# Investment in technology isn't enough.

How to maximise value from your financial services software.

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# Are businesses investing in financial technology?

The global demand for financial technology has experienced staggering growth over the past ten years. This demand is being driven by regulatory changes within the financial industry and changing client demands.

Many financial services businesses are rethinking their business strategies and considering how technology can help them meet their objectives.
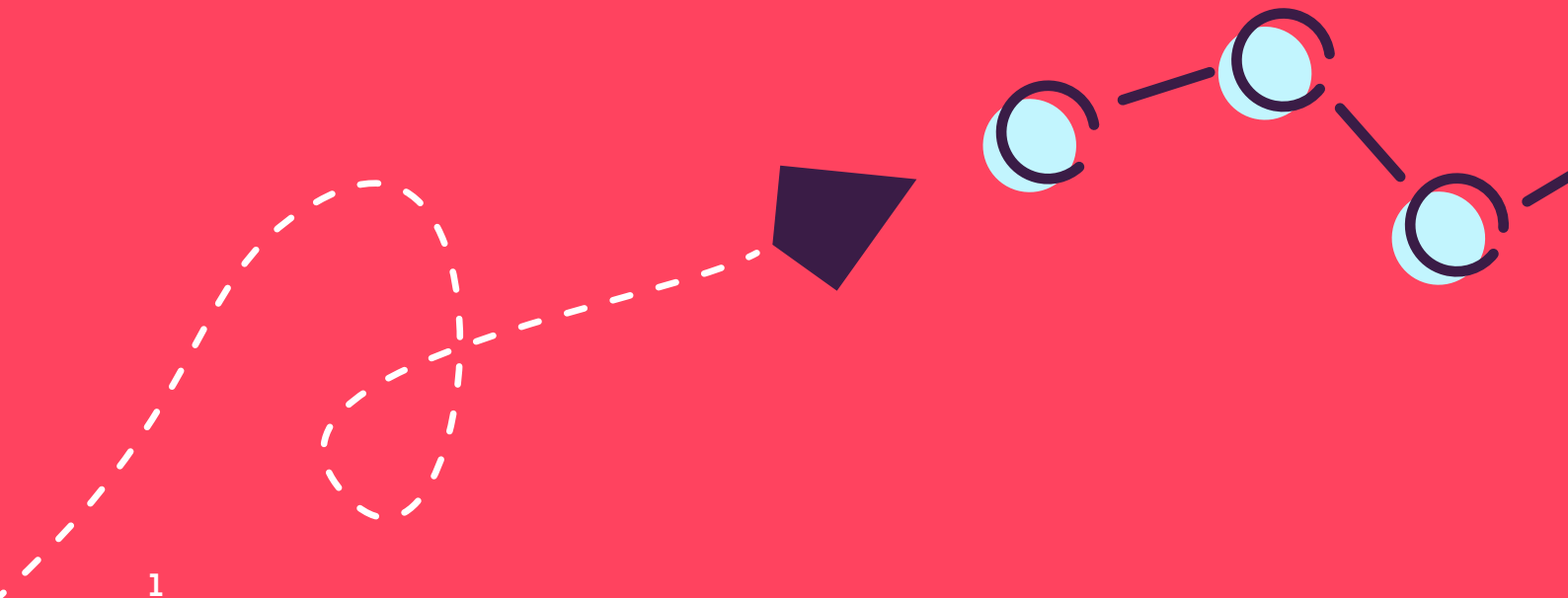
Are they getting value from their investment?

