

3 Questions All Breakaway Advisors Need to Ask When Vetting New Technology



If it seems like the number of independent advisory firms is growing, it's because it's true. As the breakaway advisor movement picks up steam, the number of breakaway advisors forming their own RIA firms has hit a new high.

In fact, research shows that 15 percent of all breakaways leaving major broker-dealers became RIAs. At the same time, more technology providers have entered the landscape, giving new RIAs more choices than ever. If you attended this year's T3 Advisor conference in Fort Lauderdale, Florida, this was evident by the number of new companies exhibiting in the Emerging Technology area.

So as a breakaway advisor, how do you begin to determine the right technology to support your growing business? No matter your business goals, budget or timeline, there are three questions you need to answer when you start vetting the technology your new firm will use:

1. What technology Do I Need?

When determining what technology your firm needs to be successful, you'll need to begin by identifying your core business principles, then build your technology around what you do well.

Most advisory firms implement these solutions:

- Portfolio accounting system for reporting and billing - Orion is an example of this software, which will serve as your main database for client

accounts and hub of your integration activity.

- Financial planning – Includes vendors like Advicent, eMoney Advisor, MoneyGuidePro, Advizr, RightCapital, and more.
- Trading – If you're using Orion, you can use the Eclipse™ platform to get tax-efficient rebalancing included in your portfolio accounting system. Orion also integrates with other trading systems.
- Risk and portfolio analytics – Identifying client risk is an important part of financial planning, and these solutions also often offer advanced portfolio analysis tools. Orion integrates with AdvisoryWorld, Riskalyze, and more.

You can see more technology partners Orion integrates with [here](#).

2. Do I Want Best-in-Class or All-in-One?

Once you know what technology choices you need to support your business, it's time to move forward with identifying which options are available. The two choices major choices facing advisors are a **Bundled** solution or a **Best-of-Breed** selection.

An all-in-one solution gives you a bundle of software but can limit your choice and flexibility.

You can also choose best-in-class or best-fit in each category, but you'll want to ensure that each provider you choose integrates with each other so you can build a cohesive tech stack.

Orion's vision is that independent advisors are best supported by independent solutions. New breakaway advisors should not settle for bundle deals packed with features that don't make sense for their business models. They should accept nothing less than custom-built, open API solutions that save time and let them stand out from the pack to serve a best-in-class experience that meets their clients' specific needs.

Read more of what Orion's CEO, Eric Clarke, has to say about best in class vs. all in one on [Financial Planning.com](#)

3. How Will I Test It Before I Buy It?

The final big question to approach is knowing if you can test the solution before you go all in. When you demo a new product, be sure that it fits your core needs, but also your budget. Overstepping with technology that you don't end up implementing can be a burden for a new RIA firm or even an established one.

Here are a few other quick tips:

- Analyze how well the product you choose scales with you as you add accounts
- Get a demo login or free trial and have your whole team use the software
- Understand how open and integrated the product is so you can adjust your plan as new technology enters the market

It's also important to identify how your technology choices can help you support clients. Many vendors offer client-facing tools, like the Orion Client Portal, that can help you build relationships and offer great technology outside your office walls. You should also ask if your vendor offers access to videos or documentation that you can give to clients to help them use those tools better, or if you'll need to create those resources yourself.

Beyond advisor technology

Starting a new firm with new technology doesn't stop with the financial-centered software you select.

Don't forget to consider what other tech choices you have to make as you start up a new firm, including the hardware you need to run efficiently:

- VOIP phone systems may be the right choice over traditional phone services, especially if your CRM integrates with one
- You may need to add other necessary software like Microsoft Office and the Adobe product suite
- Hardware like printers, fax, and computers also needs to be accounted for in your planning stage

The technology you choose to start your firm can have a positive or negative impact on how your business grows. Making the best decision requires planning,

testing, and an understanding of how you want to use technology to support your clients.

Contact Orion today to schedule a demo of the full Orion platform and how it can support your firm as you start up a new RIA.

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