

# Heavy Technology Use by Advisers Shows Positive Results

by Rebecca King

**W**hen it comes to technology, the newest gadget or slick application can generate buzz with innovative features and a cool look. But that effect does not last forever. At the end of the day, technology that helps you achieve your personal and professional goals is what you want to embrace.

FPA conducted a survey<sup>1</sup> in late 2011 to identify the relationship between financial adviser technology use and satisfaction with various objectives. Overall, the survey shows that the more advisers embrace technology and feel technology has positively benefited their business and life, the more satisfied they are in a number of categories and the more likely they are to be on track to achieve personal and professional goals.

### Technology May Boost Business Goals

Although using particular hardware (such as a tablet computer) or a specific social media strategy (such as Twitter) do not show a statistically valid relationship<sup>2</sup> with being on

track to achieve business and career goals, some technology approaches do.

Advisers who report higher levels of software integration are more likely to report they are on track to achieve their business and career goals (see Table 1). This could mean that these goal-oriented advisers perceive integration as an essential component of moving their businesses forward. Or, it could illustrate how integrated software enables advisers to be more effective and efficient, advancing their businesses or careers as a result.

Advisers who say their use of technology has increased client satisfaction are also statistically more likely to say they are on track to achieve their business and career goals. It comes as no surprise that increases in client satisfaction increase an adviser's success, but this finding reinforces the importance of keeping your clients' needs in mind when choosing and implementing technology solutions—software and hardware.

Advisers who outsource their firm's IT support are also more likely to report

being on track with business and career goals. This is likely the result of these advisers being able to focus on the core aspects of financial planning and connecting with clients, rather than on managing the IT functions of their businesses.

### Efficiency Leads to Profitability

Advisers who report that their use of technology has increased their efficiency are more likely to say they are on track for achieving their financial goals (see Table 2). Increases in efficiency are likely to result in more time for prospecting and meeting with clients, and that typically leads to an increase in revenue and in an adviser's ability to receive additional compensation.

### High Technology Users Are More Satisfied

For the purposes of reporting FPA's technology survey results, we define "high technology users" as those advisers who report the most use of specific technologies combined with the percentage of revenue spent on hardware/software and consulting.<sup>3</sup>

In general, tech-savvy advisers (high technology users) report that their use of technology has increased their satisfaction across a number of factors (see Table 3), particularly with aspects of professional/personal life, such as day-to-day tasks, revenue- and income-generating abilities, practice growth, client satisfaction, and office efficiency.

It is important to note that advisers in all tech user categories (high, mid, and

**Table 1: Software Integration and Business/Career Goals**

		I am on track to achieve my business/career goals	
		Agree	Don't Agree
<b>On a scale of 1–5, how integrated are your software solutions?</b>	1 = Not at all integrated	62.9%	37.1%
	2	72.6%	27.4%
	3	73.3%	26.7%
	4	88.8%	11.2%
	5 = Completely integrated	82.4%	17.6%

Read as: 82.4 percent of advisers whose software solutions are completely integrated (5 on the scale) are on track to achieve their business/career goals.

low) report nearly the same priorities of seeing clients achieve their goals, having flexibility in schedules/hours, and growing their practices. Therefore, these differences in satisfaction that help separate the high technology users from other advisers do not result from a variance in adviser objectives.

Of course, advisers who do not believe they are receiving benefits from incorporating technology into their practices are less likely to continually embrace technology, and those who find success may increase their use of technology. Regardless of your opinion about this “which-comes-first” question, the research demonstrates that it is possible for advisers to heavily use and invest in technology and see a positive return in their work, life, and business-building opportunities.

**Put the Information to Work**

How can you apply these survey findings to your practice? Here are three actions you can take today:

1. Put your focus on intelligently leveraging technology rather than on the time and/or resources you have available to allocate to technology. If you implement solutions that make sense for your business objectives and the way you practice financial planning, the time and resource allocation will naturally evolve in a way that helps you achieve your business and personal goals.
2. Think about software integration—not only having your solutions integrate with each other but also how the technology integrates into your practice as a whole.
3. Consider ways to leverage existing technology or future technology purchases to increase your efficiency and free up valuable time for prospecting and client interaction.

Ultimately, your use of technology should improve your professional and personal life. If it doesn't, a re-evaluation of your current technology and how you're using it is in order.

**Table 2: Reported Increase in Office Efficiency and Financial Goals**

		I am on track to achieve my financial goals	
		Agree	Don't Agree
<b>Our office efficiency has increased.</b>	Yes	74.5%	25.5%
	No	58.7%	41.3%

Read as: 74.5 percent of advisers who report their office efficiency has increased as a result of their technology use are on track to achieve their financial goals.

**Table 3: The Effect of Technology Use**

My use of technology has increased my satisfaction with ...	Low Technology User	Mid Technology User	High Technology User
	See article endnotes for definitions of each category		
Day-to-day tasks	60.7%	76.2%	89.5%
Work-life balance	46.4%	62.2%	65.3%
Overall revenue- and income-generating abilities	37.1%	46.2%	70.2%
Practice growth	41.4%	50.3%	66.1%
Client interaction	57.1%	79.0%	76.6%
Staff/colleague/peer interaction	41.4%	52.4%	65.3%
My client satisfaction has increased	65.0%	69.2%	87.9%
My office efficiency has increased	63.6%	75.5%	81.5%

Color code: Red = < 60 percent of survey respondents, yellow = 60 percent to 79 percent of survey respondents, green = 80 percent or more of survey respondents.

To benchmark against your peers, visit [www.FPAnet.org/Journal/CurrentIssue/Supplements](http://www.FPAnet.org/Journal/CurrentIssue/Supplements) for demographic information on each technology user profile.

Note: Numbers have been rounded. Table does not include “I don't know,” “decreased satisfaction,” “no change,” or “NA” answers. Data are proved statistically significant for comparison between the user types at a 95 percent confidence level. Read as: 60.7 percent of low technology users report that their use of technology has increased their satisfaction with day-to-day tasks.

Source for Tables 1, 2, and 3: FPA's 2012 *Adviser Technology Use & Benefits* survey conducted among 407 respondents in November 2011.



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**Endnotes**

1. FPA's 2012 *Adviser Technology Use & Benefits* survey conducted among 407 respondents in November 2011.
2. Statistical validity tests on findings were conducted at a 95 percent confidence level.
3. A tech user score was calculated by adding the number of uses the adviser selected (general client communications, delivery of client statements/reports, client presentations, professional development, keeping up on industry news) for each of these types

of technology: tablet, smartphone, laptop, desktop, Smart Board, client-facing web portal, website, video conferencing, audio conferencing, instant messaging, texts, LinkedIn, Twitter, Facebook, and other social media. This sum was combined with the percentage of total revenue allocated to technology hardware/software and consulting. For example, an adviser who reports using a tablet for client presentations and keeping up on industry news, a desktop computer for professional development, and allocates 5.5 percent of total revenue to software/hardware and 0 percent to consulting services would receive a total score of 8.5. The data was sorted into three categories: low tech user = score of < 10, mid tech user = score of 10 to 17, high tech user = score of > 17.