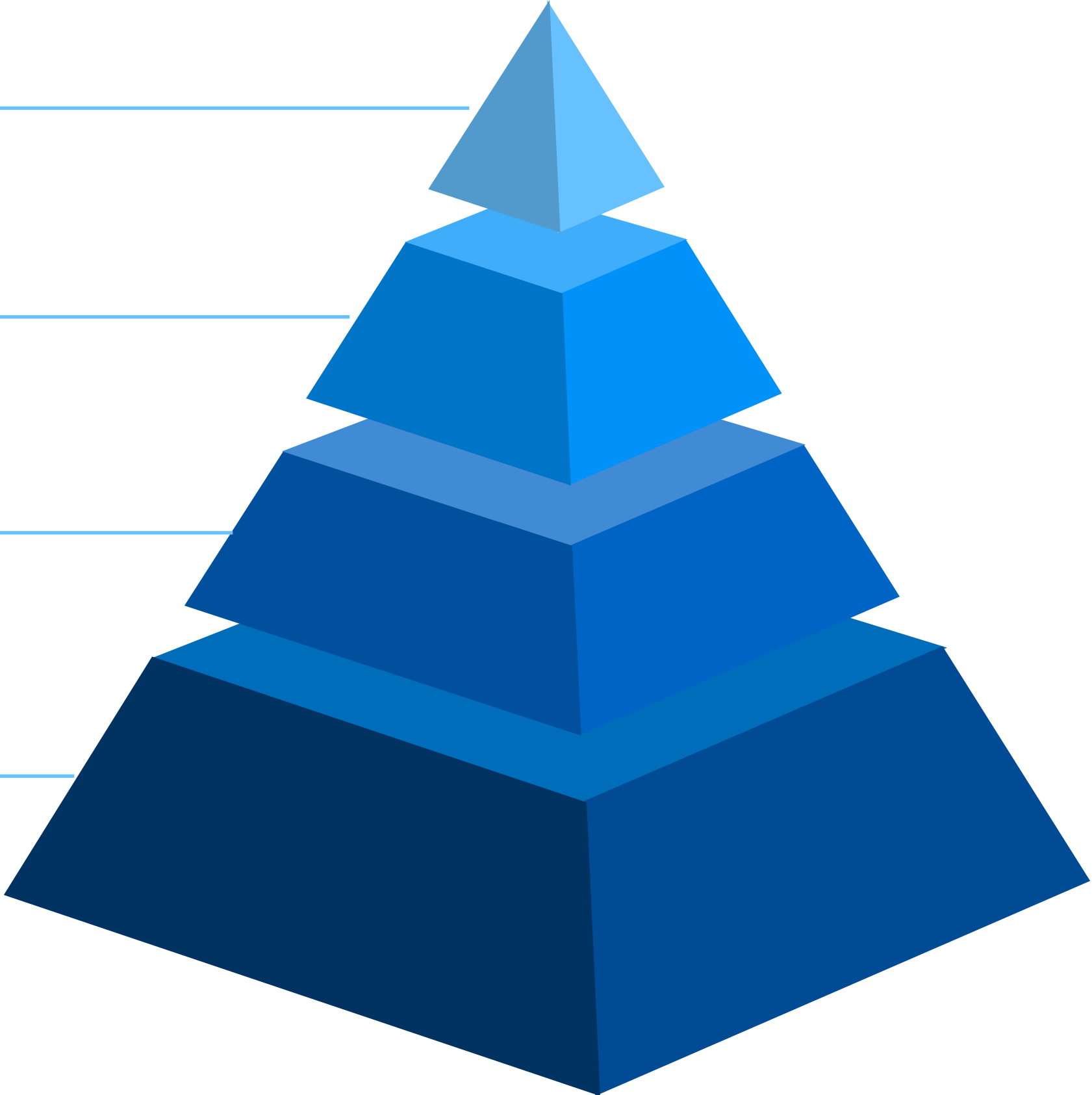
Have **most** of the technology solutions we need

29%

Have **some** of the technology solutions we need

1%

Do not have **any** of the technology solutions we need



Technology spending across the board is expected to grow by 7%

EXPECTED GROWTH - TECHNOLOGY INVESTMENT

53%
Investing the Same or Less

47%
Investing More

14%

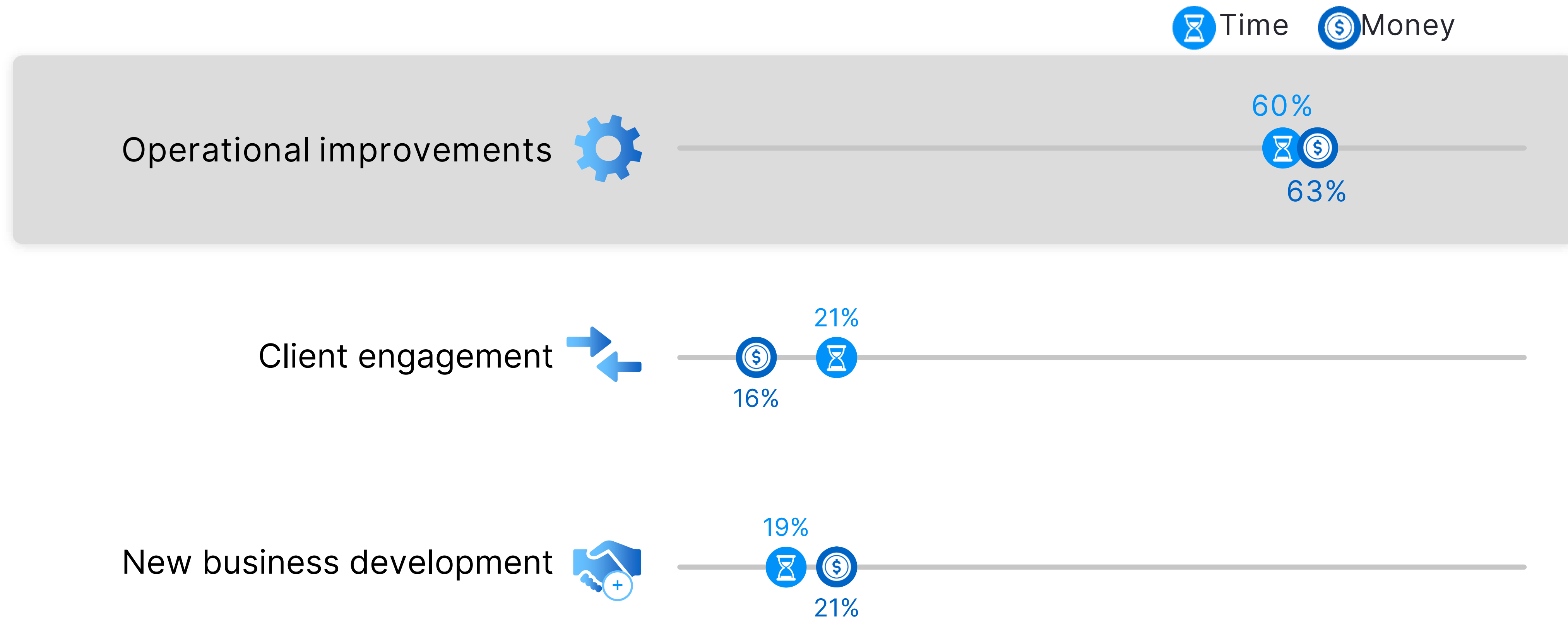
Expected Growth in Tech Investment for Those Investing More (average)