We surveyed **over 100** senior representatives from the UK regulated wealth and investment industry to find out whether businesses are investing in new financial technology and, if so, whether the investment they have made is generating the expected outcomes.
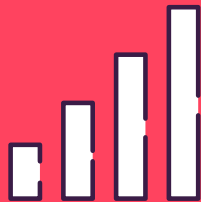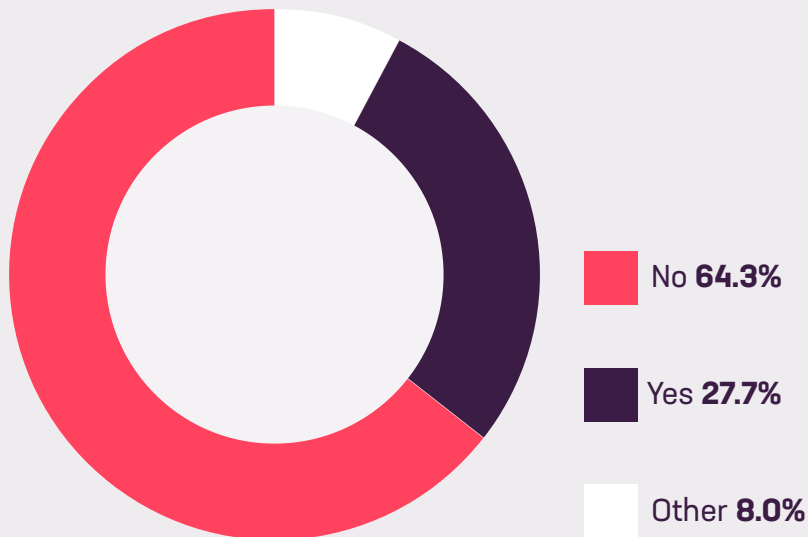
78% of UK wealth and investment management businesses believe they have invested in the right technology...

but almost two thirds of businesses are dissatisfied with the technology they currently use.*

Are you satisfied with your current technology?

No **64.3%**

Yes **27.7%**

Other **8.0%**

"Companies aren't reaping the full benefits technology has to offer."

* All respondents. Even amongst those who were satisfied with their technology, 52% do not believe it is used enough to justify the investment.

Lack of integrations and the right internal expertise are the biggest drivers of dissatisfaction.

◀ **50%** of the dissatisfied respondents say they are frustrated by too many systems that do not integrate.

◀ Almost half of those surveyed say they still have work to do to enable their users to fully harness the technology they have.

How the software is being adopted and used is driving dissatisfaction.

◀ Only **52%** of respondents believe they have the right skills within their company to use the technology available.

◀ Just under half of companies ensure their users have access to relevant training.

