The Kitces Report
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The Technology That Independent Financial Advisors Actually Use (And Like)

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Biography

Derek Tharp is the lead researcher at Kitces.com, an assistant professor of finance at the University of Southern Maine, the founder of Conscious Capital, and a Senior Advisor to Income Lab.

In addition to writing at Kitces.com, Derek regularly contributes to the wealth management section of the Wall Street Journal's Experts Blog.

His research has been published in academic journals such as the *Financial Planning Review, Journal of Financial Planning,* and the *Journal of Retirement.*

Derek's research has received multiple awards, including the Emerging Scholar Best Paper Award at the CFP Board Center for Financial Planning's 2020 Academic Research Colloquium.

FEATURED IN:

THE WALL STREET JOURNAL.

FINANCIAL PLANNING REVIEW

Journal of Financial Planning.

the journal of retirement

Table Of Contents

Executive Summary

- Technology plays a crucial role in helping financial advisors gain internal business efficiency and simply provide deeper advice and better quality serve to their clients. However, understanding trends in advisor adoption and satisfaction are difficult, as most industry tech surveys utilize open links that are subsequently distributed by the technology vendors themselves, such that results can be distorted by whichever vendors are best at convincing their users to participate. To remedy this, our Kitces Research study used an invitation-only survey, that couldn't be shared, to gather highly detailed information about what tools advisors are using, where they've made changes in their technology usage, where they anticipate making further changes in the future, and how satisfied they are with the various tools they are using.
- Overall, CRM software was most widely adopted among financial advisors (85.7% adoption), followed by financial planning software (83.0% adoption). Although, notably, this did differ by channel, with CRM being most widely used among advisors in the BD channel – versus financial planning software being most widely adopted among advisors in the RIA channel.
- A highly linear relationship was observed between perceived importance of a software category and advisor satisfaction within that category. It appears that perceived importance drives demand, and demand in turn has driven more competition (i.e., more providers competing to provide solutions to meet the demand), which is then driving more iteration and development across companies in the category, resulting in a better (i.e., more satisfying) product for the advisor.
- Within the financial planning software category, eMoney (33.0%), MoneyGuidePro (30.3%), and RightCapital (19.7%) led in terms of market share. However, our results were suggestive of RightCapital drawing market share from both MoneyGuidePro and eMoney, with eMoney further pulling additional market share from MoneyGuidePro. This appears to be driven primarily by a rising demand for more advanced financial planning software (rather than "planning light" solutions) as planning depth, technical accuracy, and comprehensiveness were amongst the biggest drivers of advisor satisfaction with their planning software.
- Within the CRM software category, Redtail (32.9%), Wealthbox (22.7%), and Salesforce (13.3%) led in terms of market share. Some notable trends included an ongoing outflow of advisors aware from Junxure, and an emerging shift of advisors from Microsoft Dynamics and toward Salesforce.
- Plan monitoring, fee billing, data gathering, scheduling, and various specialized planning tools (e.g., tax planning and specialized retirement tools) were identified as high adoption potential technologies, and have high importance but limited current adoption, that we project are likely to see material increases in adoption in coming years.
- Trading tools, risk/behavior assessments, and specialized retirement tools were the areas with the highest percentage of advisors that were self-building their own tools, followed closely by tax, data gathering, and note-taking software – suggesting that these could be areas with some of the biggest technology gaps and large opportunities for new or existing technology vendors to capitalize on.
- Advisor satisfaction lagged stated importance of technology in several categories, most notably including digital marketing, account aggregation, compliance tools, performance reporting, and CRM systems – potentially suggesting these areas are more prone to new entrant disruption.

A special thanks to Investments & Wealth Institute for sharing the Kitces AdvisorTech Research Survey with their membership!

INVESTMENTS & WEALTH INSTITUTE®

Introduction

Technology plays a crucial role in helping financial advisors better serve their clients. From industry-specific tools (e.g., financial planning, portfolio management) to general tools (e.g., spreadsheets, e-signature solutions), technology helps advisors be more efficient in servicing clients and can even help expand their value proposition by doing more and going deeper for their clients.

A number of industry surveys exist to help inform advisors about technology used in their practices, and advisor satisfaction with those technology solutions. However, a major limitation of most industry surveys is that they operate based on open survey links that can be taken by anyone. Even if there's some attempt to verify that individuals taking the survey are actually advisors, many software companies encourage their (typically most satisfied) users to participate in the open-link surveys, which ultimately turns such surveys into a sort of popularity contest with companies incentivized to try to "stuff the ballot box", rather than a genuine tool for understanding advisor usage of and experience with different technology tools.

