

inStream: Proactive Wealth Management for the Smart Advisor



Site:	http://instreamwealth.com
Founded:	2009
Clients:	Financial advisors
Value proposition:	Proactive wealth management and financial planning
Senior management:	Paul Magis , CEO

inStream provides financial advisors with financial planning tools that can help effectively scale a practice by delivering smart, accurate, and consistent advice to clients. inStream currently has nearly 300 firm relationships, 2,500 financial professionals using the software within those firms, and over 81,000 end clients served by those financial professionals. Plus, those financial professionals are running about \$48 billion in assets nightly.

I spoke to **Paul Magis**, CEO of inStream, as I was intrigued to learn more about what inStream is offering the market, and how they leverage their skills and knowledge to improve people's financial lives and, as a result, their lives in general.

Paul spent over 25 years at Bell Canada Enterprises, performing a variety of roles during his time there. After leaving Bell, Paul joined inStream in the spring of 2015. He embraced this opportunity because he believed that, if done right, inStream's product and services could provide individuals with the capacity to live better financial lives. Before eventually falling into the role of CEO, Paul was in charge of technology, as CTO, and also held the COO role.

Distribution strategy and smart algorithms: Key selling points

inStream has several key focal points they pride themselves on. According to Paul, they have spent a lot of time looking at all stages of financial planning, tools, and offerings, both

in the accumulation phase of an individual's financial plan, and in the distribution phase. inStream works with their chief planning strategist, Dr. Wade Pfau, Professor of Retirement Income at The American College, to come up with distribution rules and strategy.

Unlike many of their competitors, inStream uses a sophisticated planning engine that puts together new financial plans, based on updated account balances received through inStream's integrations with custodians, CRMs, and portfolio managers, nightly. This type of flexibility is hard to come by, and is possible thanks to inStream's architecture and algorithms.

"I would also reiterate the fact that our planning outputs, and therefore the algorithms that those outputs are derived from, all have a high level of oversight, both in design and in testing, from Dr. Pfau, which provides individuals and firms the ability to really trust our outputs and to trust our math, because we do have such an esteemed academic working with us day in and day out."

Another major aspect that sets inStream apart is that, in addition to their turnkey advisor experience platform, their product offering includes access to a modular services layer. This enables firms and advisors to leverage key inStream features and functions, including financial plans and plan outputs, and to render them within their own technology stacks. inStream understands that various financial professionals and firms require different, flexible solutions. The turnkey financial planning platform, can help define advisor workflows and experiences. Or, subscription to inStream's services layer can help firms maintain and enhance their own preferred user experience. It is entirely up to the firm to determine how they want to use inStream.

System integrations and APIs

inStream, like other WealthTech firms, relies on integrations to ingest client and account data. However, unlike many others, inStream uses that data to rerun every financial plan every night using up to 10,000 simulations. The results are then passed through a series of filters, including an alert function which notifies advisors if key plan performance thresholds are breached. This allows financial professionals and their clients to make smart, timely planning decisions. inStream is integrated with **Salesforce** and **Redtail** for customer-relationship management. On the portfolio-management side, Paul says that their deepest and most popular integration is **Orion**. Paul notes that inStream uses Orion for real-time data updates, and pushes financial plan outputs to both Orion's client and advisor portals. inStream is also integrated with **Advent Black Diamond**, **Blue Leaf** and **Albridge**. On the custodian side, inStream is integrated with **TD Ameritrade and Schwab**, and in the near future they plan to add more partners, including Addepar and Wealth Box. Recently, inStream has completed a Quovo integration for account aggregation.

"We have an API layer that makes it fairly easy for us to build these integrations. We turn integrations around in a couple of weeks. Our ability to integrate quickly with these large portfolio managers and custodians is quite high. We have a list of integrations about 6 to 10 deep that we will be chipping away at over the next several months."

Team structure

inStream has a structure consisting of a product team, including a director of product management, and other project management resources. The head of product development splits his time between those functions and business development. There is also a sales and marketing team which takes care of all digital marketing campaigns, subscriptions, distribution, along with onboarding new clients. This group is also responsible for keeping the large online inStream Academy content, used by financial professionals as tutorials, up to date with audio and video training materials.