◀ Less than a third of companies **(29%)** are looking for new people to help them use the technology effectively.
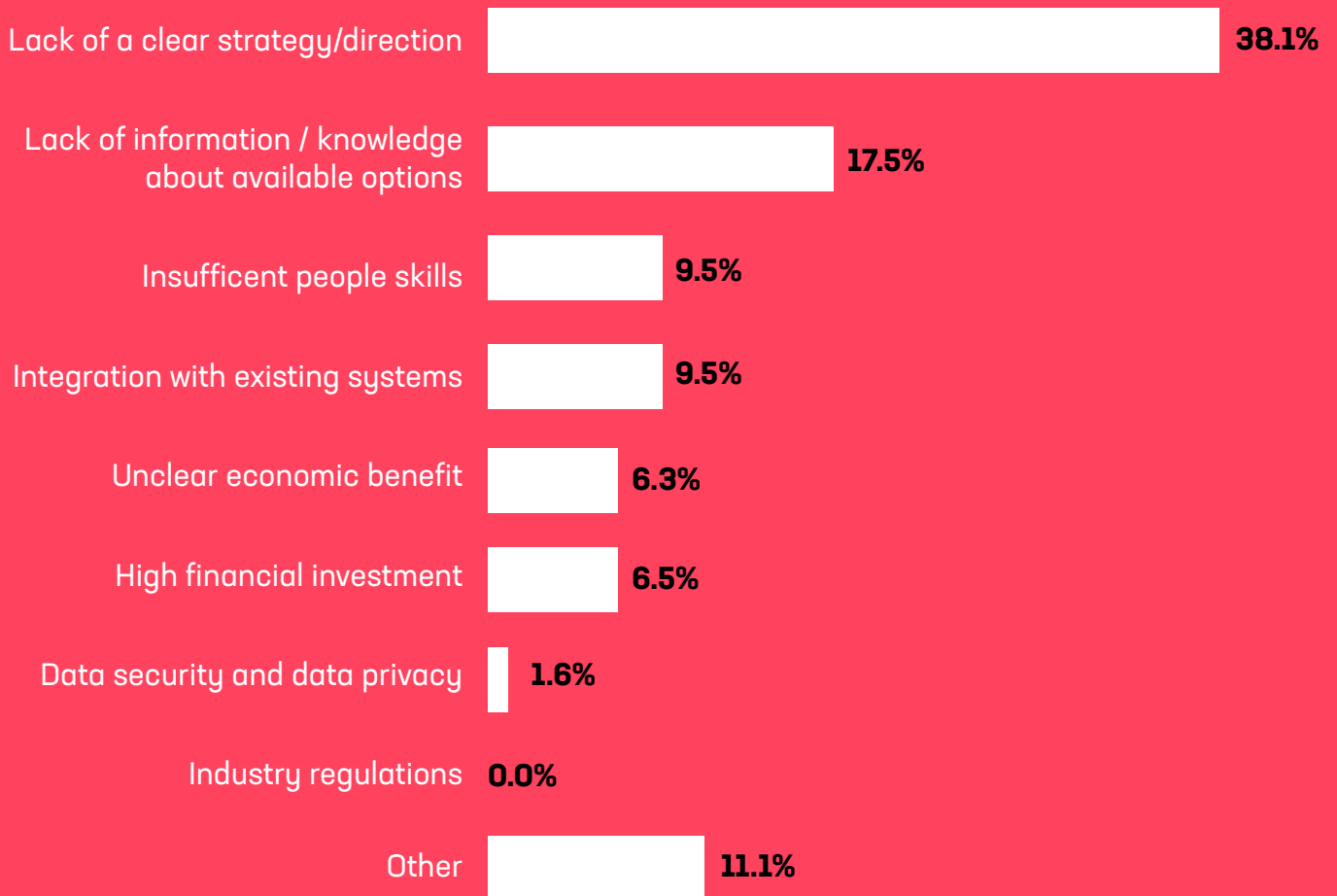
Intentions to invest remain strong

Three quarters of those who have not recently invested in technology plan on investing in the near future.

...but a lack of strategy is the greatest barrier, according to those surveyed.

