

CAPCO

REFLECTIONS OF A GOALS-BASED JOURNEY

INVESTING AND PLANNING



INTRODUCTION

Wealth management clients think about their goals as holistic shared objectives that can be easily understood and managed, regardless of the number of investment accounts they have.

While COVID-19 has rattled lives and markets in an unprecedented manner, the need for a holistic style of management of accounts has not diminished. If anything, recent events have shone a light on the importance of goals-based investing, which can provide clients a greater sense of security and reassurance.

Most wealth managers, however, still operate in an account-centric world, continuing the life of siloed legacy managed account programs that fail to consolidate key client and goal attributes. There are a few select firms that have decidedly pushed the envelope to begin

accommodating a new client-centric end-to-end (E2E) solution, but these firms are still in the early innings of goals-based solutions.

While the full impact of COVID-19 is yet to be determined, we see several financial services players continuing to prioritize and plan similar projects for Q2 and beyond. Wealth management firms should continue to follow and execute across key projects to avoid falling behind their competitors.

Both wealth managers and their clients should take a long-term perspective on recent events, continue planning for the future, and together move closer towards achieving their client promise of a true goals-based investment solution.

PARTIAL SOLUTION: BASED ON OUR OBSERVATIONS

As a band-aid to help solve for this, advisors (including financial advisors (FAs), private bankers, and portfolio managers) and firms have developed their bespoke processes, through the manipulation of spreadsheets, to obtain a consolidated relationship-based view of their clients' managed accounts, with a holistic lens around performance reporting, level fee billing, asset allocation, goals and documents. As one might imagine, these one-off manual processes are not ideal in building a truly scalable and tightly governed **investment and planning based** business.

Firm-level

Many firms would point to a platform solution that's well known within the industry, commonly referred to as a unified managed household (UMH). Although a UMH does lend itself as one of the best solutions to consolidate data across accounts, a fundamental element is still missing from the equation - **integrating planning and investment management from an E2E technology and operational standpoint**¹.

At some leading wealth managers, we're starting to see a trend towards migrating to an overall 'goals-based' platform for clients. Focusing on investment management is one of the most critical steps that firms can take to help advisors remove widespread redundant procedures and making them more effective in serving the end client from a holistic standpoint.

Capco's view

At Capco, more than ever, **we're able to see that no one is getting to the summit fast, and we'd like to share why**. It has become abundantly clear that firms have a hard time connecting investment management and planning systems in a cohesive way that meets both client and FA expectations. Some firms start with implementing new features to their investment management process and then later try to connect the backend to their financial planning tools, **which is exceedingly complex and a key factor holding firms back from achieving the future state vision**.

We want to encourage firms to pause and conduct due diligence before embarking on such an expensive and time-intensive journey.

Despite this, we still believe that wealth managers have an opportunity to competitively differentiate themselves by integrating goals-based capabilities across the advisory lifecycle, including discovery, planning, proposal, enrollment, portfolio management, monitoring and client review.

Based on Capco's research in the industry, we believe there's a limited window of opportunity and that in the near term future, platforms with traditional financial planning capabilities, will begin to mostly become commoditized by many of the more extensive turnkey asset management programs (TAMPs) and start to fall behind the competition.

1. Wealth Management Today, "Merrill Streamlines Their Platform To Deliver UMH for Clients", FA Magazine & Charter Financial Publishing Network: "Demystifying Unified Managed Accounts (UMAs) and Unified Managed Households (UMHs)", and Capco Wealth research

1. LANDSCAPE, CHALLENGES AND OPPORTUNITY

There is an opportunity to re-think the way advisors manage multiple investment accounts for their clients - which is currently fragmented and manual, limiting the FAs' ability to provide valuable goals-based advice efficiently.

Landscape

Managed account solutions have been around since the early 1950s² and continue to occupy a continuously evolving niche within the financial services industry. The initial passing of legislative pension reform built the foundation of the modern managed account industry. Additional advances in technology have led to economies of scale, making managed accounts no longer exclusively available for sizeable pension funds and ultra-high net worth individuals. The adoption and implementation of fee-based wrap accounts were adopted in 1987 by E.F. Hutton, which naturally progressed into large-scale managed accounts offered by wirehouses in the 80s and 90s². Since then, they've expanded to RIAs, IBDs, discount brokerage firms, asset managers and even hedge funds and private equity firms, etc. Firms offering these investment solutions create tailored investment portfolios for their clients that naturally create a stickier relationship than traditional brokerage-based offerings. These products also provide firms with an edge in helping to progress from a historically popular brokerage-based model to a scalable long-term fiduciary and fee-based one that creates a steady stream of annuitized revenue.