As a result, in 2021 Kitces Research launched an invitation-only survey for the tens of thousands of advisors in our Kitces community. We created a unique URL specific to each person invited to participate in our survey, which could only be used once (preventing any sharing by advisors or the technology companies they use).

Notably, we did *still* encounter software companies trying to stuff-the-ballot-box by sharing clever workarounds to our survey constraints, but given the nature of our recruitment method, we were able to identify this behavior and exclude such responses. (Note to tech companies: Don't bother trying that again. You are just wasting your and your users' time!)

Participants In The Kitces Research Technology Study

Notably, our Kitces community is not representative of the industry of "financial advisors" as a whole. Our readers tend to be more advice-centric (i.e., less likely to be primarily selling products for commissions), fiduciary-minded, slightly younger than the average advisor, and committed enough to continuing education that they self-select into consuming our in-depth, long-form educational content.

As a result of these background psychographics, our sample is significantly more likely to have CFP certification and is more likely to come from the independent RIA (or hybrid RIA) channel than from a broker-dealer (though our survey sample included many advisors from each of those channels).

We characterize this group of financial advisors as 'financial *advicers*' to reflect that particular subset of advisors who are focused on delivering financial advice (and not selling financial services products) as their primary value proposition.

This lack of representation is certainly not unique to our study (most advisor studies have some bias towards their primary base of advisor participants), but we think it is worthwhile to be transparent about and mindful of the differences that exist in our sample. If you fit the Financial Advicer description above – and particularly if you are in an independent channel, whether independent BD or RIA – then our findings may be most relevant to you. More generally, given the ongoing shift of financial advisors from products towards advice, we also believe this sample is a strong representation of where the broader financial services industry is *going* as well.

However, being mindful of the biases we are aware of in our sample, we have taken extra steps to adjust certain metrics to at least attempt to adjust for known differences within our sample, relative to the general advisor population.

In practice, we make these sampling representative adjustments using advisor-head-count-by-channel data provided by Cerulli Associates. For instance, according to recent data from Cerulli, there were a total of 123,162 individuals within the independent industry channel. Of these, 29.8% were in the independent RIA channel (36,642 advisors), 47.4% were in the independent broker-dealer channel (58,419 advisors), and 22.8% were in the hybrid channel (28,101 advisors). For the purposes of our weighting, we treat hybrids as first and foremost associated with a broker-dealer, since hybrid advisors are often constrained by the same 'home office' forces that impact broker-dealer selection and use of technology.

Using these Cerulli channel weights, we adjusted our top-level market adoption rates for the various software categories. As a result, even though our sample had a tilt toward independent RIAs (even within the independent channel broadly), we believe our channel adjustments to these statistics allow us to capture the broader trends of advisor technology across the entire (RIA and broker-dealer) independent channel. Though, as discussed later in this report, there *were* significant differences in *adoption* of certain software categories across channels, which reflects the different frictions in the marketing and sales process by channel that are driving adoption rate differences.

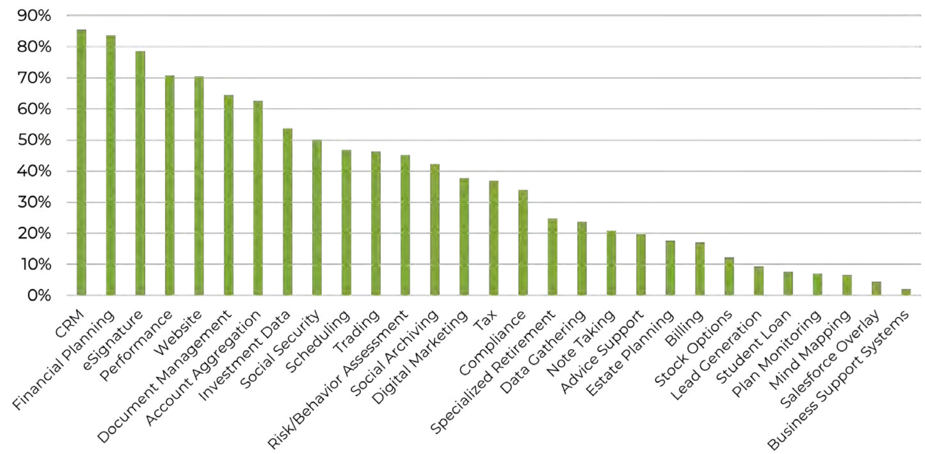
Nerd Note: While we have adjusted our high-level software category adoption rates, unless noted otherwise, we have not applied similar adjustments within specific software categories with respect to the user ratings of the software. As such, our more RIA-centric sample – a higher proportion of RIAs than the general independent advisor population – could be biasing results more in the specific software company ratings and adoption rates. However, in our internal review across all software categories, there were not any major statistically significant differences in user ratings for technology solutions between RIAs and independent broker-dealers, making channel weightings for user satisfaction a moot point. As our sample continues to grow in future studies, though, we aim to make even more refined adjustments to identify any further differences that may exist between channels.

