

# The Financial Advisor of the Future



WealthTech  
Insights



**Gavin Spitzner**

Founder and President of  
Wealth Consulting Partners

## The **Financial** Advisor of the Future

How are advisors pivoting to financial wellness practices to improve client outcomes?

*Interview with Gavin Spitzner,  
Founder and President of Wealth Consulting Partners*

*In his consulting practice, Gavin studies the best practices of financial advisors and the wealth management firms that support them. He helps them develop target operating models based on those best practices, as well as the technology and digital roadmap and change management efforts required to take full advantage of new capabilities, improve their client experiences and execute profitable revenue growth strategies.*

What does financial wellness actually mean and why is it important?

If you ask a dozen advisors what financial wellness means, you're likely to get a dozen responses. Some define it as the ability to achieve financial goals, others focus on budgeting tools and others on 360<sup>0</sup> holistic advice.



I asked Gavin, and he said that it is an overused term and that each financial firm makes it mean whatever best serves their purposes. He went on to say that if one looks at the business through the eyes of clients, financial wellness amounts to reducing finance-related stress. Advisors often talk about financial planning and achieving goals and dreams, but, as Gavin pointed out, no advisor can guarantee a client is going to achieve their goals.

No amount of technology or software can make that guarantee either. There isn't a foolproof model. According to Gavin, the most important questions an advisor can ask are, "How do I reduce my client's stress?" "How do I take the time to understand the client?"

“What’s important to them?” and “What does money mean to them and what are they trying to achieve?”

“Financial wellness captures the essence of the highest value an advisor can deliver: maximizing – not guaranteeing – a client’s chances at achieving their financial needs and wants. And that boils down to helping them understand the decisions they should be making, not beating the market.”

## How technology has shaped the modern advisor

Advisors are constantly bombarded with new technologies, new platforms, and new ways of optimizing various processes. However, at their core, advisors make recommendations to modify clients’ behavior. This is the hardest part—understanding the emotional aspects of finance, because those aspects are what financial planning and advice should be based on.

“I believe technology, leveraging data to be more predictive and creating more personalized insights with big data and AI, are important. But at the end of the day, it's only as good as the people that are delivering those insights and making recommendations.”

Gavin explained that in the 1990s, Merrill Lynch would release leather-bound, 60+ page financial plans that would sit on a shelf collecting dust. This was typical of that particular point in the evolution of finance, but the plans weren’t living and breathing.

Since that time, technology has evolved at a rapid pace, with tech for planning. Over time, financial planning and trading became an ongoing process instead of one-time events. The rise of new technology for data interpretation and planning software, combined with client portals and digital client engagement tools, have given birth to the modern advisor—or as Gavin said, the bionic advisor.

“That to me, that's the power of where we are now in terms of this notion of bionic advisors or hybrid digital advice solutions—[it] is the combination of people and technology and data. But the change management effort is enormous, combining the science of data and technology utilization with the art of delivering insights and advice in ways that will motivate clients to act.

## Can digital wealth management detract from the quality of advice?

Gavin said there is a growing body of research that shows that hybrid digital wealth management is a win–win for the client and advisor. These relationships tend to have a higher level of client satisfaction with better financial performance – although Gavin is careful to point out that by performance he means clients achieving desired financial outcomes, not outperforming benchmarks. Some may argue that the absence of the human element can diminish the quality of advice and success, but Gavin highlighted that across all demographics, more and more people are quite happy doing many things digitally if advisors make it easy for their clients to do so, and this frees up advisor time to focus on higher value activities.

“I think we’re entering a golden age of financial advice where clients have the access and transparency they desire in terms of tracking their financial life and looking to their advisor to serve more as a coach and a guide, helping them

identify goals, make trade offs and adjust or course correct as life happens. Some clients will prefer a dedicated advisor available for face-to-face meetings and some will be perfectly content with a remote call center, so long as whoever they speak with demonstrates they are fully up-to-speed on their situation and needs.