Overall, industry expectations have total managed account assets exceeding an estimated **\$7 trillion** in assets under management (AUM) going into 2020 and projected to top **\$9 trillion** by 2022³.

Of the various program types, Rep as PM continues to lead with the most significant percentage of assets (~30%) and expected to rise to nearly \$2 trillion⁴ by the end of 2020. However, UMAs are looked at as the most scalable and optimal solution in the industry and expected to experience a compounded adjusted growth rate (CAGR) of 15 percent between 2018-2022. Specifically, UMAs have also seen an uptick in growth chiefly due to the popular Merrill Lynch One program, the new consolidated goals based managed account platform offered by Bank of America.

Challenges

Actual goals-based investment management requires a complete overhaul of current silos across managed account programs, and the difficulty of doing so scales with the size and complexity of an organization's platform and data infrastructure. Capco holds the view that organizations should ideally commit to the complete consolidation of these processes, not just taking an incremental approach. However, the process of becoming a goals-based manager can be a long and challenging journey that evolves. As a result, taking a phased approach can also be an excellent alternative to **keep moving in the right direction, considering many of the complexities involved in such an implementation.**

Consolidating isolated managed account programs and integrating systems requires substantial resources and bandwidth. As an example, the Merrill Lynch One project saw nearly 300 employees assigned to it for multiple years and carried a steep price tag of \$100 million⁵. **Keep in mind, this did not include incorporating goals-based planning into the backend either.**

2. Wealth Management Today, "Merrill Streamlines Their Platform To Deliver UMH for Clients", FA Magazine & Charter Financial Publishing Network: "Demystifying Unified Managed Accounts (UMAs) and Unified Managed Households (UMHs)", and Capco Wealth research

3. <https://books.google.com/>

4. Cerulli Intermediary Distribution 2019, Cerulli US Managed Accounts Edge Q1 2019 and Capco estimates for 2022 growth of managed accounts

5. <https://www.vestmark.com/resources/blog/walking-the-rep-as-pm-tight-rope-can-broker-dealers-achieve-balance>

1. LANDSCAPE, CHALLENGES AND OPPORTUNITY (CONTINUED)

Its successful rollout also required a rigorous training curriculum and proper advisor engagement feedback loop to ensure its success. Years after its release, the Merrill One platform continues to be fine-tuned based on client and advisor feedback.

However, to even approve funding, this endeavor requires two other vital elements: leadership commitment and organizational alignment. Siloed managed accounts, and their corresponding platforms will have specialized 'SME advisors' and internal product teams that must be informed, leveraged, and aligned with this initiative. Moreover, several other departments/workstreams need also to be engaged early on to provide buy-in and develop a pragmatic strategic vision. Lastly, and most importantly, successful engagement needs to start from the top – if leadership is committed to such a project and communicates the plan, then other stakeholders should naturally follow suit.

Technical challenges are probably one of the most challenging components of this journey and you should vet them thoroughly and tested to ensure that investment management and planning processes are fully integrated, supervised, and aligned to the expectations of the end client and their advisors.

If firms keep in mind that they're dealing with the human element, which is complicated, non-linear, and unpredictable, firms can start to understand why this journey becomes so challenging, considering how firms traditionally conduct legacy wealth management with clients' accounts. As a result, some key challenges around this include:

- Asset location
- Tax optimization
- End to end supervision

- Correlation between risk capacity vs. risk tolerance in meeting goals
- Client preferred risk tolerances across accounts and goals
- Supervision across varying risk levels among accounts and goals
- Client and firm-level reporting
- Backend accounting ledger maintenance and management
- Sleeve level accounting connecting to accounts and goals

Market opportunity

Noticeably, a couple of the largest firms have already embarked on their journey to develop a valid end to end goals-based investment management solution. However, as mentioned previously, the challenges to reach this objective are complex and numerous. No firms have conclusively reached the summit and are still coming up short on a comprehensive solution. The opportunity for other firms is significant as the presence of such a solution in the market is still in its infancy. Areas of upside potential that firms can look forward to include:

- **Superior planning process:** By linking holdings, portfolios, goals, and relationships to one or more plans, advisors will be more effective in helping their clients reach their financial objectives. It also closely aligns the way clients think about their assets and how they tie back to their goals.
- **Enhanced portfolio management:** If implemented successfully, advisors will be able to trade holistically and manage a client's investment holdings, asset allocation, and goals from a single point of entry and effectively communicate with clients how they relate, in aggregate, to their goals.