Notably, these independent channels still only make up about one-third of the total 291,672 financial advisors estimated by Cerulli across all channels. However, advisors across other channels – from wirehouses and national brokerage firms to insurance companies and banks – generally have no ability to select their own technology, and instead are required to use whatever their parent company has selected on behalf of all advisors, which means market adoption rates reflect little when it comes to actual user preferences and satisfaction of advisors themselves.

Advisor Headcount	Wirehouse	National & Regional B/D	IBD	Hybrid RIA	Independent RIA	Insurance B/D	Retail Bank B/D	All Channels
Number of Advisors	44,949	43,580	58,419	28,101	36,642	55,503	24,478	291,672
Advisor Marketshare	15.4%	14.9%	20.0%	9.6%	12.6%	19.0%	8.4%	-

As such, the independent channels (both BD and RIA) are our focus for this study, since it's independent advisors who tend to have the most direct control *of* their software decisions in the first place – making them more likely to be early adopters and also more likely to terminate unsatisfactory software relationships – such that the trends we identify amongst independent financial advicers in particular more directly reflect the attitudes of the end advisors using the software.

Software Category Adoption Rates



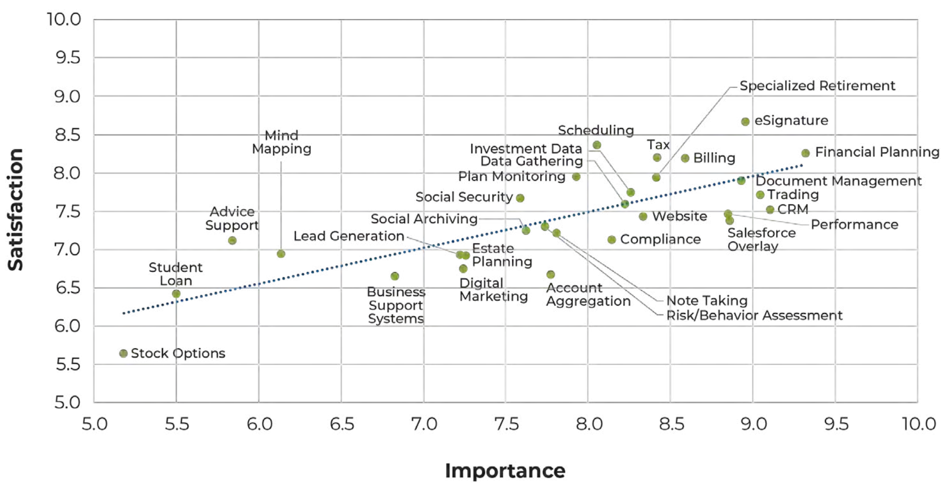
Overall, CRM software was the most widely adopted software among financial advisors, at 85.7% adoption, followed by financial planning software at 83.0% adoption. Interestingly, this was not the same *within* channels, as financial planning software was most widely adopted among independent RIAs (87.7% financial planning vs. 84.8% CRM among RIAs), but CRM software was most widely adopted among independent BDs (85.7% CRM vs. 83.0% financial planning among BDs), which speaks to the reality that broker-dealers tend to have greater compliance infrastructure (that typically looks to the advisor's CRM for compliance review, and therefore more commonly requires its use), while RIAs have a higher preponderance of small solo advisors who are their own Chief Compliance Officer (and may rely on their own email, client notes in Word documents, and similar notes-capture systems, without feeling a need to have a CRM system to 'review themselves').

More generally, our results reflect a continued focus on the "Big 3" of advisor technology tools – CRM, financial planning, and performance reporting – that form the hub of what all advisors use to build their practices, followed by document management and investment data/analytics in addition to two more recent categories that have gained substantial adoption in recent years: account aggregation, and e-signature.

Advisor Demand Vs Satisfaction With Existing Tools

In addition to asking financial advisors about what types of software they are using in their practices, our research also explored how satisfied advisors are with the various tools they are using and how important those tools are to them.

