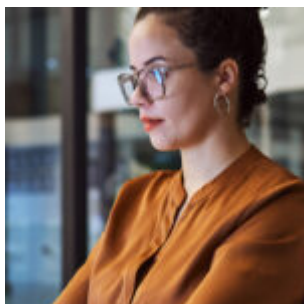# 5 Compliance-Centric Considerations for Advisors in 2023

Just as technology is changing the landscape for the delivery of financial advice, it's also transforming how advisors adhere to the industry's complex and ever-evolving set of rules and regulations. Today's financial advisor compliance solutions can help professionals successfully grow their businesses and increase the breadth of their services, while avoiding security risks and minimizing the disruptions caused by regulatory audits.

Modern, software-based compliance toolkits help advisors avoid reputational and financial damage by providing tireless, automated oversight. Chief compliance officers and other business leaders know that new and revised regulations, such as those regarding testimonials and endorsements, require regular employee training, a sophisticated compliance platform and systems that can operate efficiently at scale.

Using yesterday's tools to oversee today's operations is risky, costly and likely to be ineffective. So we've prepared a list of considerations for the year ahead.

Advisors and compliance professionals should be reviewing their firm's technology and checking on the following:

- Based on factors like time savings, system capacity and complexity, which compliance functions should be automated?
- How will compliance centralization supercharge your Fiduciary Flywheel?
- How will your firm handle the increasing popularity of new content mediums, like short-form video, in your policies and procedures?
- What compliance software and services will need to be built or bought to

provide meticulous oversight, and how will employee-based monitoring mesh with software-based solutions?

- How can your firm implement a compliance solution that's both efficient and thorough?

Automation Provides Financial Advisors With Constant Oversight

Automation provides an accurate, repeatable and cost-effective solution for your compliance needs. Utilizing the latest software, firms can automatically review content, correspondence and tech-enabled interactions with clients, keeping them on sound regulatory footing.

Whether you're tracking, storing or accessing training and certifications for your team, employees' trading information, updates to firm-wide policies or information about your clients' investments, the processing and handling of that information can be automated. That means you'll be able to quickly determine compliance risks and raise concerns where appropriate.

Manual processes are costly, inconsistent and prone to error — exactly the type of factors you want to avoid.

Automation also means information is synced across your organization. Maintaining your compliance data in one, automated system helps consolidate your tech stack, eliminate compliance outsourcing costs, mitigate cybersecurity risks and increase efficiency across your firm.

The Centralized Fiduciary

Audits are stressful enough without the headaches that accompany tracking down information across a variety of platforms and tools. Documentation and policies that are centralized not only provide peace of mind, but lead to more efficient internal oversight within your firm.

A compliance system that's integrated with the other aspects of your business provides an orderly, scalable digital solution for your business. If you need to access reporting paperwork, social media policies or archived correspondence, a centralized compliance platform provides a secure and easily accessible interface for compliance-related operations.

Moreover, keeping your compliance information in one place eliminates

guesswork about relevant documentation, making updates and reviews more convenient and keeping your workplace professional and organized.

Videos Are Expected to Increase Demands on Compliance Departments

One of the most difficult challenges for compliance officers is addressing and managing new forms of communication and content. In recent years, cryptocurrencies, ESG factors and new marketing methods have all seen an increase in regulatory scrutiny. Compliance systems that automatically update and incorporate new information can turn the next trend into an opportunity, rather than a risk.

In the months and years ahead, advisors will likely have to contend with an increase in the popularity of short-form video. By 2024, short-form videos, like those seen on Instagram and TikTok, will consume more than 12% of users' time spent online, up from 5.4% in 2021, according to a recent report.

Just as they've adapted to the rise of podcasts and social media, advisors will be expected to appeal to investors using this increasingly popular medium. The right compliance software can keep advisors from damaging their standing and business, even as they interact with clients in innovative new forms.

Compliance Officers Want New Services And Solutions

Your firm's advisors are relying on a variety of technology, so why shouldn't the compliance department be similarly equipped? With the recent enforcement of the SEC's new marketing rules in place and remote and hybrid work becoming more mainstream, compliance officers without access to the right technology are at a serious disadvantage.

"The adoption of regulatory technology has skyrocketed in recent years, due to increasing regulatory complexity, cost pressure and the need for more data collection and analysis in financial services," says Kylee Beach, General Counsel of Orion Advisor Services. "With the right technology, firms can embody a culture of compliance and make the work they do in their most critical systems more connected and robust."

An integrated compliance system means CCOs can keep everyone on the same digital page and maintain a standardized and scalable environment. Compliance

departments know that habits can take time to change, which is why a platform-based and tech-enabled approach to addressing new regulations is so effective.

There Is An "I" In Compliance

Compliance is the responsibility of everyone in an organization, not just the CCO. A compliance platform with education modules and a system for providing periodic refreshers on policies and procedures can make it easier to understand and adhere to regulations.

A shared system makes it simple to implement a skills and drills program. Taking your firm's program a step further, by developing a formula for training and quizzing staff using real-world situations, helps the entire group evaluate the strengths and weaknesses of the compliance program.

Technology that promotes transparency and accountability helps keep everyone up-to-date. While there's no "I" in "team," there *is* in "compliance." With a firm-wide system and standard in place, it's easy to identify individuals needing an extra nudge or additional training, so that your entire organization can be proud of its regulatory scorecard.

Ready to take the next step in building your firm-wide compliance solution? Reach out to schedule your Orion Compliance demo today.

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