1. LANDSCAPE, CHALLENGES AND OPPORTUNITY (CONTINUED)

- **Exponential Operational Efficiencies:** You can create these due to E2E straight-through processing for advisors, and a single investment solution catering to all client segments/channels. Advisors will, therefore, avoid pain points with redundant data entry across multiple platform processes (i.e., separate accounts, disparate systems, risk profiling, billing, supervision, etc.) and be able to spend more value-added time with clients to provide advice, guidance, and relationship building.
- **Improved NPS:** By eliminating various operational touchpoints throughout the client journey we see this resulting in significantly higher NPS scores.
- **Thought Leader:** Opportunity to be seen in the industry as a thought leader in the wealth and investment management space.
- **Attracting Talent:** As the wealth management salesforce continuously evolves, a dynamic and cutting-edge solution will win the war on attracting new top tier talent that embraces technology enablement.

2. DISRUPTORS FOR CHANGE

Competition in the wealth management space has been evolving and gearing itself towards a more holistic client relationship model. Outlined are some key goals-based capabilities and themes that we've observed in the advisory space.

A better way to manage money and speak to clients

Advisors are limited to various manual processes, revolving around legacy single account-centric structures and programs. By firms taking the approach to remove program silos, advisors

can remove any unconscious bias they may have towards operating on different managed account programs that may have more natural processes, or in some cases higher fees, that may lean in favor towards the advisor⁶.

A new goals-based investment management platform helps simplify siloed processes into one streamlined process. By consolidating these various managed programs and processes, you remove many of these previous biases with the focus shifting more towards helping clients reach their goals with suitable investments and demonstrating the value of their advice.

6. <https://www.wallstreetandtech.com/infrastructure/merrill-lynchs-merrill-one-platform-raises-the-bar-on-investment-solutions/d/d-id/1252887.html>

2. DISRUPTORS FOR CHANGE (CONTINUED)

Clients stand to benefit from this solution by having the flexibility to choose whether their advisors should be providing discretionary or non-discretionary advice to them across multiple accounts and various levels of portfolio customization in between. Additionally, clients can see the performance of their account(s) relative to their goals, a single view of all investment accounts aligned to goals, transparency around the total fees they pay across their relationship of accounts, and the ability to make changes to their portfolios without requiring new paperwork.

Costly limitations

For most wealth management firms, the available managed account programs utilize distinct, siloed systems & processes. These silos cause significant inefficiencies as well as gaps in client service quality⁷. For example, advisors using various managed account programs need to access and manage clients'

investments across multiple systems (portfolio rebalancing, enrollment, maintenance, etc.) if they want to use more than one managed account program. This requires duplicative effort(s) and extensive paperwork. The lack of a central and automated approach leads to advisors becoming less efficient and spending increasingly more time on investment management & operational tasks rather than building relationships and giving holistic advice to their clients.

As a result, these inefficient systems and account silos become costly limitations that restrict client and FA flexibility that obstruct a truly holistic, goals-based investment management experience⁷.

Opportunity to Differentiate Among Competitors

Goals-Based Portfolio Groups

The structure of this consolidated solution begins with an **extended family relationship** acting as the new framework driving integration across all downstream processes across the advisory journey. Within the extended relationship, there are members of a family along with **sub relationships** (such as grandparents, etc.). From there, **one or many financial plans** and corresponding **goals (one or many)** tie back to the various members within the family relationship.

