

WealthTech Insights with Marc Butler: Technology Helps, but does not Replace, Financial Advisors



To meet with Marc Butler, chief operating officer at BNY Mellon's Albridge, I went to Pennington, New Jersey. Marc is a FinTech executive with global experience.

[Marc R. Butler](#), COO at [BNY Mellon's Albridge](#)

Marc has had a number of different roles in Pershing, a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). He started in the mid-1990s with DLJdirect, which was a startup within Pershing. In July 2010, Albridge was acquired by BNY Mellon from PNC Financial Services Group and became an affiliate of Pershing. Albridge delivers FinTech solutions to broker-dealers, registered investment advisors (RIAs), financial advisors, and investors. Marc leads the firm's vision and the strategy for business and product development.

I discussed with Marc how technology is changing the industry's focus from financial advisors to investors. Marc also shared his vision of what FinTech companies need do to achieve success.

Trends from business and technology standpoints

Marc divides the main trends he sees into two categories: business trends and technology trends. From a business standpoint, the main trend impacting the industry is the move toward advisory and independence. From a technology standpoint, it is how technology is changing the competitive landscape and allowing RIAs to scale their practices.

These trends are also increasingly shaped by the growing focus on delivering tools and capabilities designed to help enhance the investor experience. Marc underscores how this

is a significant shift in an industry, which for years was focused on developing tools and solutions to meet financial advisors' needs:

“Firms of all sizes—whether these are robo-advisors, regional broker-dealers, or even big RIAs—are trying to serve investors more effectively. The focus for years was on financial advisors: how to deliver more technology solutions for financial advisors [and] how to get financial advisors to adopt technology. Increasingly, we see our clients focusing on investors, trying to create differentiated experiences.”

These differentiated experiences and new tools are allowing investors not only to have easy access to their accounts within an appealing user interface, but also to view the performance of their investments and tap into financial planning tools. These new digital capabilities are making it possible for investors to self-manage many basic aspects of the advisor-investor relationship, elevating the financial advisor-investor conversations and freeing up time for financial advisors to serve a broader group of investors.

Meanwhile, technologies such as predictive analytics is helping financial advisors to have very targeted, customized conversations with investors, helping them increase their value to the client and opening up opportunities for business growth.

“There’s a lot of talk about predictive analytics, but there’s not a lot of solutions in the market place. We’re introducing a practical application of predictive analytics to help financial advisors have the next best conversation with their investors,” says Marc on the topic of predictive analytics.

Generational differences between financial advisors

It is well known that younger people use technology more regularly than older people, and there is the same tendency in the financial world. Older financial advisors have more experience in the financial space, but they may not have great technology experience. They stick with solutions that they are used to, even if that solution is not good enough. Younger advisors, however, tend to have much better experience in dealing with technologies.

“They’ve been in and around technology all their lives. They learned a lot about technology in school and have a comfort level with it. It’s part of their lives. They don’t even think twice about using technology solutions in the workplace, because it’s just part of what they do in their personal lives.”

Thus, young advisors are not afraid to work with different technologies until they find a solution that best fits their needs.

In developing these technologies, Marc discussed the importance of staying close to clients and their needs. To that end, Marc highlighted how Albridge regularly conducts user studies to enhance and improve technologies offered to clients;

“We go to financial advisors’ offices and watch what they do. We observe not only their use of our solution but how they were using other solutions. We get a sense for the functionality—and those features that make for a great user experience and those that don’t.”

Marc shared some tips for FinTech companies on how to be successful:

1. Identify who the ultimate user of your technology is.
2. Go to your users and watch them use your solution(s), and other complimentary solutions, in order to get a better sense of what the marketplace is seeking.

Storytelling around value proposition

Marc is confident that as the segment of RIAs grows, FinTech companies will need to tell a story around their value proposition:

“Why should somebody do business with you? Why should they pay you money to do business with you? I think that’s going to become really important. I think that [will] all start to become even more apparent as time goes on.”

Marc believes that companies that do not provide storytelling about their proposition will have difficulties in participating in the space in the future, and their growth will be complicated:

“Newer generations demand and expect better experiences with technology; they are looking generally to become more efficient in what they do. There’s a lot of opportunities for new entrants to think differently about how to solve for the challenges faced by their ultimate users.”

However, Marc says that the FinTech space is going to become more and more crowded in the coming years, and a bright story will be even more imperative as firms work to stand out in a crowded space.

For firms looking to stay ahead, it will be important to adapt and evolve the skillset within their workforce as the industry continues to change:

“It might not be enough just to know something about finance or the stock market. Technology has become so important that I think people will increasingly need to have more technical knowledge, in addition to domain knowledge, in order to be successful.”

Marc believes that technologists will need to know a lot about the business they work in, what problems they’re trying to solve for, and how people are using their solutions. This will be critical for the success of FinTech companies.

Technology may/may not replace financial advisors

Working on the technology side of financial services, Marc acknowledges the growing focus on robo advisors. However, he doubts that it will replace financial advisors:

“I think that there [are] too many decisions that require either emotion or critical thinking that technology isn’t capable of necessarily doing, at least today.”

Marc believes that as a person gets older and accumulates more assets, their financial life becomes more complicated. Then, at some level, they need a financial advisor either to check what they’re doing, to delegate money management, or a combination where the person validates the financial advisor’s propositions:

“It’s not just investments. Insurance plays a significant role in people’s financial lives, as do risk and tax implications. As an investor’s financial life becomes more complicated, financial advisors play a really critical role in helping to navigate increasing complexities.”



*Interviewed by Vasyl Soloshchuk, CEO and co-owner at **INSART**, FinTech & Java engineering company. Vasyl is also the author of **WealthTech Club**, which conducts research into Fortune and Startup Robo-advisor and Wealth Management companies in terms of the technology ecosystem.*