Biggest inhibitors of technology investment

Non-investors

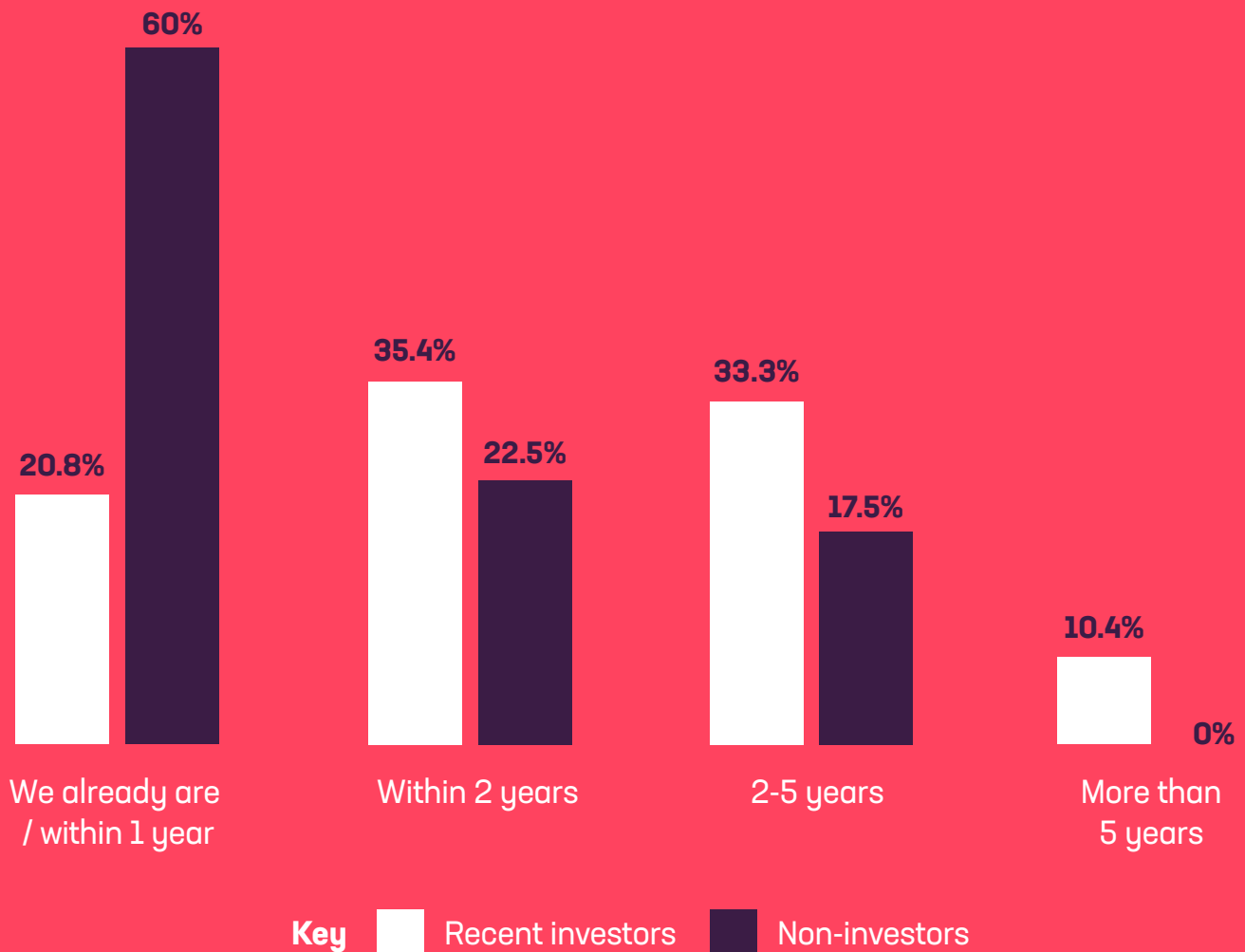|	
Lack of a clear strategy/direction	**38.1%**
Lack of information / knowledge about available options	**17.5%**
Insufficent people skills	**9.5%**
Integration with existing systems	**9.5%**
Unclear economic benefit	**6.3%**
High financial investment	**6.5%**
Data security and data privacy	**1.6%**
Industry regulations	**0.0%**
Other	**11.1%**

Expectations vary for when to expect a return

- One-fifth of those who invested in new technology recently are already seeing a return on their investment.

- 60% of those who have not invested expect to see a return within a year.

- It is important for companies to be realistic about their expectations, especially where businesses have not had recent experience of implementing new systems.

When do you expect to see a return on investment from new technology?