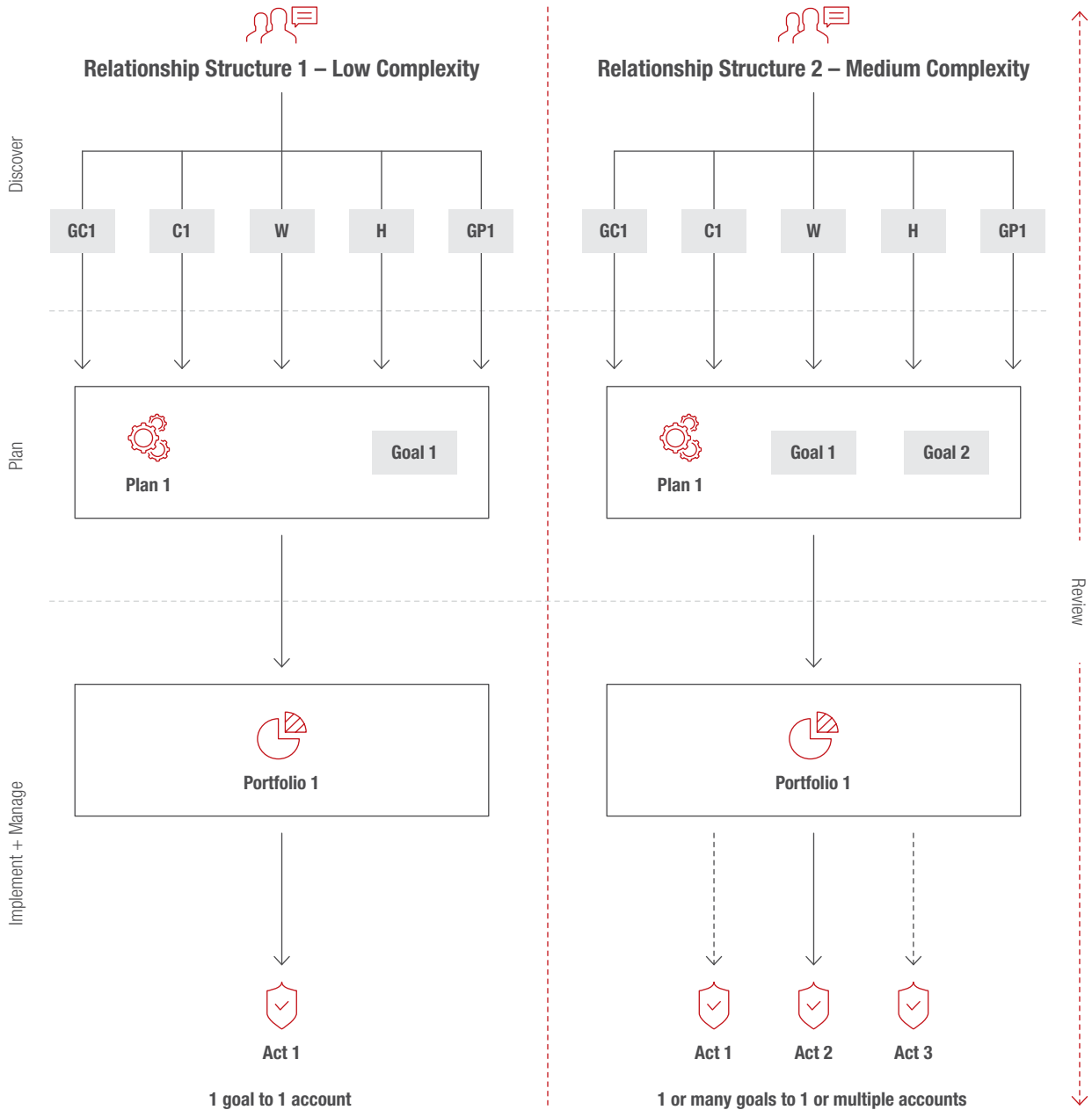
From there, one or many portfolios would contain legacy account numbers that were once siloed by various programs (managed accounts, brokerage, etc.). By having them grouped into one or many portfolios, you remove the redundancies by classifying the previous **legacy account numbers** as **'sub-accounts'** that will operate like investment sleeves within the portfolio. Implementing those operational components are highly complex, and we will cover them in a subsequent whitepaper with more detail.

In addition to demystifying the goals-based portfolio groups, there are other key attributes mentioned below that are necessary to bring the holistic experience together for both the advisor and client⁸.

7. Aite: "Merrill Lynch One: Paving the Road to Goals-Based Wealth Management"

8. Wealth Management Today: "One Platform To Rule Them All: How Consolidation Transforms Wealth Management Systems", and Capco Wealth research

2. DISRUPTORS FOR CHANGE (CONTINUED)



GP: Grandparent P1: Parent 1 P2: Parent 2 C: Child GC: Grand Child

2. DISRUPTORS FOR CHANGE (CONTINUED)

Consolidated relationship-based fees

Through the consolidation of managed account portfolios, you will also need to combine account fees from varying, complex schedules into one consolidated fee structure. Fees would become inherently more intuitive and transparent for the client. The consolidated fees depend on the amount of money the client holds across all accounts, providing the client with the opportunity to benefit from discounts based on their assets and liabilities carried at the firm. Pricing consequently becomes based on a client's overall relationship, including investments in brokerage, 401ks, trust accounts, deposits, outside assets, and underwritten loans. As a result, you treat the client as an enterprise rather than an account.

