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When less is more

An increasing number of financial advisers are using upwards of three different platforms to gain efficiencies – but it may actually be delivering the opposite.

The number of platforms used by a financial adviser in Australia has hit a 10-year record, as they now typically use an average of three different platforms in their business, according to Investment Trends.

Given how using more technologies could ultimately be inefficient, the use of multiple platforms by advisers means that platform integration with planning software is becoming more important. In choosing a platform, advisers surveyed said that while they primarily prioritise providers based on fees and charges, they're increasingly choosing those who can support their need for efficiency (45%, up from 34% in 2021) and provide reliable technology (43%, up from 30% in 2021).

It's this potential for inefficiencies that Praemium is looking to reduce, designing its platform technology in such a way that it makes the advice process easier and more efficient.

"A key benefit of Praemium's platform technology is its ability to manage all assets and investments on a single platform across custody and non-custody solutions," Praemium head of sales (southern) Samantha Hawkins says.

"Utilising Praemium's extensive range of data feeds advisers can integrate most internal or external solutions, so it reduces the inefficiencies of using multiple software or even spreadsheets to manage a clients' wealth."

Additionally, Praemium streamlines, automates, and digitises workflows and processes so advisers can onboard clients, adjust, monitor, and maintain investment accounts and track workflows and fee payments, she adds. The aim is to free up advisers' time, which would be better spent with their clients.

"We work closely with advisers and wealth managers to really understand their pain points when delivering advice and aim to create functionality to alleviate these pain points and make the adviser's job easier and more efficient," Hawkins says.

As an example, Hawkins points to reporting – a key part of an adviser's value proposition that serves to demonstrate the value their advice and strategy is adding. As such, Praemium has developed a comprehensive report library, allowing advisers to quickly customise their reports, including tailored benchmarks and asset allocation to reflect their unique goals.

"What we are seeing more and more is that investors want a highly personalised and tailored approach and that filters down to their reporting. They don't just want a standard off-the-shelf report that every client gets," Hawkins explains.

"The adviser can choose from a suite of standard reports and customise these with their own information or commentary, so it is tailored to the portfolio and information needs of that client."

This also includes the ability to create bulk reports for large groups of investors and deliver a detailed deep dive into a portfolio and its performance, or even a simple infographic summary, she adds.

It's a whole-of-wealth solution and, as such, is helping to reduce the number of platforms and software providers that advisers have to engage and pay for, Hawkins says.

It isn't just the adviser that is seeking efficiencies though, with clients also wanting to ensure they're getting the most bang for their buck.

Praemium has responded to this demand with its Investor Portal which allows advisers to provide their clients with online access to up-to-date information on their wealth, like valuations, asset breakdowns, performance charts, cash, and trade transactions.

Advisers can also white label the Portal, adding their own firm's logo and colours, and investors can communicate with their adviser directly through the portal, download reports and approve applications.

At a time when advisers are increasingly challenged in terms of communicating their value, Hawkins says having all this information easily accessible means that the engagement between an adviser and their client is moving away from portfolio updates to a more strategic and meaningful conversation. Therefore, it's enhancing the client's wealth experience, she says, while also creating opportunities for engagement between the adviser and their client.

"We've delivered some innovations in ESG that can start the conversation about ethical investing and frame it in a way that is meaningful and relevant to the investor," Hawkins says.

On the ESG front, everyone knows clients are increasingly seeking ethical and sustainable investment options. Quick to respond, in 2019 Praemium created a functionality whereby advisers could filter their portfolios across nine different areas based on the ESG preferences of their client.

"It allows for a truly unique values-aligned portfolio to be created. We've continued to evolve this offering with our ESG Insights report which can show an investor the percentage of their existing portfolio that is invested in these categories and make adjustments," Hawkins says.

"The hyper-personalised experience is an-

other trend [we've been seeing] and we've continued to find ways for advisers to deliver that scalably to their clients to meet the growing demands of investors, whether it is through an ESG approach, tailored reporting, or the investor portal to allow for that really customised approach."

In the current, highly volatile environment, investors are also looking for new, different avenues through which to derive returns, particularly high-net-worth investors. For example, alternatives or digital assets.

"Praemium partners with a wide range of investment managers to provide access to these opportunities via our platform as well as offering wealth advisers the ability to report and administer on some of these more sophisticated or complex investments," Hawkins says.

At the end of the day, advisers are spoilt for choice when it comes to platforms in Australia. It's a crowded market, and – much like advisers – providers must have a unique value proposition that sets them apart.

First developed over two decades ago to report and administer on non-custody assets and complex assets, the addition of the custodial platform for advisers makes Praemium one of the few to offer complete flexibility to build an unconstrained investment solution as well as the tools to report and administer on them, Hawkins says.

"We don't have different versions of the technology," she says.

"We're a specialist in the institutional and private wealth sector but it also offers the opportunity for larger advisers looking to grow and scale their business to leverage our institutional-grade technology.

"The technology is a key part of that choice, but it is a partnership and Praemium is dedicated to working closely with advice firms to really understand their business and help them get the most out of our platform so that they can deliver the best possible outcomes for their clients." **FS**



The quote

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