

Top Producers Path to Gold

FOR MORE INFORMATION:

If you want to learn more about how to implement the strategy discussed, you can contact one of the following from our Program Management Resource Center: Tom Ostrand, Olivia Millrad, Cynthia Pollard.

How changing technology will affect today's advisor

Many of you who attended the 2018 CUSO conference listened to a presentation by Steve Harvill. He discussed the critical role an advisor will continue to play in the digital market place. The following has excerpts from a recent Vanguard whitepaper [“The Evolution of Vanguard Advisor’s Alpha: From Portfolios to People,”](#) which also addresses automation and the role of the advisor.

Which advisor tasks will be automated away?

Automation has and will continue to change the professional lives of financial advisors every day. Basic tasks such as growing, harvesting, digging, moving objects, and recording information are likely to be (or already have been) automated. Additionally, Vanguard suggests that repetitive tasks more closely linked to financial advising such as inspecting, monitoring, assembling, gathering information, processing information, and scheduling are also susceptible to automation. Essentially, if a task is repeatable or scalable and does not require much human creativity or critical thinking, it will likely be automated, according to Vanguard.

Many of these repetitive tasks are considered to be “back office,” and are susceptible to replacement, which Vanguard considers to be “a good thing” as this leaves more time for people to perform advanced tasks.

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Top Producers Corner

Top eight who have already surpassed \$450,000 GDC



Stephanie Gudka, Bellco



Brian Karl, Financial Resources



Wayne Bellinger Jr., Bellco



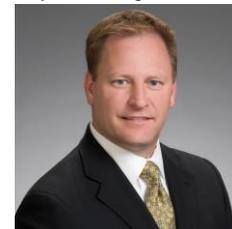
Chip Lutz, Credit Human



Mike Mullen, Bellco



Michael Guthrie, UFCU



Dan Cass, Bellco



Mark Spirk, UFCU



*Gateway Services
Group's mission is
to serve our Credit
Union/CUSO
Partners as an
Advisor and
Consultant
focusing on
Insurance and
Financial Services
Solutions.*

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Moreover, Vanguard believes that while many basic or repetitive jobs will become automated, other jobs will be created to manage and analyze the “manufacturing” processes they are performing. In short, basic or repetitive tasks are more likely to be automated, while advanced tasks that rely on the creativity of the human mind are more resilient.

Vanguard predicts that financial advisors who focus on providing unsophisticated and easily scalable services will be the most negatively impacted by automation. Many investment management services are already being automated and delegated to robo-advisors or digital platforms that perform such services at a much lower cost than human financial advisors.

Advisors can profit by providing clients with personalized and complex services that are not easily scalable, and are therefore less likely to be automated out.

Which tasks will *not* be automated away?

According to Vanguard, financial advisors need to focus on the complex, creative, and human parts of the financial advice industry to remain profitable and grow. The work falls into the categories of applying knowledge, strategizing, thinking creatively, solving problems, judging quality, developing teams, maintaining relationships, and assisting and caring for others.

Many of these complex, human tasks are key components of the financial advisory business when an advisor is providing comprehensive advice across all spectrums. Some of the “advanced” tasks financial advisors perform include applying years of personal and professional knowledge when creating financial plans for clients, strategizing to ensure clients’ financial health, thinking creatively to solve clients’ financial problems, and judging the quality of clients’ financial, estate and tax plans.

Automation, an opportunity for success?

While it is easy to view automation and advanced technology simply as threats, they do not have to be. According to Vanguard, workers in 2000 spent only 30% of their time on advanced tasks compared to workers in 2015, who spent 50% of their time on advanced tasks. Vanguard believes that in the future, workers will spend 80% of their time on advanced tasks, and work will be dominated by advanced tasks like solving problems and maintaining relationships.

There are both negatives and positives to automation. Technology enables advisors to increase their value by providing complex services to their clients. Technology reduces the amount of time spent on more mundane tasks and allows advisors to spend more time building strong relationships with prospects and clients. Looked at in this way, everybody wins with technology.