Client enrollment simplification

On legacy wealth management platforms, opening a second managed account for an existing client is akin to the account-opening process for a new client, requiring separate account by account submission with duplicative paperwork and compliance processes. By utilizing an account-centric view instead of a client-centric one, traditional platforms require access across multiple systems and hamper the process to enroll numerous accounts simultaneously. However, consolidating managed accounts would help result in a singular account-opening workflow process that is transparent for both the advisor and client. With the development of a new consolidated platform, advisors can submit and enroll accounts and investment strategies simultaneously, while supervisors can quickly review and approve everything from one service request. As a result, this will drastically expedite the approval process for one or multiple service orders in one submission.

Contract simplification

A robust goals-based investment management platform will streamline the contracting process for both new and existing clients, using artificial intelligence to prefill account information and simplify contracts. Contracts need to be shortened for new accounts (options for incremental programs and strategies) while adding more accounts should not require contracts to be filled out again by the client. When creating a new consolidated contract that contains multiple account numbers, the advisor can submit all of them in one request to be approved and opened. Furthermore, you can migrate a group of existing client accounts onto the new platform through a single agreement. Not only will advisors benefit from a reduction in operational burden, but clients will also better understand their portfolios thanks to streamlined contracts and the elimination of jargon (e.g., SMA, UMA, etc.).

Holistic level reporting

By consolidating accounts, portfolio reporting across these accounts also becomes centralized. Capco believes the features of goals-based reporting will range greatly depending on the platform, with some firms providing reporting only on managed accounts, while others will offer a comprehensive view on a household's entire financial situation. Regardless of the scope, a unified reporting workstream will facilitate creating a holistic picture of a client's financial health by tracking contributions and portfolio performance against tangible goals.

2. DISRUPTORS FOR CHANGE (CONTINUED)

Increasing sales and relationship building

Capco sees implementing goals-based investment management and fee structures as a substantial opportunity to increase sales directly. For example, lowering fees when increasing account value would incentivize clients to unify their currently disparate accounts, as well as migrate assets from competitor services and add family members to their accounts. For example, the rollout of Merrill Lynch One saw many parents signing on their children's mortgages to get better rates. By developing a holistic view of the entire household, advisors are provided opportunities to discover hidden assets and cross-sell targeted products based on their client's goals.

Moving closer to the fiduciary standards

Wealth management firms are continuously moving down the road of fiduciary investment management, which involves all financial professionals that manage client assets for a recurring fee, to act in their clients' best interests. Although DOL died⁹ in 2018, it turns out that DOL is effectively looking to partner with the SEC and dovetail their efforts with the SEC's Regulation Best Interest (Reg BI)¹⁰. By implementing a unified solution, and focusing on fee-based accounts, firms will provide clients with transparency around how close or far they are in achieving their goals. Firms that lead in the implementation of this model will create a more sustainable practice and help benefit the best interest of their clients.

3. PLANNING FOR IMPLEMENTATION – TARGET OPERATING MODEL (TOM)

As firms begin to consider going down the road of creating a goals-based investment management platform, you must have numerous upfront discussions across the organization, and you must make crucial decisions with product owners and senior stakeholders to build resilient and compelling capabilities that align with the strategic vision.

Capco recommends that you consider the following key decision points.

Clearly defining the prioritization opportunities and building a roadmap

As we've previously articulated, the benefits derived from a goals-based investment management platform can be far-reaching. You must weigh the consideration and evaluation of the various capabilities and **risks** to decide on the preliminary areas of focus. Attempting to complete all opportunities on the first release will not lead to a successful launch.