We already are / within 1 year
- Recent investors: 20.8%
- Non-investors: 60%

Within 2 years
- Recent investors: 35.4%
- Non-investors: 22.5%

2-5 years
- Recent investors: 33.3%
- Non-investors: 17.5%

More than 5 years
- Recent investors: 10.4%
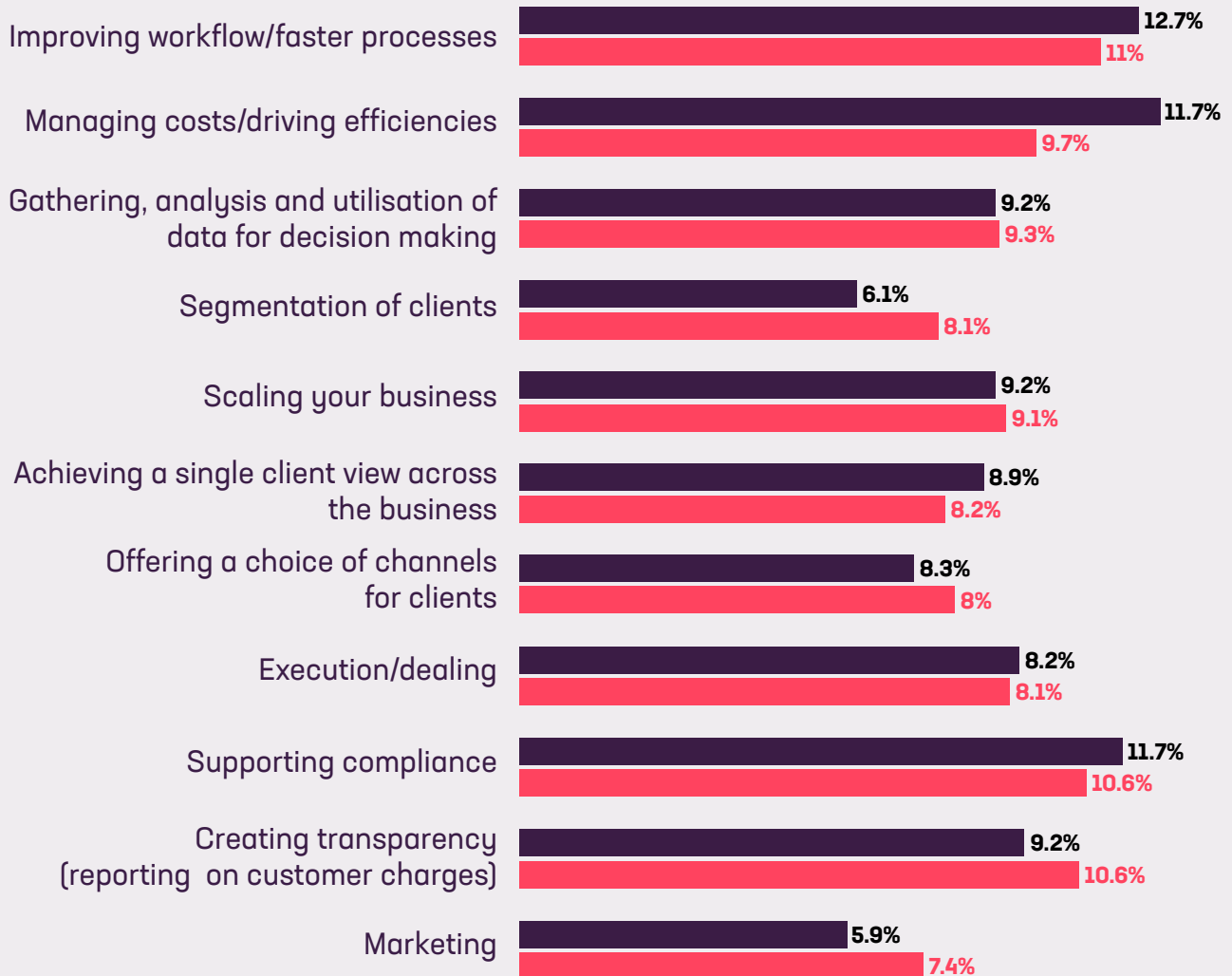- Non-investors: 0%

Key Recent investors   Non-investors

Improving workflow is the most important use for technology.

◄ Current priorities are to use technology to improve operations and meet regulatory obligations.

◄ As price competition and the cost of compliance is rising, businesses are also turning to technology to help manage costs and drive efficiencies.