7%

Expected Growth in Tech Investment across all Advisors (average)

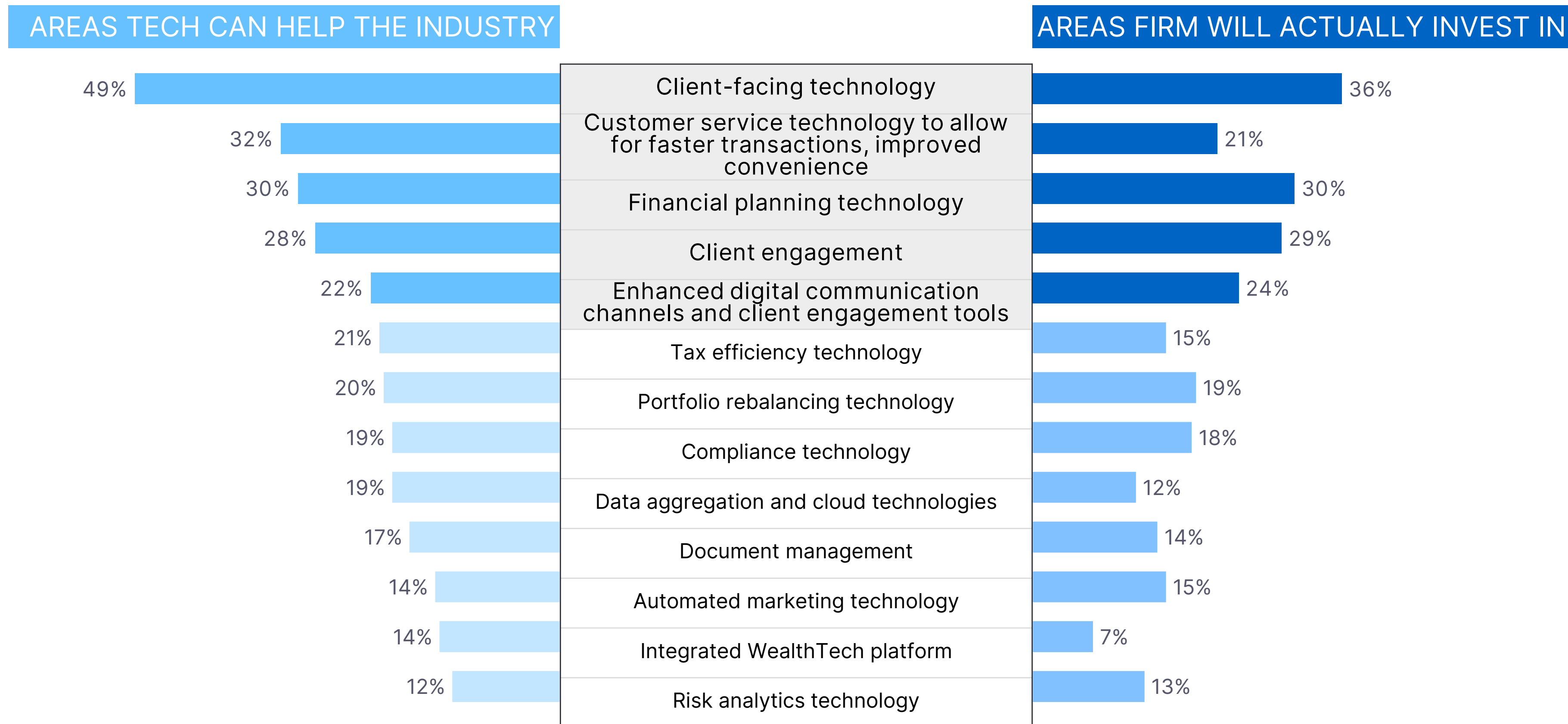
Advisors feel that technology could save them the most time and money on operational improvements

WHERE TECHNOLOGY COULD SAVE THE MOST TIME & MONEY



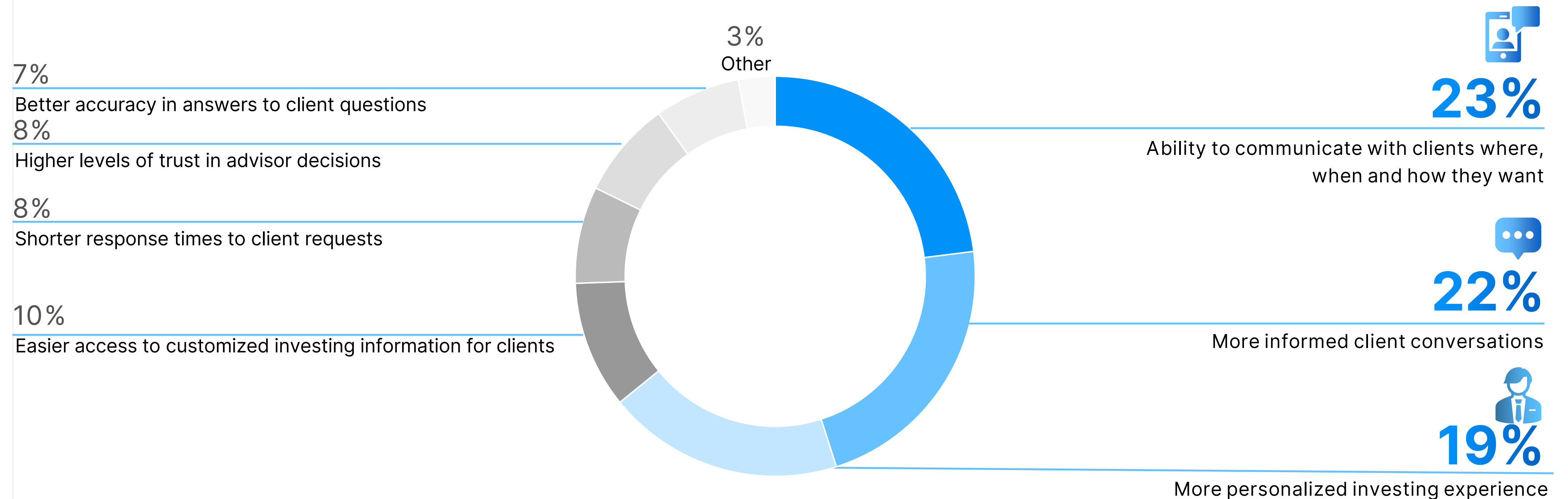
At the same time, client-facing technology is seen as the biggest help to the industry, and many advisors plan to invest in this technology