By aggregating these up into category level totals, we can get a sense of where advisors are generally most satisfied with software and where there is the most room for improvement.



Market Leaders And Experimental Software

Under this framework, financial planning software, CRM, scheduling tools, document management, and e-signature software all stand out as areas particularly high on the importance/satisfaction spectrum and represent 'market leader' categories. At the other end, business support systems, student loan software, stock option analysis tools, and mind mapping software were particularly low in both satisfaction and importance and still sit in an 'experimental' category of trying to find their momentum.

What's particularly striking about the results, however, is how linear the relationship between advisor importance and satisfaction ratings, as tools that rank highly on importance also rank highly on satisfaction (and vice versa for those with low scores). It is likely that perceived importance drives demand, and demand in turn has driven more competition (i.e., more providers competing to provide solutions to meet the demand), which then drives more iteration and development across companies in the category, which results in a better (i.e., more satisfying) product for the advisor. However, the relationship could also run in the other direction, and it could simply be a matter of as tools improve – and prove out their valuable use cases – they become more adopted and relied upon until they are viewed as essential and important to advisors.

In this context, tools that have high importance and high satisfaction may be very hard to break into because advisors who have urgency to buy them (i.e., high importance) are already likely quite satisfied with what they have (i.e., the Market Leaders). Conversely, those categories with low satisfaction must be mindful that if advisors don't find the software important, they may not buy it even if the software *does* improve its user ratings.

Still, though, this highlights two potential paths for further development of a broad software category: (1) raise the perceived importance of a category (e.g., teaching advisors how and why a tool could be beneficial to them that they may not be aware of) so that they adopt it and use the increased demand (and revenue) to support reinvestment to refine the software to higher ratings; or (2) simply improve the quality of a tech offering (driving higher satisfaction), and then the more useful tool itself may become more desired (and recognized as more important) to a firm's operations.

The key distinction, though, is that firms that find themselves in the 'experimental' category (e.g., student loans, stock options) that are lower on both importance and satisfaction may want to focus more on raising the perceived relevance of the group as a whole or focusing on internal software improvements, rather than fighting for their market share against their competitors specifically. Or, in other words, firms can work together with their 'competitors' to make a bigger pie of relevance for their entire category by making their category seen as more important, rather than fight over control of a relatively small (still-experimental) pie of current market adoption.

Fast Growers And Disruption Risk

Given the link between importance and satisfaction, already-popular categories (high importance) are generally very difficult to break into because of their existing high satisfaction (which makes advisors loathe to go through the hassle of switching at all, for what are perceived as minor incremental improvements at best). Though ironically, categories with low satisfaction may also be difficult to gain traction with because they tend to rank lower in importance (and thus have limited demand) in the first place.

Instead, arguably the greatest opportunities for new software providers come in the categories that are significantly above or below the 'importance/satisfaction' trend line. As given the relationship between the two, software that has a significantly higher satisfaction rate than its importance rate is likely to gain adoption as its positive ratings inspire other advisors to adopt the tool (making it 'more important'). Conversely, software that has an importance rating significantly higher than its satisfaction rating implies broad dissatisfaction in a category that has importance-driven demand, which makes it prone to disruption from a new entrant that has a substantially superior execution (to command higher satisfaction ratings).

In this context, advisor technology categories that have the potential for above-average growth by building awareness of their value proposition include Advice Support, Mind Mapping, Plan Monitoring software, Billing, eSignature, and a number of more specialized planning tools – including Social Security analysis, Specialized Retirement analysis, and Tax) – as these are all areas where satisfaction is noticeably higher than perceived importance. Firms in these categories may want to particularly think about how they can help advisors better see the importance of their tools (e.g., education focusing on how to leverage the tool *in* the advisor's practice, rather than just core functionality of the tool), as to the extent they can learn what makes the software so valuable to their existing satisfied users implies an opportunity to teach other advisors how to similarly use the software themselves (increasing its perceived importance as the benefits and relevant Use Cases are demonstrated more widely).

On the other hand, there also appears to be some potentially areas of advisor technology that are 'prone to disruption,' where their advisor satisfaction lags their stated importance (which signals pent-up demand for an alternative solution), including Digital Marketing, Account Aggregation, Compliance tools, Performance Reporting software, and advisor CRM systems (along with the Salesforce Overlay category). These categories seem to be of interest – they are deemed above-average importance – but the existing providers aren't driving the same level of satisfaction, which implies that a new offering that can deliver a superior user experience could quickly gain market share due to the advisor demand embedded in high-importance categories.