◄ Looking ahead, managing workflow remains important but the biggest increases in technology use will be for segmentation of clients, creating transparency and marketing.
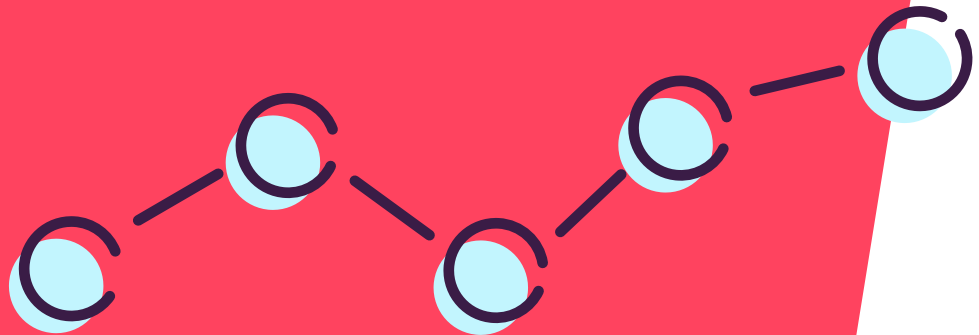
Importance of technology
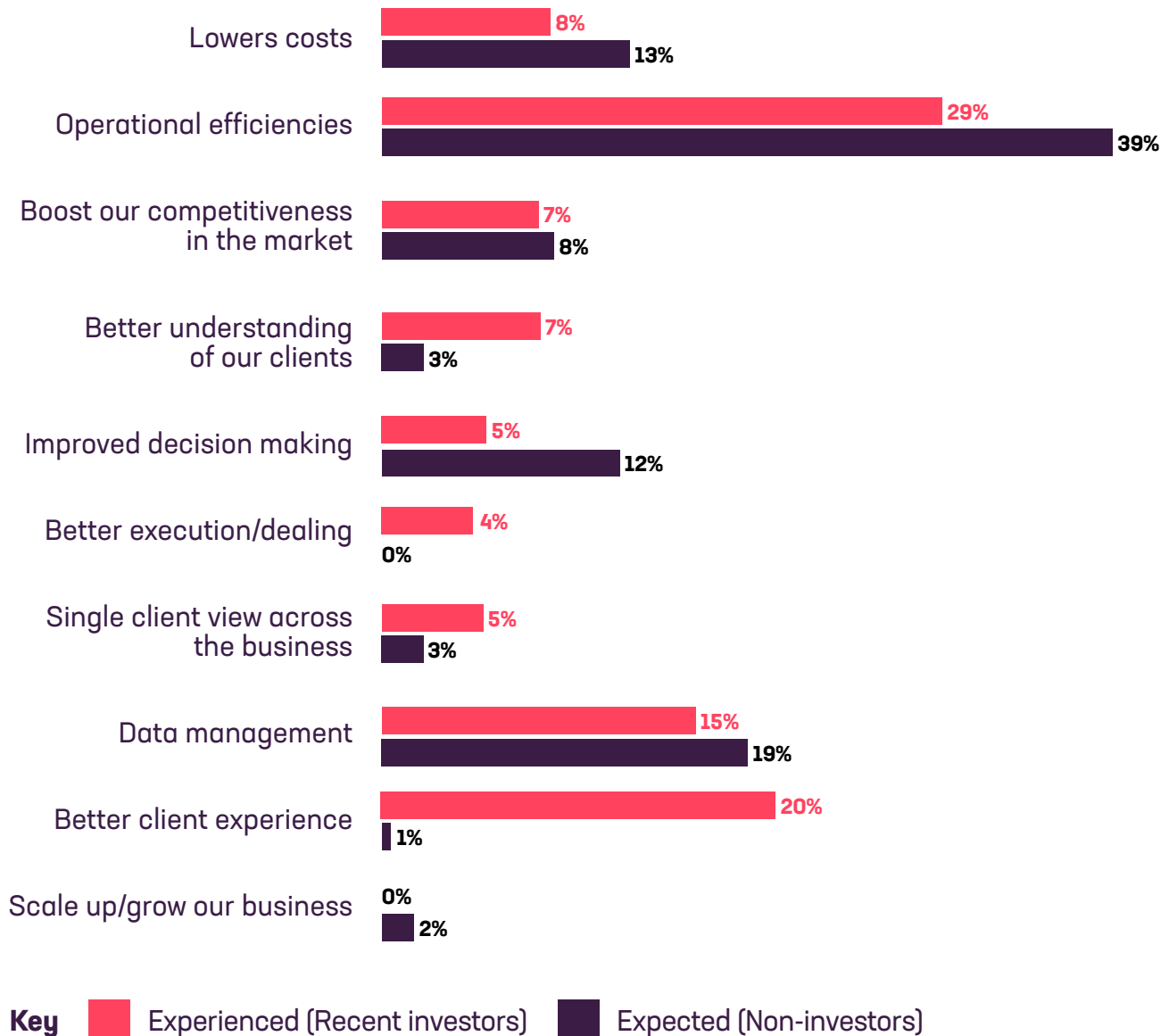
Technology is extremely important for