AREAS TECH CAN HELP VS ACTUAL INVESTMENT PROJECTION



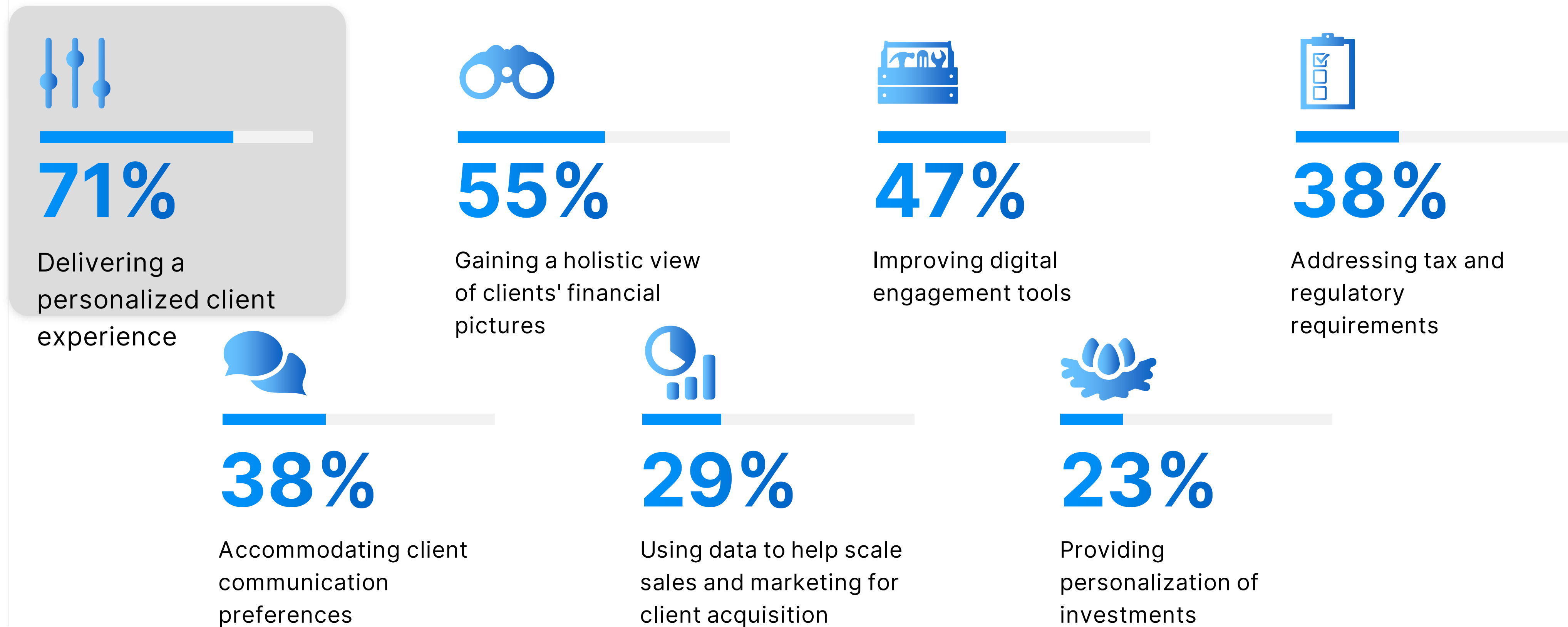
When it comes to technology that supports the client experience, advisors want help with client communications and providing a more personalized investing experience

IMPACT ON CLIENT EXPERIENCE



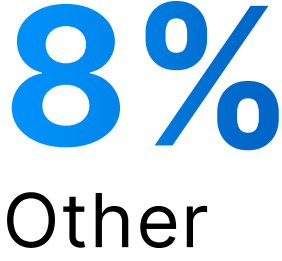
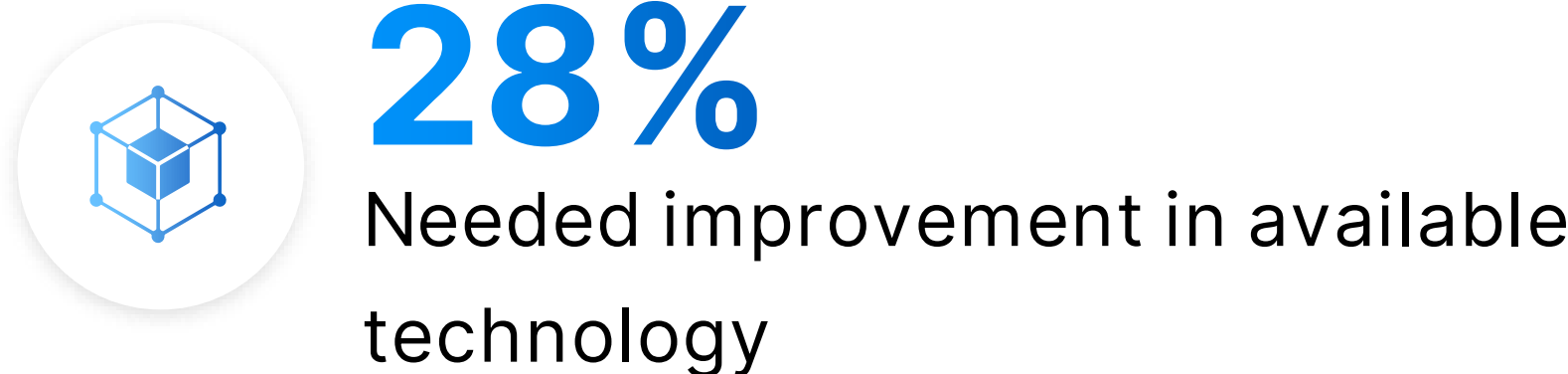
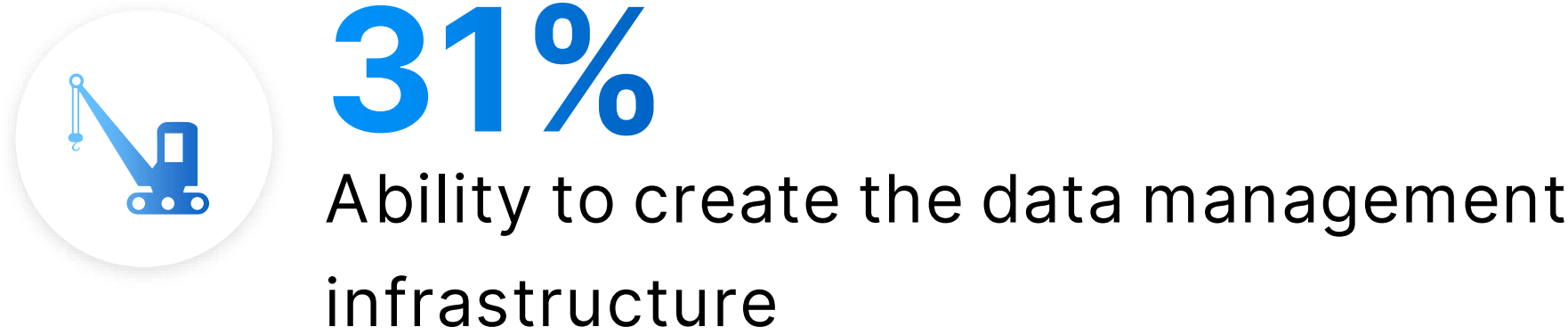
Advisors feel better client data usage and management could help them deliver a personalized client experience