Advisor Technology Categories Positioned For Growth Or Prone To Disruption

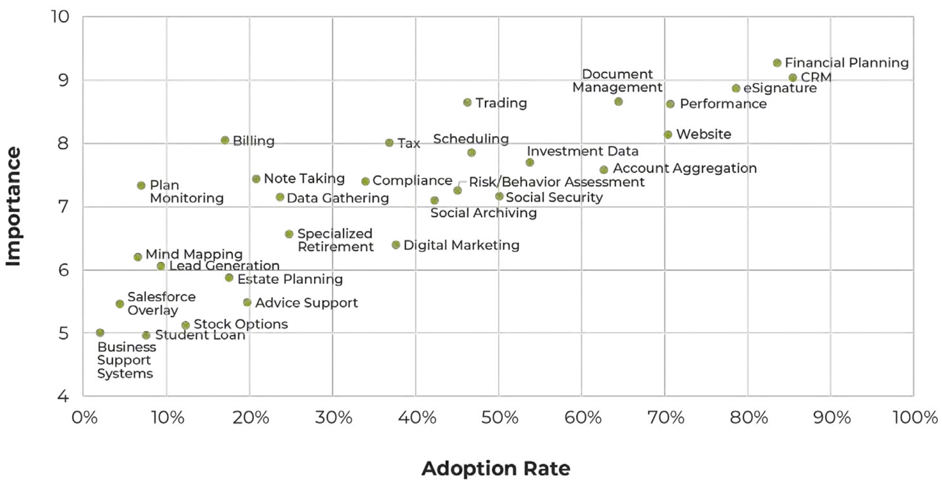
AdvisorsTech That Should Grow With Awareness	AdvisorTech Prone To New Disruptors
Advice Support	CRM Systems
Mind Mapping	Salesforce Overlays
Plan Monitoring	Performance Reporting
Billing	Account Aggregation
eSignature	Digital Marketing
Specialized Planning Tools	Compliance

Notably, these results also suggest that – notwithstanding the popularity of the "Big 3" of CRM, Performance Reporting, and Financial Planning software – all three are exposed to a significant level of potential new competition in the coming years, as advisor satisfaction with CRM and performance reporting is now lagging its perceived importance, while financial planning software market adoption is at risk of being chipped away by more specialized Social Security, retirement, tax, and other planning tools beginning to emerge as advisors go deeper in their financial planning value propositions.

Advisor Demand And Technology Growth Opportunities

Given that advisor satisfaction tends to follow importance – rising demand for a software category has generally resulted in the software iterating to a higher satisfaction level – it is perhaps not surprising that perceived importance and adoption rate (i.e., how important advisors think the software is, and how often they've actually bought it) also follows a linear relationship.

High Importance But Low Adoption Categories



The categories in the upper-left quadrant here – data gathering, note taking, billing, and plan monitoring, tax, compliance, trading, and scheduling – are all areas that may be thought of as high growth potential categories that could warrant further attention. Their high perceived importance suggests a high demand, which their market adoption hasn't caught up to (yet?).

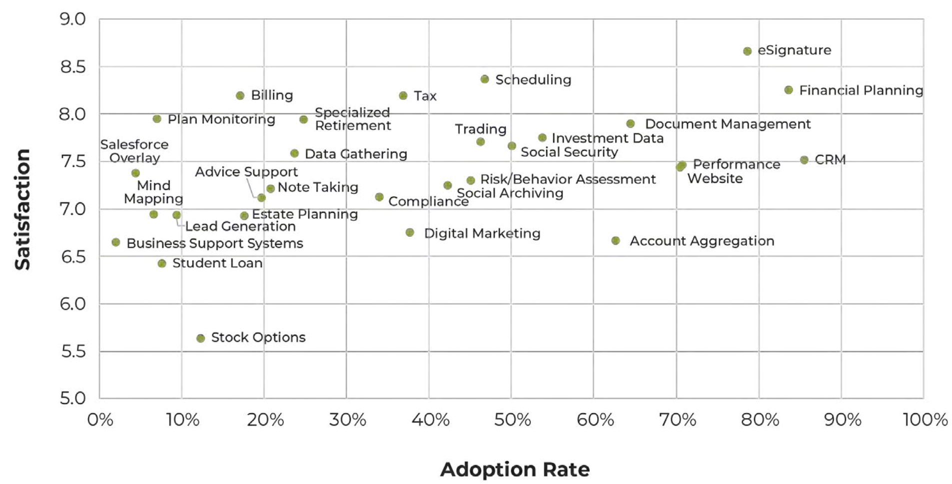
In fact, it's notable that billing software actually rated as more important to an advisor's practice than investment data, but yet billing solutions as a whole are far less common in terms of adoption (though notably, given the way our survey questions were phrased, it is possible that advisors who simply rely on their RIA custodian or broker-dealers technology to bill on their behalf may not have indicated they 'use' this type of technology).