9. Aite: "Merrill Lynch One: Paving the Road to Goals-Based Wealth Management" and independent Capco research/experience

10. <https://www.barrons.com/articles/dol-fiduciary-rule-version-2-0-51556814859>

11. Barron's, "DOL Fiduciary Rule, Version 2.0", and Capco Wealth research

3. PLANNING FOR IMPLEMENTATION – TOM (CONTINUED)

Considerations:

- Which stakeholder group should we prioritize? Advisor, client, investment management team, or home office?
- Is the focus on defensive or offensive strategies?
- What are the **'biggest rocks,' from a risk perspective,** that need to be considered and fleshed out before moving forward? **i.e., supervision, sub-accounting, accounting ledger management, backend data integration between investment management and planning, etc.**
- What capabilities 'move the needle' and align with the business strategy?
- What can I realistically achieve given inflight initiatives, available time, resources and dollars?
- What level of change can the organization handle?

Building a roadmap will allow the organization to set a clear direction and measure success in a realistic and achievable manner.

Target Client Segments

Delivering goals-based investment management should inherently be segment-agnostic; you should consolidate managed accounts should into a unified view that relates to the client's goals. While a mass affluent client likely has different goals vs. an ultra-high net worth (UHNW) client, discussion with their advisors should be framed in a holistic goal setting context. Engagement regarding the new platform may, however, vary based upon the client segment. The desired complexity of investment strategies and client expectations will increase with client wealth, which is where this solution will shine. Ultimately, we see this solution being a highly utilized tool in the high net worth (HNW) to the UHNW client segment.

Defining the overall platform strategy and understanding build vs. buy vs. partner

Established wealth management firms may elect to undertake an in-house implementation of goals-based investment management. Capco's view is that large firms tend to prefer owning the client experience as well as building and customizing comprehensive internal platforms, often leveraging best practices from competitors. Like the Merrill Lynch One project, wealth managers with considerable resources may decide to construct a new centralized platform from the ground up with a large dedicated team. Organizations of various sizes can also partner with financial/wealth management technology firms (**highly recommended**) that have been down this road before and can help develop a vendor solution that exists on top of their existing platforms.

Other firms with smaller IT budgets and more limited capabilities may select to purchase a vendor solution set that can be integrated with or potentially replace their legacy systems. Many smaller wealth managers have engaged with turnkey asset management programs (TAMPs), which gives them access to managed account services (including research, portfolio construction, and reporting), allowing advisors to focus their time on building relationships with clients. Pairing a TAMP partnership with holistic investment planning could be a viable way for smaller wealth managers to begin the transition towards goals-based investment management.

Technical challenges – current state

As mentioned previously, the implementation of a goals-based investment management platform will require a 'significant' backend transformation. Capco recommends considering multiple technical challenges and risks depending on the firm's

3. PLANNING FOR IMPLEMENTATION – TOM (CONTINUED)

specific implementation strategy. Collapsing siloed managed programs necessitates the integration and sunseting of multiple legacy platforms that advisors and SME's have utilized for several years, which is also why internal stakeholder alignment is essential. Traditional portfolio management systems rebalance at the account level and not at the portfolio or goal level, so the backend must be overhauled to aggregate data

from multiple disparate sources to create a holistic picture of a client's financial situation using sophisticated sub-accounting methods. Integration of proprietary and vendor platforms can also pose a roadblock if the firm chooses a vendor partnership instead of an in-house solution, which is thereby a crucial discussion that frames the implementation strategy and roadmap.

4. CRITICAL SUCCESS FACTORS FOR IMPLEMENTATION

Once you clearly define the planning strategy and roadmap, you can start the execution of the strategy during the implementation phase. Capco recommends the following best implementation practices:

Goals-based blueprinting as the foundational priority

A goals-based investment management platform should aim to re-engineer workflows and data across all advisor-managed investments, not just 'fee-based accounts.' While organizational silos are separating fee-based or managed accounts from brokerage and trust accounts, the client holds goals that are account agnostic. The firm should thereby take a holistic approach by integrating key business cycle milestones across the advisory lifecycle, which include discovery, planning, proposal, enroll, portfolio management, maintain, and review.

Extensive user interviews with clients and advisors are critical to ensure all requirements are captured across the lifecycle to solve any user pain points.

Client-segment specific challenges

While Capco's view is that delivering goals-based investment management should be segment-agnostic, the reality is different client segments pose multiple challenges to consider while developing the implementation strategy.

For example, if the firm chooses to consolidate only some of their managed accounts and leave others siloed, then their holistic investment management platform would likely be more bespoke and geared towards high net worth clients who receive in-depth guidance from advisors. Providing personalized advice to all clients may be impractical with this incremental approach.