IMPACT OF BETTER CLIENT DATA MANAGEMENT/USAGE



Time is the top reason holding firms back from better client data management

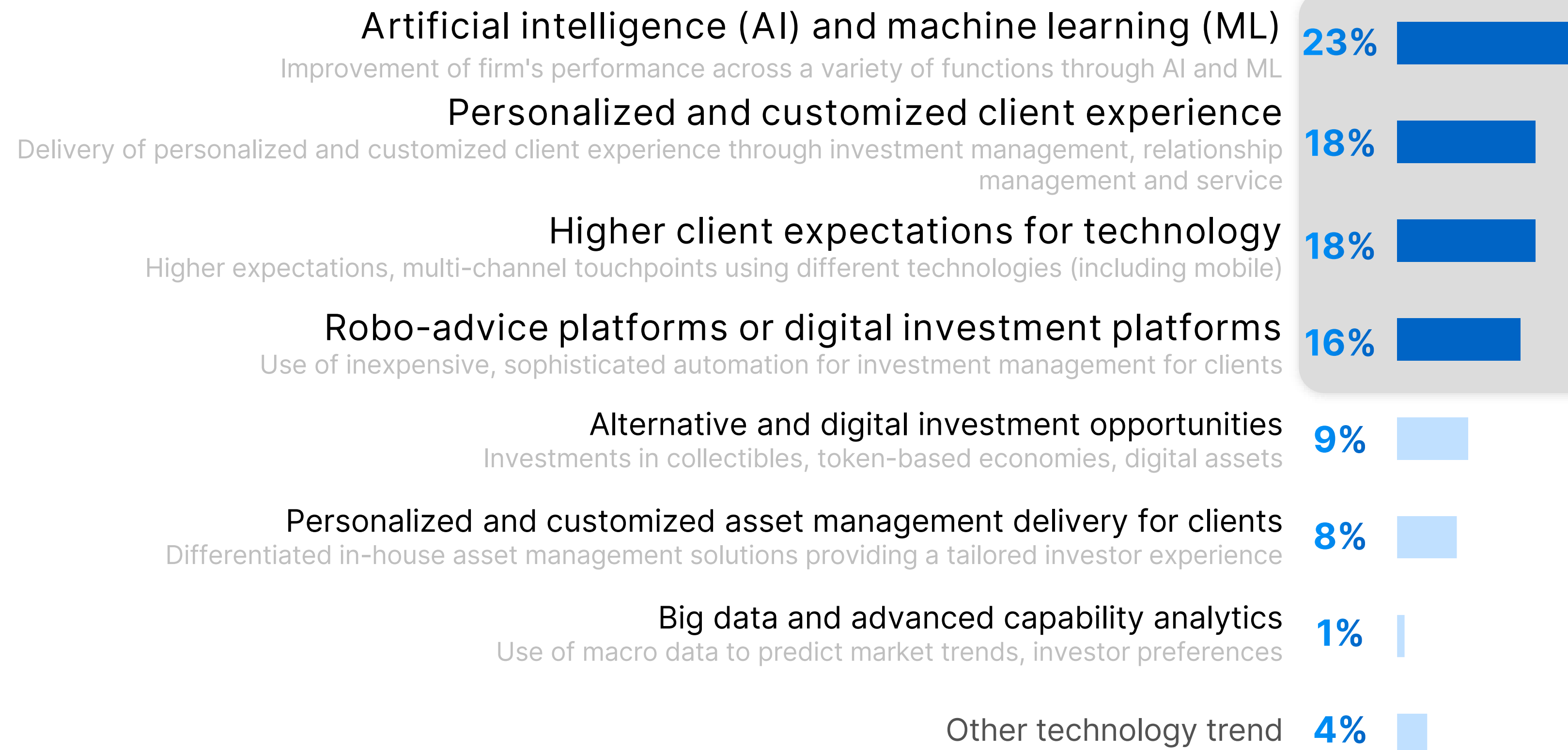
BETTER CLIENT DATA MANAGEMENT/USAGE BARRIERS



Tech Investment Areas

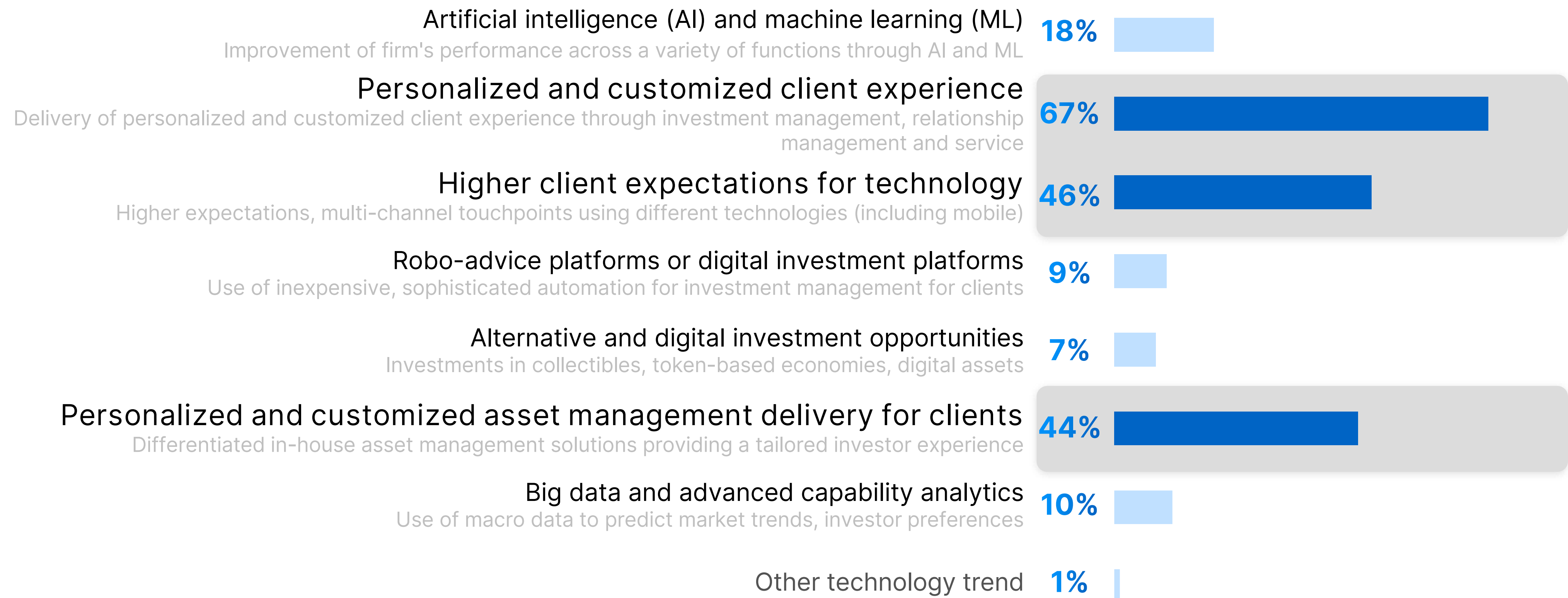
Advisors see Artificial Intelligence as the most disruptive technology trend facing the wealth management industry