Similarly, Plan Monitoring is a software category that may be worth giving specific attention to going forward, as there is a particularly stark difference between its perceived importance (on par with compliance software and higher rated than risk/behavioral assessment and Social Security planning software), yet adoption is still at less than 10% overall. Moreover, this could be an area for emphasis for financial planning software companies themselves, since it appears advisors find this important but don't seem to be overly satisfied with the existing solutions in the market.

As shown earlier, though, the real key to rapid adoption amongst financial advisors is not 'just' high perceived importance, but also satisfaction with the software itself, as it's difficult to encourage adoption – even if the software is rated as important – if advisors aren't happy with the solutions that are available. (Or alternatively, opens the door for newcomers to disrupt the existing providers in a high-demand low-satisfaction category.)

As a result, we can get the best perspective on what tools are especially prone to disruption competition or are especially likely to experience fast growth by looking at those that have especially low adoption despite high satisfaction (wait until the word gets out!), or those that are very high adoption with especially poor satisfaction (advisors may be eager to switch to a better solution!?).

Satisfaction And Adoption Rate By Category



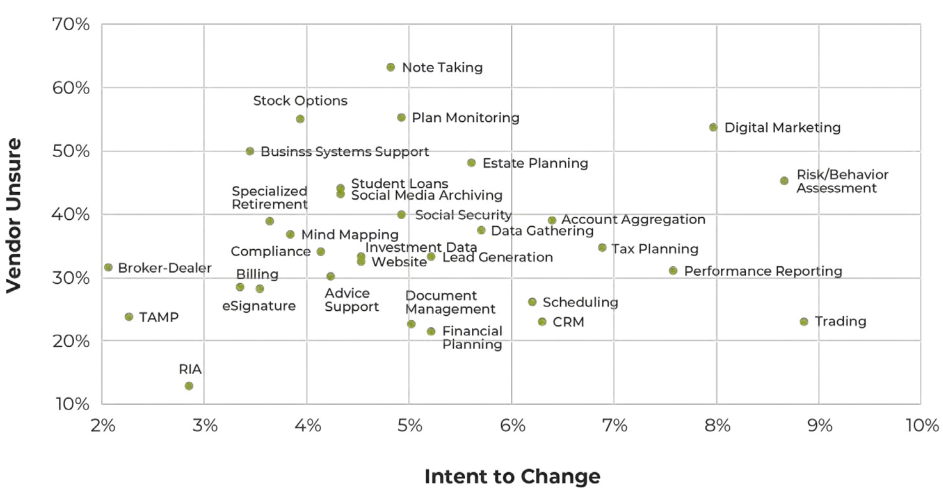
Jointly examining satisfaction and adoption rates reveals a number of categories – including plan monitoring, billing, data gathering, scheduling, and various specialized planning tools (including tax planning and specialized retirement analyses), among others – all showing as "high adoption potential" technologies that we will likely to see picking up in recent years. Notably, a Nerd's Eye View discussion of technology trends from 2018 observed that e-signature software was in a similar position at that time, and we have seen that wide-scale adoption occurring in the shifting of e-signature all the way over to 80% adoption in this study (from barely over 40% three years ago).

It is also worth noting that account aggregation software really stands out as a highly adopted software that users are not very satisfied with (at least relative to others with similar adoption). While it is reasonable to suspect that much of the frustration here relates to how unreliable account aggregation infrastructure is (i.e., constantly needing to re-establish connections, plus the challenges in categorizing flows and transactions that are aggregated in), if a new entrant could step in and fix these problems, and provide 'cleaner' data with better categorization and less required scrubbing by advisors, there may be significant opportunity for disruption of existing market share within this category.

Advisor Willingness To Change And Opportunities In Motion

Within our study, we also asked advisors about their intent to change software within the next 12 months and their intentions regarding which software they would adopt. While advisors could indicate the particular technology they would adopt, they could also indicate that they want to change (e.g., aren't happy with their current software) but aren't yet sure what they will adopt instead. Which allows us to show a measure of 'vendor uncertainty' (i.e., percent of advisors who are looking to change but aren't sure who they would adopt) within a given category, which effectively means advisors are especially open to new entrants (rather than simply pursuing existing known vendors).