“A key part of our organization is our technology team. We have one person who serves as what we call our lead architect. He looks at all solution designs, understands client requests, and maps out what's required to deliver those requests in terms of technology inside our flexible services-oriented architecture.”

inStream's development team is headed by an experienced lead developer who knows the intricacies of integrations very well. Paul said that the lead developer works with inStream's other developers for various home builds inside the various modules of inStream. The lead architect and lead developer work in tandem and coordinate the efforts of the other seven developers inStream employs. These technology leaders sit directly next to the head of product/business development, which allows for innovative solutions that align directly with product vision and client professional services work.

Feedback-based product management

Paul describes the early days of inStream's product journey as largely client led. In the beginning, the very large enterprise clients that inStream won often drove change and product innovation.

But in the last 18 months, Paul says, their approach has matured into researching industry trends, and listening to feedback from existing clients and prospects. inStream took this feedback and created a product roadmap, which they use in addition to client requests to prioritize development tasks.

“It really is a mix between what we hear from our clients and what specific professional services requests we receive from our enterprise clients, but the third important leg of the stool here is [spending] time making sure that our technology puts us in the best possible position for future business, and I really think what we did over the last 12–15 months particularly in building out our services layer.”

Tech stack and project management

inStream is a predominantly **Java centric code base**, hosted on **Amazon Web Services**, featuring enterprise grade security features, and completing major product releases every 2 – 3 months. Paul noted that 12–15 months ago, inStream's stack was largely monolithic. Now, after speaking to large clients, they have shifted focus to creating a services-oriented architecture with a series of individual modules that can be marketable and valuable to clients and organizations.

Paul says that inStream uses an agile approach. Thanks to collocation, the product teams, business analysts, and coders serve as the testing team and sit together on a day-to-day basis.

“The notion of having the real-time collaboration where the coder knows exactly what's being built and why it's being built and what it needs to look like, because he's sitting right next to the business analyst, is at the core of the way the company functions. And I think it's very, very important we call it Agile. Some organizations just call it Excite, but this whole notion of collocating the various functions that have to come together to deliver the best product most efficiently—*efficiently* being a function of time and a function of money—quite frankly, is something we believe in very strongly.”

Knowledge sharing: Business and tech

According to Paul, inStream typically hires people for product and marketing roles who are either in the middle of completing their CFA, or who have already done so such as product leader Clement Kwong. In addition, inStream employs other individuals steeped in Wealth Management and Financial Planning expertise.

“We also have the benefit of someone like Bryan Lee, head of sales and marketing, who has actually been a portfolio manager at an RIA for several years. inStream’s founder, Alex Murguia, runs a \$1B AUM RIA just outside of Washington D.C. Bryan worked inside that operation for quite some time, so we always joke and refer to Bryan as our resource center, where we're [asking things] like, ‘hey Bryan, tell us what the RIA financial advisor is thinking right now,’ or ‘talk to us about technology and how it fits with what the RIA advisor actually does.’ An invaluable resource.”

Paul mentions that inStream has an advisory committee made up of their client base that meets on a regular basis. At these meetings, the advisors discuss industry trends on a macro level as well as the specific needs of their firms and clients. Advisors tell inStream what their thoughts are about the product and financial-planning tools that could be useful—all important insights from leading experts.

The third node of knowledge sharing comes from the tech team members. Nine developers have a background in financial services, with a combined 56 years of financial service industry experience.

“Of the 9 developers at inStream, our newest developer has been at inStream for three years, and our lead architect and lead developer have been at inStream since very early 2015. So we've got a lot of consistency and have a lot of background in the space. I do think, to be honest though, Clement, our head of product management, spends time with our new on-boards and walks them through a lot of industry-specific and product-specific information, not because he's our product management director, but by virtue of his CFA experience. We view every firm and every advisor within the inStream community as a partner and a colleague”

WealthTech Club takeaways

inStream have created a culture of creativity and ingenuity, as evidenced by their willingness to encourage progress and innovation. In the FinTech world, you either move forward or you get overrun by smarter people that are leveraging smarter technology.

inStream, with Paul at its helm, are definitely achieving new heights, both in wealth management and in FinTech as a whole.



Written 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.