DISRUPTIVE TECH TRENDS



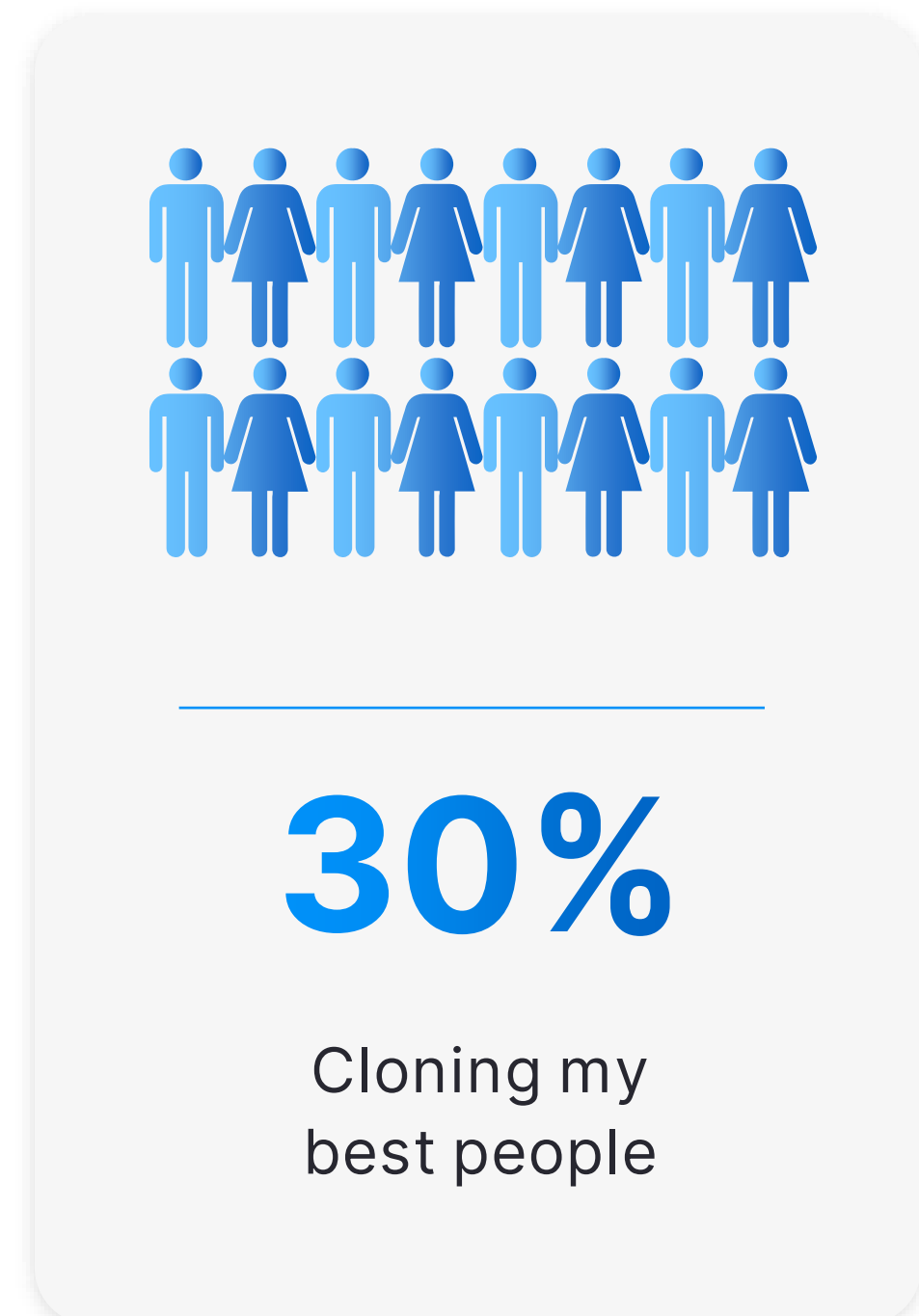
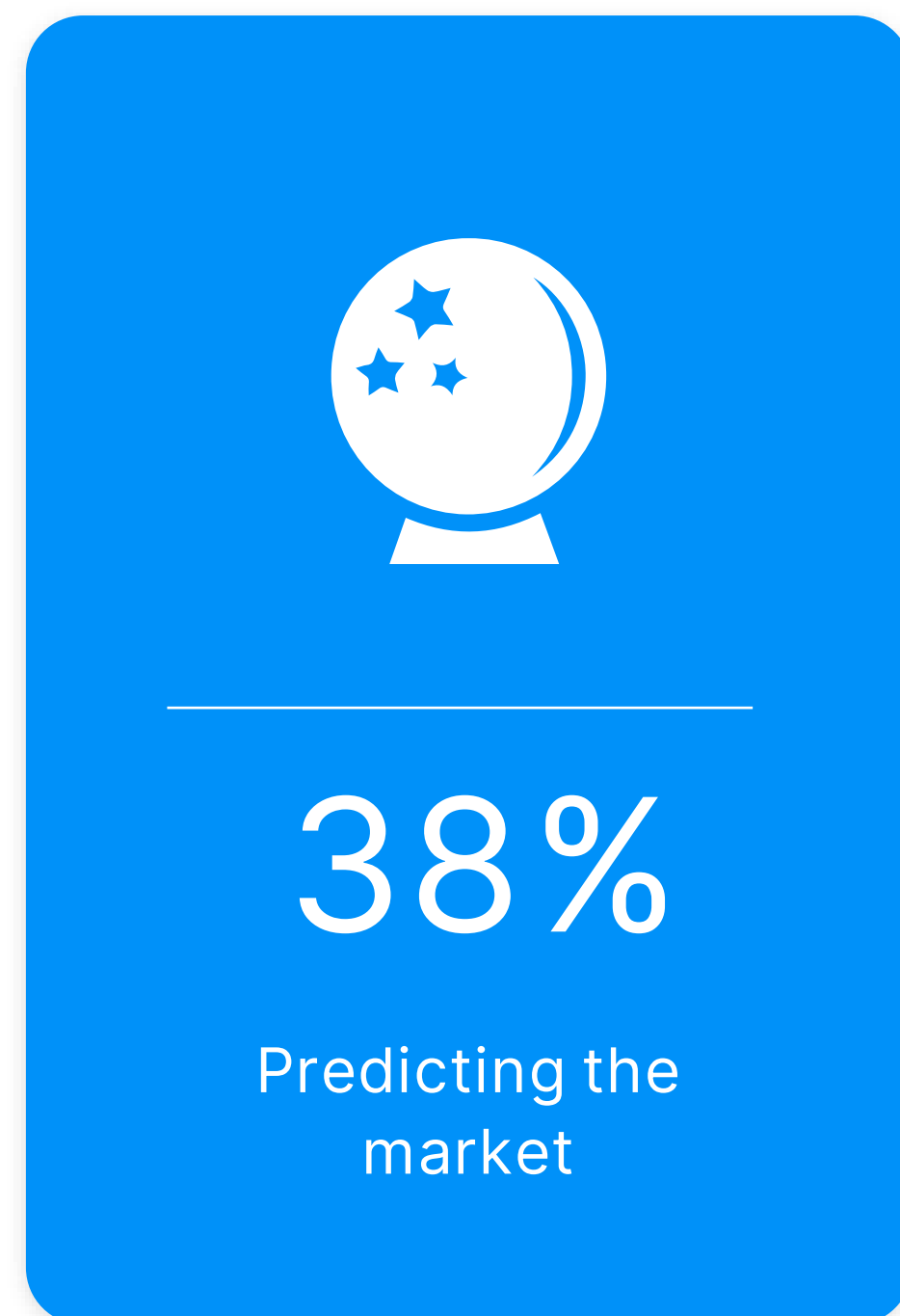
While AI might be the most disruptive trend, few are planning to invest in it in the next 3 years; more are likely to invest in personalized client experiences