Vendor Uncertainty And Intent To Change



The significance of this framework is that it helps to highlight categories where advisors are proactively looking for new solutions beyond the 'known' players in a category (scoring high in 'Openness to New Vendors'), and conversely which categories advisors are generally only looking at a specific set of alternatives that already exist (and thus tend to know exactly where they're going if they decide to leave their current vendor, making it difficult-to-impossible for new entrants to break in).

In this context, digital marketing and risk/behavioral assessment are two categories with high intent to change, but a lack of a clear intended vendor to move forward with. This could indicate significant opportunity for new providers within these areas to win over advisors looking to make a change by offering them a new/different value proposition. Other notable categories – that have less intent to change, but a high likelihood that if they do, they will be exploring new vendors – include Note Taking, Plan Monitoring, Stock Options, Business Systems Support, and Estate Planning.

For comparison purposes, we did also look at intent to change platforms (e.g., broker-dealer, RIA custodian, and TAMP) and openness to new vendors. It is notable how sticky B/Ds, RIA custodians, and TAMPs are, with intent to change below 3% for each. Furthermore, it is notable that there is very little openness to RIA custodians as well. In other words, among even the few advisors who *are* looking to change RIA custodians, advisors already seem to have a good idea of who they would want to move to going forward if they did make a change and suggests that newcomers in the RIA custodial channel in particular may struggle to break in.

Billing software and e-signature software are the next closest to platforms in terms of "stickiness". Looking at the major categories of financial planning software and CRM, while intent to change is pretty middle of the road, there remains little uncertainty regarding future vendors. So even if an advisor does want to make a change in these categories, they are likely already relatively confident what that change will be, signaling an uphill battle for any new entrants considering a challenge to the existing incumbents in the market-leading categories.

Advisor Technology Leaders: Current And Future Adoption Trends

Our Kitces Research data gave us a few different ways to look at market leadership among current technology solutions. However, arguably two of the most important are satisfaction and adoption rate.

To try and broadly classify companies, we have identified 'market leaders' (those with 10% adoption and a strong user satisfaction rating of at least 8) that have an established position as incumbents who may be especially hard to unseat, 'standouts' (those with 5% or more adoption and a user satisfaction rate of at least 8.5) that are likely to capture a disproportionate amount of new market share, and 'newcomers to watch' (those with less than 5% adoption but a satisfaction rating of at least 8.5) that could become fast breakouts for advisor adoption.

The table below summarizes the vendors that met the criteria above within various categories.

Category	Market Leaders*	Standouts**	Newcombers to Watch***
CRM	Redtail	-	-
Financial Planning	eMoney, MoneyGuidePro, RightCapital	RightCapital	-
Performance Reporting	Envestnet Tamarac	-	Addepar
Trading	iRebal, Envestnet Tamarac	iRebal	Rebalance Express
Investment Data	Ycharts	Kwanti	FactSet, Koyfin
Document Management	Microsoft OneDrive, Dropbox	Dropbox, Box	-
eSignature	DocuSign	DocuSign	HelloSign
Billing	AdvicePay	AdvicePay	Quickbooks
Scheduling	Calendly, ScheduleOnce	Calendly	-
Specialized Retirement	-	-	Timeline, Income Conductor, Income Lab
Tax Planning	Holistiplan	Holistiplan	Planner CS

* 10% adoption with a user rating of at least 8
** 5% or more adoption with a user rating of at least 8.5
*** Less than 5% adoption but rating of at least 8.5

Note: to keep our ratings comparable with sufficient sample size, we used a cut-off point of 2% adoption within a category to decide whether a company would be included in the ratings.)

Notably, even within the core categories of the Advisor Technology stack, few categories have more than one market leader, and many have no standouts or significant newcomers, suggesting that notwithstanding the sheer explosion in the number of AdvisorTech solutions in recent years, there is still ample room for new entrants to create highly-rated software that can win market share. On the other hand, the sheer fragmentation of the advisor marketplace means it is difficult for many tools to gain a high market adoption and have a high user satisfaction rating, as in practice the tools that go 'broad' often have to sacrifice their user ratings as the user experience becomes more bloated in trying to be more things to more advisors.