Improving workflow/faster processes
- Now: 12.7%
- In 5 years time: 11%

Managing costs/driving efficiencies
- Now: 11.7%
- In 5 years time: 9.7%

Gathering, analysis and utilisation of data for decision making
- Now: 9.2%
- In 5 years time: 9.3%

Segmentation of clients
- Now: 6.1%
- In 5 years time: 8.1%

Scaling your business
- Now: 9.2%
- In 5 years time: 9.1%

Achieving a single client view across the business
- Now: 8.9%
- In 5 years time: 8.2%

Offering a choice of channels for clients
- Now: 8.3%
- In 5 years time: 8%

Execution/dealing
- Now: 8.2%
- In 5 years time: 8.1%

Supporting compliance
- Now: 11.7%
- In 5 years time: 10.6%

Creating transparency (reporting on customer charges)
- Now: 9.2%
- In 5 years time: 10.6%

Marketing
- Now: 5.9%
- In 5 years time: 7.4%

% of respondents who rated as extremely important **Key** Now In 5 years time

Operational efficiency tops the list of benefits

◀ The back-office has experienced the greatest transformation, driving operational efficiencies.

◀ While technology has historically been more suited to this area, over a third (38%) of those who have invested recently are already seeing a significant impact on front-office operations.

◀ Investment in front-office technology has resulted in better client experience and management of data.

Benefits of technology investment

Benefit	Experienced (Recent investors)	Expected (Non-investors)
Lowers costs	8%	13%
Operational efficiencies	29%	39%
Boost our competitiveness in the market	7%	8%
Better understanding of our clients	7%	3%
Improved decision making	5%	12%
Better execution/dealing	4%	0%
Single client view across the business	5%	3%
Data management	15%	19%
Better client experience	20%	1%
Scale up/grow our business	0%	2%

Key ■ Experienced (Recent investors)   ■ Expected (Non-investors)

7 ways to maximise value from technology investment

1 Unlock your data

Don't start with technology.
Start with data.

Value your data.

Data should be at the centre of any transformation - it holds important insights into your business and your clients.

Banish bad data.

If you can't trust (or access) the data you have, how do you know where you are now, where you want to be, and where to focus? Without good data, firms can't automate or predict, and future opportunities for growth and profitability will remain out of reach.

2 Define a technology strategy

Lack of direction from leadership is holding companies back.

Be clear about your strategy and technology requirements.

Determine what you are trying to achieve and what you require technology to do.

Make it a business priority.

Seek a dedicated mandate from the business to invest. This will ensure a more proficient implementation and use of the technology which, in turn, will improve its impact on the bottom line.
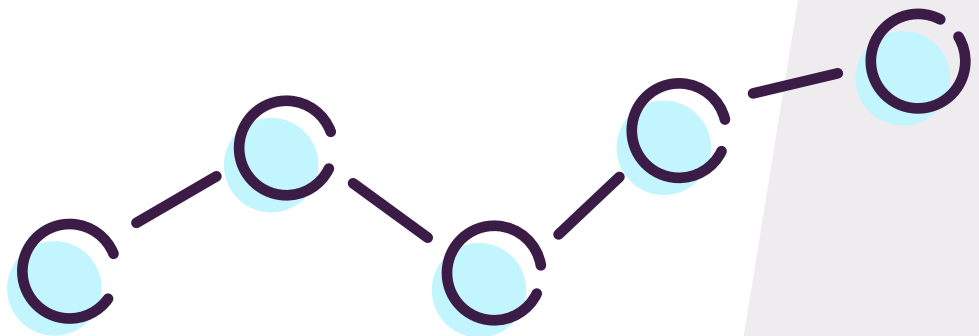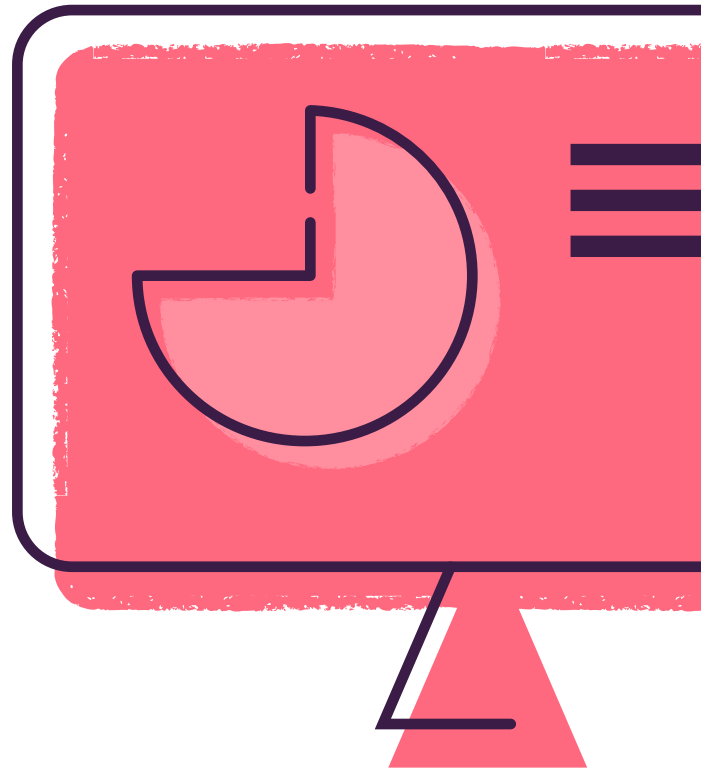
3

