

Turning Financial Risk Analytics into a Powerful Growth Strategy



With a potential recession looming on the horizon, plus rising interest rates, soaring inflation, global unrest and a fragmented pandemic recovery, clients are understandably concerned about the impact this perfect storm of market and economic challenges might have on their current investments and their future financial goals.

And in spite of how ultimately effective it may be in the long term, advice to just “stay invested” won’t alleviate the rising concerns being continuously stoked by media outlets and political campaigns.

Today’s advisor needs a more robust toolkit to inspire the kind of impactful client conversations that keep investors comfortable and confident in their investment strategies in spite of what’s going on in the world externally.

And doing so could have a bigger effect than strengthening current client relationships — it could also help advisors attract and retain more business.

Enter financial risk analytics. Last year, Orion acquired HiddenLevers, a next-gen financial risk analytics and stress testing platform that we recently brought fully under the Orion umbrella as Orion Risk Intelligence.

And while financial risk analytics may not seem immediately apparent as a growth strategy, it can be a significant differentiator for both client experience and prospect engagement, enabling advisors to turn our current uncertain environment into a catalyst for business development.

Democratizing Risk Analytics

Financial risk analytics used to be a back-office process conducted privately at banks and wirehouses, characterized by jargon inaccessible to the non-quantitative investor and creating confusion that's hardly a comfort to clients wondering what to expect from their portfolios if inflation continues to rise or a recession occurs.

Using the Orion Risk Intelligence solution, risk analytics and stress testing become visual, highly engaging and easy to understand, allowing advisors to have more meaningful conversations with both clients and prospects about whether their investments are ready for the next big event.

Surfacing Real World Scenarios

While most financial risk analytics tools look backward to inform their stress-testing scenarios, Orion Risk Intelligence is constantly updated using current data to build scenarios based on real-world events.

So when clients or prospects have questions about the impact of the Russia-Ukraine conflict, inflation, the housing market, cryptocurrency and a looming recession on their investments, you can point to concrete answers about what they can expect from working with you.

Stress testing using what's actually happening in the world reinforces the story you tell about your investments, giving your narrative additional credibility and helping to put clients at ease.

Addressing Both Upside and Downside

'Risk' inherently comes with negative connotations, but from a fiduciary standpoint, keeping the best interests of your clients and prospects as the North Star of your work means staying positive — not just looking at the downside and negative scenarios, but also illustrating for them potential positive outcomes in the future.

Orion Risk Intelligence allows you to visualize and highlight nuances in risk all the way down to individual securities within accounts, across a wide range of outcomes, empowering more meaningful upside and downside conversations.

Showcase Day-to-Day Adjustments

Because Orion Risk Intelligence adjusts day-by-day as markets are changing, advisors can also use the platform to show their clients how much risk remains.

For example, in 2020, as the market was coming down rapidly in March, causing panic among investors and even compelling advisors to consider selling, the model was able to showcase how much risk remained. Being able to illustrate that the incremental downside isn't as bad as it appears can help reassure clients and reduce the knee-jerk urge to panic sell.

Ultimately, the best prospecting work you can do is to serve your current clients well, especially during times of turmoil and uncertainty. Providing personalized attention and concrete answers to the questions that are most top-of-mind for them builds trust and enables their peace of mind, which in turn can lead to significant referral traffic for your business.

Click here to learn more about how Orion Risk Intelligence can help you strengthen client relationships and drive growth for your firm.

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