4. CRITICAL SUCCESS FACTORS FOR IMPLEMENTATION (CONTINUED)

Moreover, a unified fee structure will likely be based on the number of assets that a client holds – lower fees for higher assets – which may also discourage a mass affluent client. Firms that generally serve a mass affluent client base may increasingly leverage lighter, third-party vendor solutions, while firms serving HNW clients are likely to rely on in-house solutions for greater control and customization of goals-based investment management.

However, ultra-wealthy clients with global footprints may also wish to diversify among different financial firms without fully disclosing their total assets or goals to any one firm.

Consult stakeholders early and often

A new goals-based investment management platform is a challenge to build and must adhere to a range of internal and external regulatory requirements. Firms are looking to deploy integrated goals-based technology that would drive holistic conversations between advisors and clients, which naturally changes many underlying operational processes. Therefore, extensive internal reviews are needed between key stakeholders (business, legal, ops, supervision, risk, and IT) to ensure that there's coordination and ample lead time.

We recommend an 'early and often' strategy. Engaging teams from the outset to ensure that the program adhered to all requirements and had buy-in from key stakeholders.

Phase the rollout and build feedback loops for flexibility

A phased rollout approach with incremental delivery across regional markets would facilitate the engagement of various

stakeholders, as well as provide the opportunity for feedback and subsequent program improvement. For example, Capco recommends starting platform usage with home office 'super-users' and then transitioning to a pilot group of advisors across other markets, while continuously adjusting the program.

The phased deployment cycle should focus on two elements: education and execution. A robust training program will enable advisors to quickly learn the new platform and establish a feedback loop, where they can provide real-time assessments on features. Group training – as well as platform design – should continuously be tailored by user feedback to make the user experience as intuitive as possible. Proper education will empower advisors to migrate new and existing clients to the platform.

Invest in engagement and adoption to remove barriers to success – advisor challenges

Advisors represent one of the most important and most crucial groups of stakeholders both before and after implementation. Engagement and adoption are often considered later in the lifecycle or not given adequate investment. Capco recommends engaging advisors from the beginning of the initiative to ensure the new platform is intuitive and caters to their needs. They need to quickly become familiar with the centralized platform while maintaining their productivity. Furthermore, you need to incentivize advisors to adopt the consolidated account platform properly. A consolidated fee structure takes away price flexibility from advisors and can potentially remove incentives from advisors to make the transition. Advisor performance metrics also require re-thinking, as they currently motivate advisors to look at the next quarter or two rather than the next half-century, shifting the focus away from the client's long-term goals. The implementation team should proactively think about their users

4. CRITICAL SUCCESS FACTORS FOR IMPLEMENTATION (CONTINUED)

and thereby develop a robust training and communication strategy to help advisors understand and envision their success.

KPIs to track for success

Once you implement a new goals-based investment management platform, it is equally important to track the success of the program to ensure that previous pieces of training are effective and result in high advisor and client adoption. In Capco's experience, the best way to track this

progress for similar programs has been to leverage some of the following KPIs:

- New platform login (total and 30 days)
- Percentage of advisors using the platform
- The ratio of legacy clients' relationship migrated
- Number of new portfolio groups
- Number of financial plans linked to portfolio groups
- Net new money
- Total AUMs on new vs. legacy platform
- Internal experience scores by advisors and clients

5. SUMMARY

Investing in goals-based investment management capabilities

Goals-based investment management is precisely what all competing firms have been trying to accomplish ever since Merrill One was launched in 2013. 'The why?' has been clearly defined with clients wanting their advisors to have the 'complete picture' across all their accounts, managed account programs, balance sheet, and how it all ties back to their original goal(s). Capco continues to see various advisor channels (wirehouses, broker-dealers, TAMPs, etc.) racing towards this objective as

many other functions in the advisory lifecycle (portfolio construction, due diligence, research, etc.) continue to become commoditized. As mentioned previously, the opportunity is still tremendous as Merrill One remains the leading program of its kind to be successfully implemented in the wealth management industry. With that said, we expect this trend to continue as firms battle to gain more wallet share from their clients. Firms who decide now to plan, develop, and implement this solution strategically will have a significant competitive advantage, while those who fail to act will pay more, in the end, to catchup.

AUTHORS

Michael Zambon, Principal Consultant

Michael.Zambon@capco.com

Nikhil Sharma, Principal Consultant

Nikhil.Sharma@capco.com

Charles Wang, Consultant

Charles.Wang@capco.com

ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward.

Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and asset management and insurance. We also have an energy consulting practice in the US. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

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