Include longer term business goals

The back-office may be today's priority, however, in the long-term this may change. Identify requirements for future enhancements and select technology accordingly.

4 Consider clients

Segmenting clients and marketing will be extremely important to businesses in the next five years.

Client needs are important.

Consider clients needs when compiling a list of technology requirements. Not doing so can create technology limitations from the outset.

Target clients with the right proposition.

This is vital if a business is looking to differentiate its products and services.

Know your clients.

Identify who your clients are and what they are looking for, rather than marketing to generic groups such as 'millennials'. Implementing technology that will deliver a single client view across the business will make this easier. With everything in one, end-to-end, fully integrated system, the client experience and data opportunities are fully optimised.

5 Make technology an inherent part of operations (and no longer siloed)

The recent investors who did this can already see benefits in terms of operational efficiency, client experience and the flow of data around their businesses.

6

Be realistic

Don't underestimate the resources and time required to deliver change.

Discuss the outcomes you expect with your technology provider.

Recognise that transformation does not need to happen overnight.

You don't need to implement or replace everything at the same time and do not need every component; do what is right for your business.

True innovation comes from incremental steps, born out of a considered strategy and supported by a culture that is open to change.
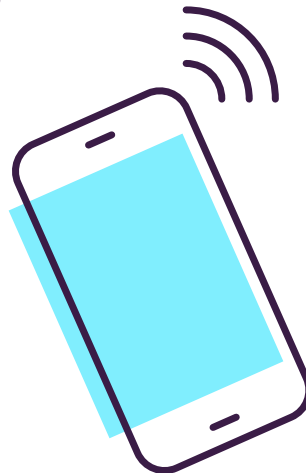
7 Adopt and use the technology effectively

This report demonstrates that the success of technology investment does not just depend on the technology itself.

Involve the whole company and bring everyone on the journey when setting out to implement new technology.

Encourage a collaborative environment from the outset to mitigate scepticism or resistance.

Invest in ongoing training, long after the implementation stage is complete.
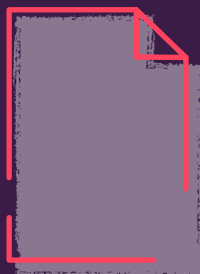
Find out how we can help you maximise value from your technology.

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We are a technology company providing software to the financial services industry. Since our beginning, people across financial services have trusted us to take their performance to the next level with more than 9,000 businesses and 500,000 users globally now using our software.

From the world's most iconic financial brands to entrepreneurial advice firms, challenger banks and digital disruptors, we help improve every aspect of your business so you can work better, every day.

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