



Greater tech support needed for goals-based advice strategies

BY [JAMIE WILLIAMSON](#) | FRIDAY, 10 NOV 2017 10:51AM

Despite growing popularity of the goals-based advice model, financial advisers are struggling to integrate existing systems with the goals-based approach.

An opportunity exists for financial planning software providers to develop a solution capable of executing the efficient, repeatable and robust processes carried out by goals-based advisers - a running theme at the Association of Goals Based Advice's inaugural conference.



Profile Financial Services' Sarah Abood said solutions simply don't exist to build tools that allow goals-based advisers to have the kind of conversations they want to with clients.

"A lot of the fintech seems to be focused on whose algorithm is better than the next guy's and how many thousand implementations are available in their stochastic model, and that's really not the problem that we're trying to solve for clients," she said.

Abood's sentiments were echoed by Ignition Wealth's Rob Corben who said providers are yet to fully grasp the goals-based concept.

"Vendors in the industry don't really get what you're talking about, and the reason they don't get it is because the rhetoric they're working from is from the four banks and that rhetoric isn't goals-based," he said.

"So, they're pumping all their money into servicing the guys who can afford to pay for it, from a technology perspective. And if you're not working in that space where all the leaders are operating then you're probably not getting your vision implemented right."

It can be difficult to build the efficient, scalable, repeatable processes with infrastructure that isn't supportive of it, he said.

Despite the company's own technological expertise, Corben said even Ignition is struggling with the implementation process and is yet to embrace goals-based investing.

He added constraints on platforms in regards to the treatment of data can make client conversations at review time difficult.

"If you're getting your feed from a platform, how do you give that to a client and express a target toward a goal? It's really difficult. Can you take a blended portfolio and split it by goal? The answer is not easily. So, the practical things about implementing goals-based advice within a constrained infrastructure is something that we really need to think about," Corben said.

In spite of the challenges, Abood said the benefits to Profile since switching to a goals-based approach means the business would never go back to the traditional advice model.

"We have very high client satisfaction and we do attribute a lot of that to the very client-focused conversations that we're now having that a goals-based approach really supports. Our planners are much happier with their roles and the role they're playing with clients; they're more efficient, not spending a lot of time constructing portfolios and the market - that's now only about 20% of the conversation," she said.

"Our investment approach has a lot less risk involved as well, so I think overall it's just a better business. We're talking to our clients in a way and with an underlying philosophy that we actually believe in and is seeing them achieve better outcomes."

Read more: [AGBA](#), [Association of Goals Based Advice](#), [financial advice](#), [financial planning](#), [goals based advice](#), [Ignition Wealth](#), [Profile Financial Services](#), [Rob Corben](#), [Sarah Abood](#)