



Transforming the Wealth Management Experience

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The financial distribution “supply chain” between asset managers and their financial advisor and wealth management firm clients has been fraught with wasted resources, engagement friction, and many inefficiencies. Engagement between wealth managers and their asset manager vendors - which has largely relied on spreadsheets, emails, and SharePoint folders for tracking, communication, and storing files - has been a growing anachronism in today’s rapidly changing business environment driven by technology and business model innovation.

Financial technology firms are increasingly addressing this need by developing solutions offering industry-altering modernization, procedural simplification, sleek efficiency, and a much-needed customer experience focus. This is a large scale, strategic endeavor, but to date, has largely addressed singular pain points.

*To better explore this modern movement and understand the technology of change behind it, we reached out to Institute Founding members **Brian Moran**, CEO and **Mark Spina**, President & CRO of [FLX Networks](#) – a FinTech platform designed to revolutionize engagement between asset managers, wealth management firms, and financial advisors. The firm was recently nominated as a finalist in the Disruption Category of the [MMI/Barron’s Industry Awards](#) for their newly launched **Wealth Management Experience** which is a customizable and personalized network for wealth managers on their platform. We asked them deep-dive questions on how they have been using technology to redraw the landscape of engagement within the wealth management industry.*

Hertz: What was your motivation and goal for launching your Wealth Management Experience on your network? What specific challenges was it built to address?

Spina: North American wealth management represents ~\$50 trillion of assets under management and is a growing and attractive market for asset managers. While fee compression has continually chipped away at profitability, this remains a relatively high margin and attractive industry; so much so that asset managers spend \$35 billion per year on raising and retaining assets from the wealth management channel. Simultaneously, wealth managers spend \$15 billion annually on non-investment related business solutions, many of which are similarly used by asset managers as well.

Both market segments encounter similar pain points and have overlapping costs. We see this as a massive opportunity for a modern solution.

Specifically, the home office function requires regular coordination and communication, collection of data and documents, and due diligence execution and tracking with asset manager partners. With technological advancements and incremental dollars being spent on front office functions, these roles have relied on manual, inefficient, and outdated processes.

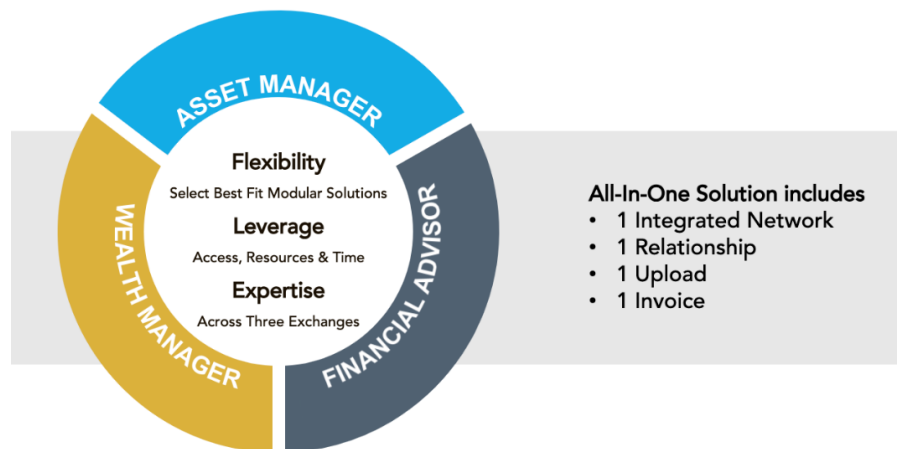
Hortz: *How did you research and design your technology to address these industry pain points?*

Spina: Our research and design process are client led. We engaged directly with many of the leading Wealth Management Firms and RIAs to understand their issues, tech road maps, and gaps that existed. What came up time and time again were frustrations with manual and inefficient vendor workflows. We designed and launched WME as a direct response to these sessions.

Hortz: *Can you give us a brief overview of the features and benefits your network provides?*

Moran: As the asset & wealth management industries' first multisided network, FLX developed a centralized destination that offers significant cost-savings and simplified implementation. Through personalized pathways within FLX's open-architecture network, each wealth manager invites their vendors to engage virtually in the ways most important to them – to collect data and/or product collateral, communicate new policies, announce events, and more.

Our intuitive and integrated platform serves as a holistic one-stop business resource removing unnecessary spend and optimizing discretionary budgets. We reduce business friction by improving workflows and minimizing the need for technology tools that are not fully optimized.



Hortz: *In what other ways does the design of the Wealth Management Experience modernize processes for greater operating efficiency?*

Moran: WME offers tangible productivity and efficiency through:

- Digitized workflows, eliminating inefficient processes, reducing key-person risk, and creating capacity.
- A centralized location to conduct due diligence, request information, and communicate news and events.
- Consolidated administrative processes, workflows, and relationship management responsibilities.

- Tracked activity and archived documents.
- Controlled access for advisors.
- An alternative path towards vendor and partner economics

Ultimately, WME will create additional capacity and scale for the wealth manager relationship, product, and platform teams.

Hortz: *How does the design of Wealth Management Experience enhance greater industry engagement and collaboration?*

Moran: The Wealth Management Experience offers:

Collaboration and communication: WME fosters collaboration and strengthens communication within home office teams and enables seamless engagement with their asset manager partners. The network facilitates easy sharing of information and real-time updates with approved asset manager partners, promoting a unified approach and efficient and transparent notification-based processes.

Intelligent Document Management: Through WME, FLX offers an intuitive document management system, enabling home offices and their vendors to securely share, organize, and retrieve files with ease. Both sides can access critical documents anytime, anywhere, while maintaining audited data security. Wealth managers and asset managers alike benefit from this more efficient process.

Permissioned Connectivity: FLX Members can now engage with one another based on a unique persona permission schema. This feature allows users to keep track of their network and to engage across the community to develop stronger relationships, while enabling the wealth manager home offices to permission which members of the community can connect with their employees.

Hortz: *Can you share your thoughts for why FinTech efforts like yours play a vital part in the needed evolution of the industry?*

Spina: The asset and wealth management industries share three common pain points: 1) Outdated engagement models, 2) Fee compression and increasing costs, and 3) Inefficient tech stacks. While many admirable and successful solutions exist today, they typically address individual pain points.

FLX Networks is the industry's first engagement network to simplify and centralize a fragmented ecosystem and represents the future of B2B engagement away from the predominantly one-sided distribution "push" vs advisor "pull" dynamic of the past. With WME, we have developed a centralized destination that drives productivity and business growth while reducing risk for wealth managers and RIAs.