DISRUPTIVE TECH TRENDS – FUTURE INVESTMENT



Predicting the market is the top superpower advisors wish tech could give them, followed by cloning their best people

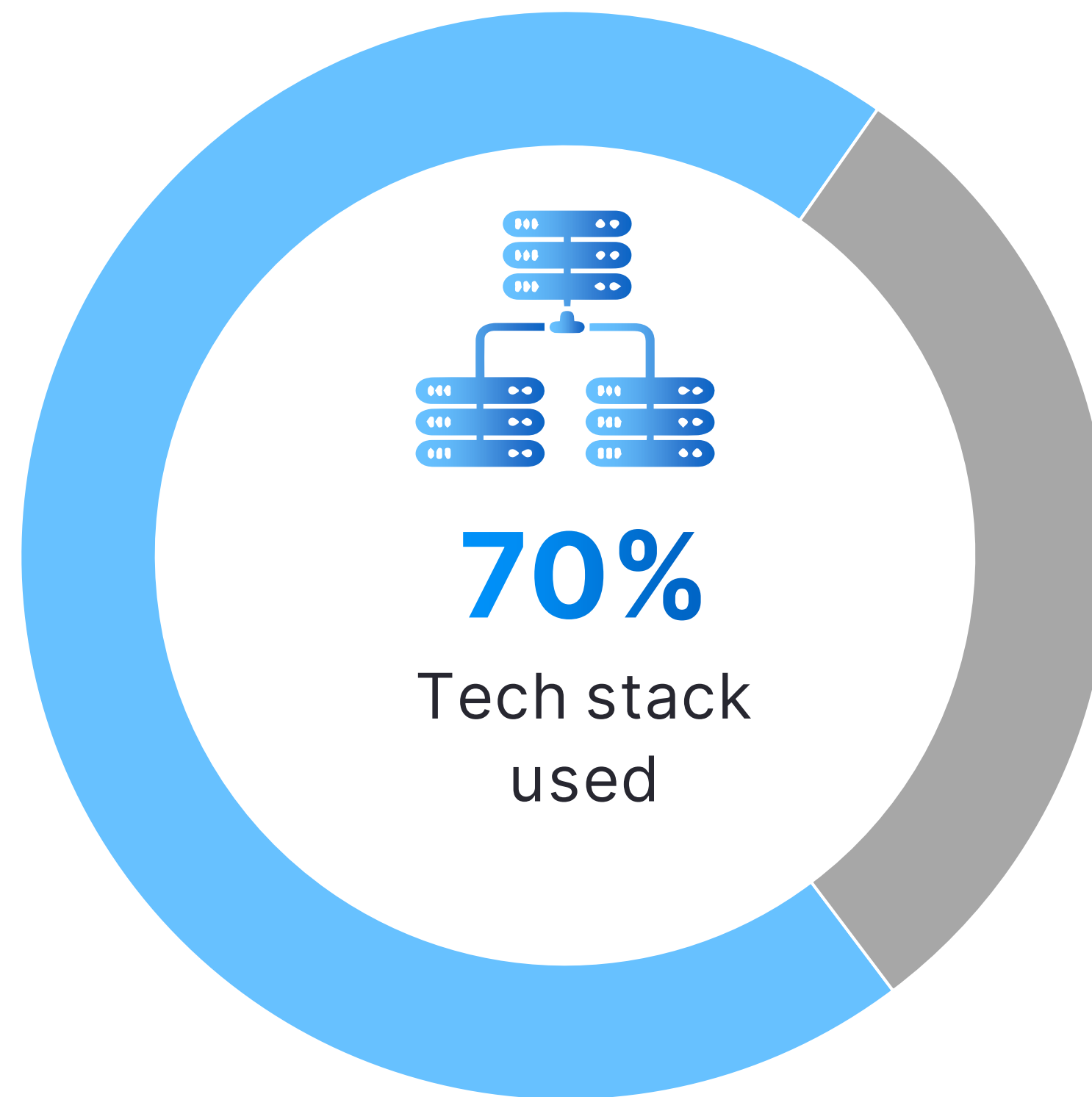
TECH SUPERPOWERS



Tech Stack Utilization

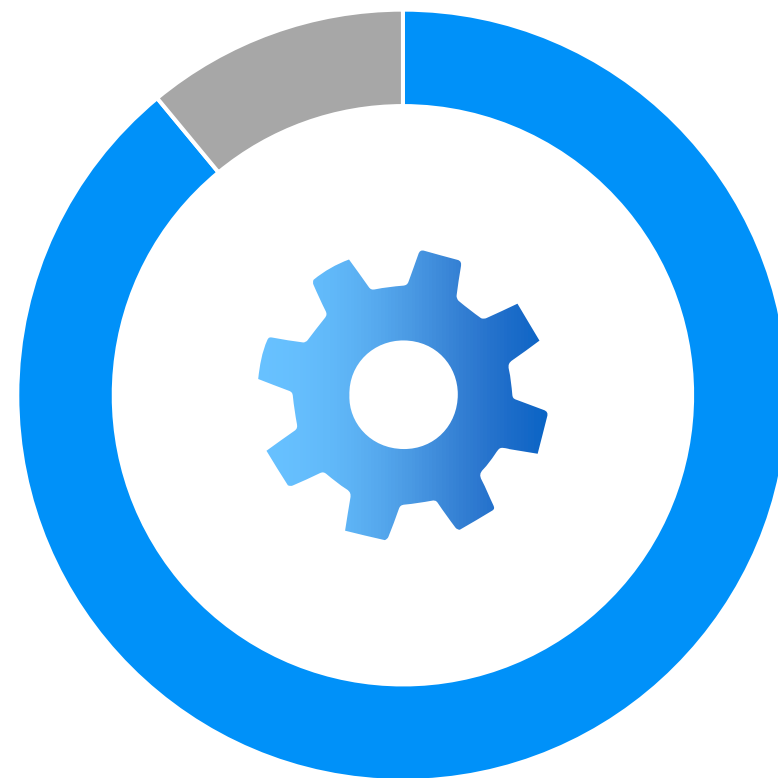
On average, advisors say their firm is only using 70% of the tech stack they own

AVERAGE STACK UTILIZATION



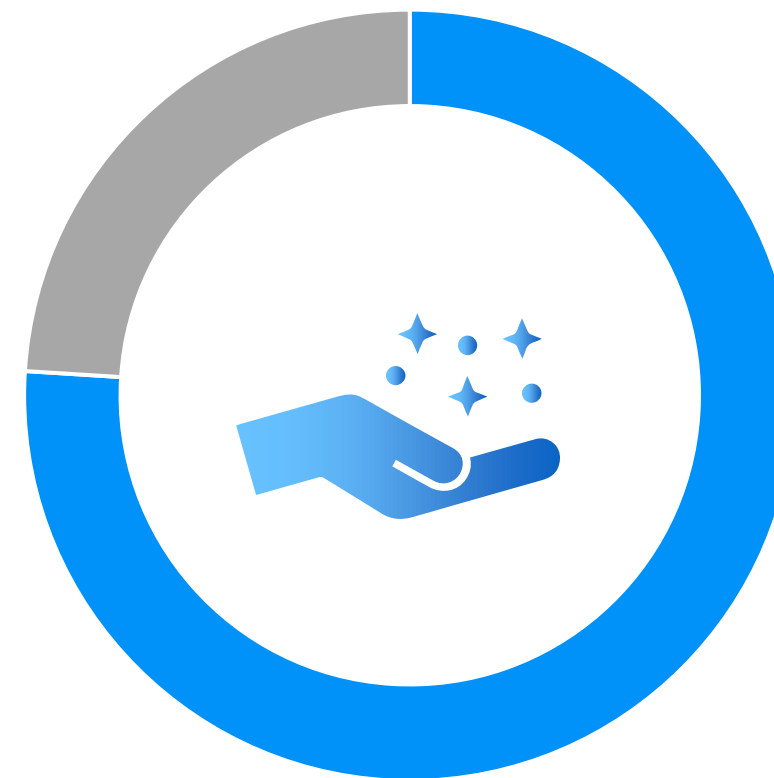
Advisors recognize that increasing their tech utilization leads to improved operational efficiency and allows them to deliver greater value to clients