The success of these hybrid, remote advisor models is being proven out through the success we're seeing with Schwab, Vanguard and Personal Capital who are providing automated asset management and financial planning without a dedicated human advisor.

The digital foundation for these models is an integrated tech stack combining CRM with financial planning, client portal, account aggregation, digital self-service capabilities and reporting.

“Despite the headlines the direct-to-consumer robo's have justifiably garnered, we're now seeing the incumbent institutions – banks, broker-dealers and RIAs – show that they are content being careful fast followers (alright most aren't sprinting but they're at race-walking speed at least!), learning from those firms and deploying their own hybrid advice solutions that combine planning and investments.”

Gavin adds that he feels the ultimate winners 10-20 years down the road will be those that don't simply look to “defend” and incrementally improve current business models through digitization but those that fundamentally reimagine wealth management in more innovative and radical ways through the eyes of the customer and integrate financial wellness more holistically into their lives.

## The magic number

After discussing holistic financial advice at length, Gavin and his colleagues agreed that the optimal number of clients per advisor is about **100**. This number is in stark contrast with the 300–500 clients normally seen on advisors' books. Gavin said that:

Even if with automated investment tools, if your goal is to be your client's primary advisor and provide behavior planning-based life coaching, the limit seems to be around 100 clients. Perhaps with AI-generated next best action insights and marketing automation and team support this can be pushed to 150-200 but I would argue that those delight factors that keep clients loyal and keep your share of wallet high are challenged at those levels.

According to research, the average advisor, even those that deal with high net-worth clients, spends just one hour *per year* actually advising clients with personalized recommendations. The brunt of their workflow is spent doing compliance, account opening, and putting together performance reviews.

“It's not in the average advisor's DNA to say, ‘Look, I would be better off, my clients would be better off, if I cut my book back and focus on just 100 clients.’”

Gavin added that the reality is given the average baby boomer advisor who is 5-7 years away from retirement, many if not most of those folks got into the business because they enjoyed managing money. It's going to be very hard for many of those to pivot to planning-based financial wellness-oriented practices.

“I’m seeing more firms adopt a “grow our own” mindset and rather than try to buy books of business and bring on advisors not aligned to their culture, instead develop their own advisors, often starting in a call center, getting their CFP and perhaps taking on dedicated clients over time as part of a career path.”

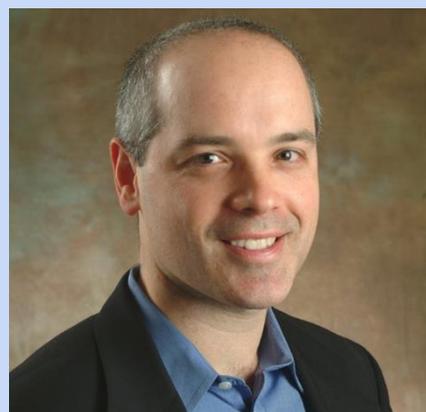
## The bottom line

We can’t imagine our lives without technology. Of course, the modern financial advisor needs technology to offer better advice. However, they cannot forget what their job is at the roots—improving financial wellness (i.e., reducing financial stress). Technology is, without a doubt, an important tool, but the most valuable assets are the human mind and human potential.

Advisors should be involved in a client’s financial decision-making process without coming across as snake oil salesmen trying to make a buck. Their job should be to provide insights and make suggestions on how to improve financial wellness. With unprecedented access to data and technology, they’ve never been in a better position to do just that and truly make a difference in the lives of their clients.

### About

[Gavin Spitzner](#) has 25+ years’ experience working in and consulting to Fortune 500 companies. He has worked in senior roles for Prudential Investments and Envestnet helping banks, broker dealers and RIAs modernize their wealth management solutions. Over the course of his career he has helped dozens of wealth managers improve their businesses based on his knowledge and insights related to business strategy, product development, digital strategy, marketing, and professional development.



Written by Vasyi Soloshchuk, CEO and co-owner at [INSART](#), FinTech & Java engineering company. Vasyi 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.