TECH STACK UTILIZATION BENEFITS



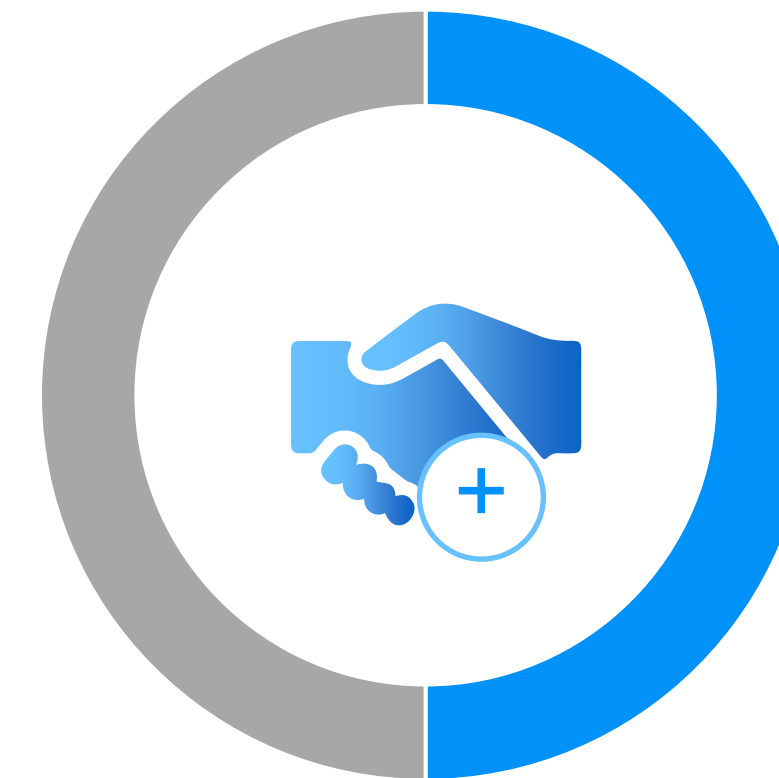
89%

Improve operational efficiency



76%

Deliver greater value to clients

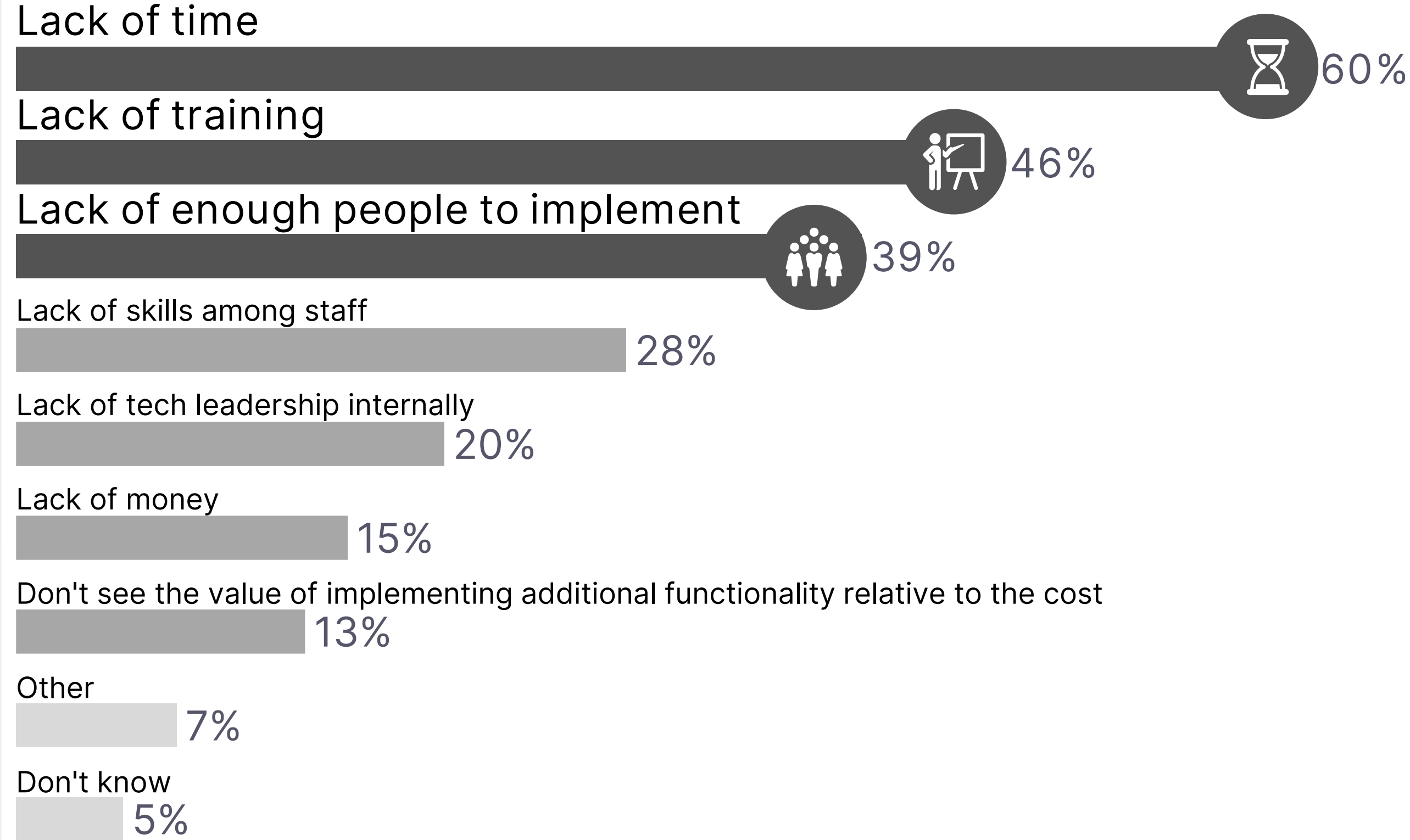


50%

Increase growth through new client acquisition

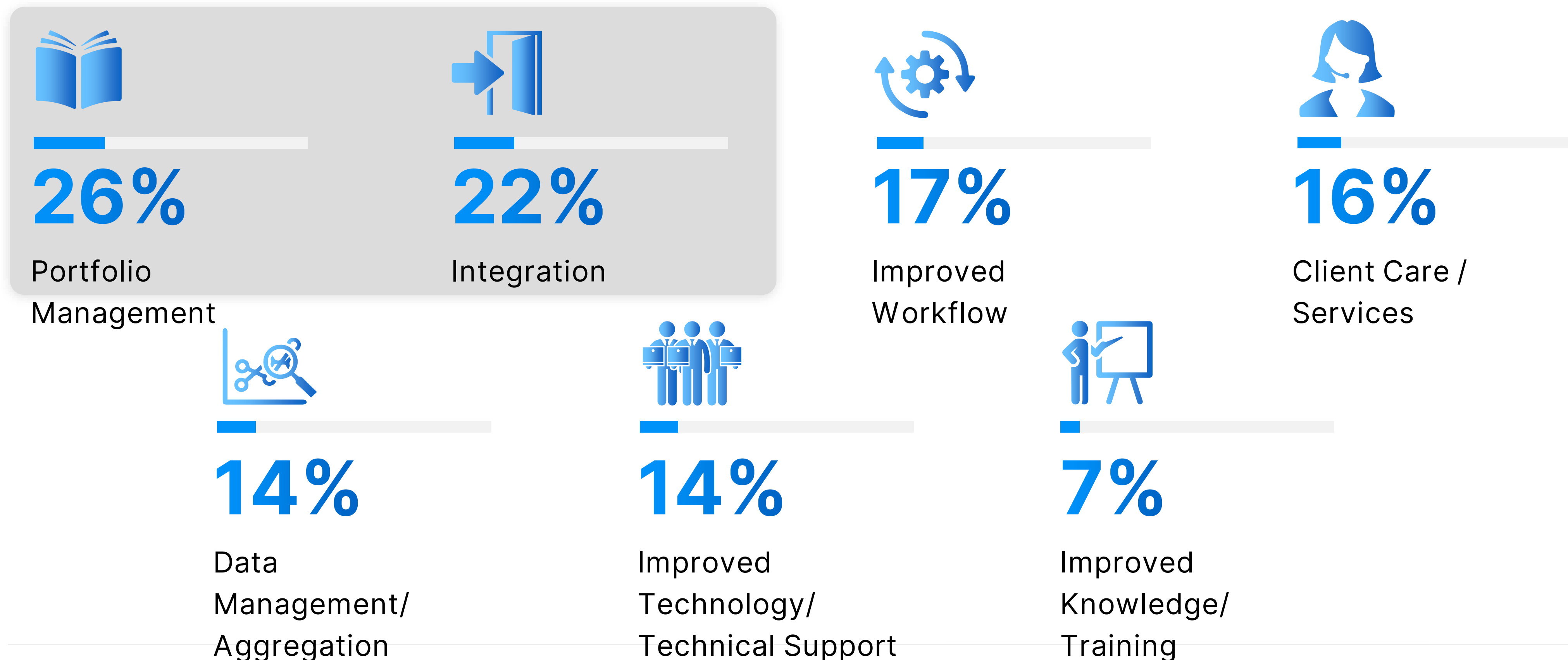
But lack of time, training and people are the top three barriers to tech stack utilization

BARRIERS TO TECH STACK UTILIZATION



Advisors' biggest technology utilization pain points are around portfolio management, integration and workflow

TECHNOLOGY PAIN POINTS



Appendix

Advisors expect moderate growth in 2023, but also expect their operational expenses to increase

OVERALL EXPECTED GROWTH & OPERATIONAL EXPENSES

EXPECTED GROWTH

↑ **90%**
Increase

↓ **10%**
Decrease or Stay the Same

OPERATIONAL EXPENSES

↑ **60%**
Increase

↓ **40%**
Decrease or Stay the Same

17%

Expected Firm Growth
(average)

7%

Operational Expenses
Increase
(average)

Firmographic Snapshot

Advisor Age

46

Years old (mean)

35%

18-39

46%

40-59

17%

60+

of Employees



27

Mean

6

Median

Role



Principal **34%**

Operations Staff **23%**

Portfolio Manager **9%**

Chief Operating Officer **7%**

Compliance/Risk Management **4%**

Other **21%**

Assets Under Management

\$394M

Mean

\$175M

Median



8

Years at firm (mean)

68%

10 years or less

32%

Over 10 years