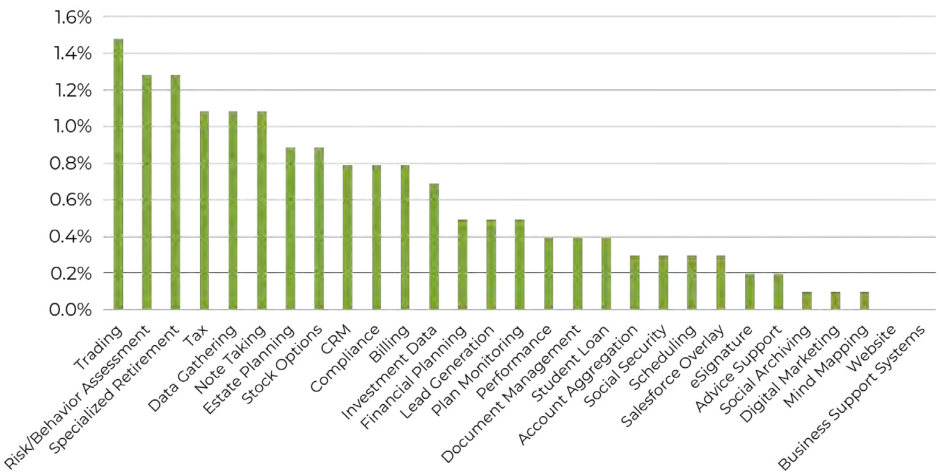
In turn, it's worth noting that "niches beat out popular generalists" is an observable trend in the table here (and throughout the remainder of the study that follows). This is a big deal because it both signals a pathway for new entrants – start narrow to gain a foothold before trying to broaden – but also provides a growth strategy for incumbents by looking at up-and-coming niche solutions for potential replication or even acquisition to make those niche solutions add-ons to their existing core.

Advisor Innovation And Homegrown Tools

For most of its history, advisor technology has been driven by "homegrown" solutions, where an advisor has a problem that they can't find a solution for, decide to create their own technology to address the issue in their firm, end out then selling the solution to other advisory firms, and 'suddenly' end out with a software business on the side. In fact, this homegrown-software pathway is the origin story for a remarkably wide range of today's popular advisor technology tools, including Redtail, Junxure, and Protracker CRMs, Orion and Tamarac for performance reporting, iRebal, TradeWarrior, tRx, and RedBlack for trading and rebalancing software, Tolerisk and RiskPro for risk tolerance software, eMoney Advisor and Advizr for financial planning software, and more.

Accordingly, we can get another perspective on where the biggest technology gaps for advisors are by looking at what advisors are self-building – as there's a sign of a *significant* pain point when advisors are literally building their *own* solutions, from scratch, potentially putting tens or hundreds of thousands of dollars towards developer costs, because they can't find *anything* they're satisfied with *anywhere* in the marketplace. Consequently, advisors self-building tools is an indication that there's a value gap (between what advisors are willing to invest into for better solutions, and the current solutions available) in the market, and thus an opportunity that some company could capitalize on.

Percent Of Advisors Self-Building Tools By Category

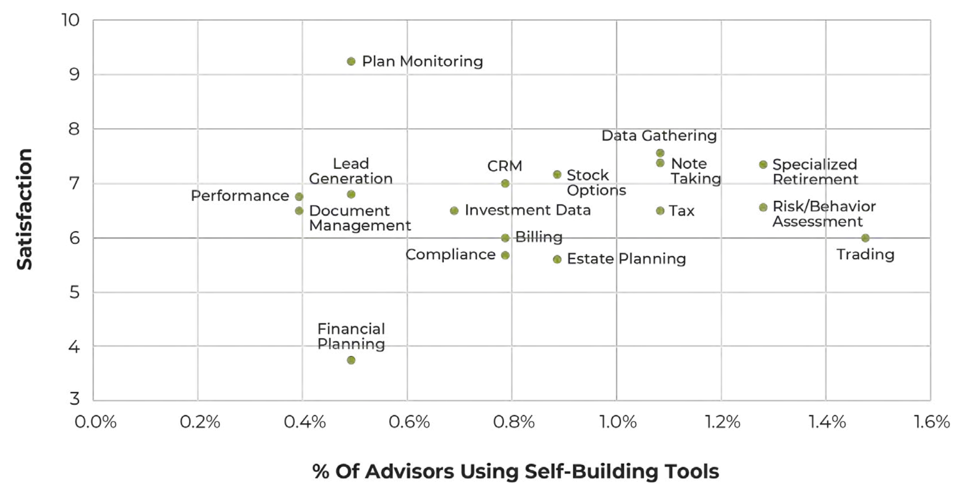


In this context, trading tools, risk/behavior assessments, and specialized retirement tools were the areas with the highest percentage of advisors that were self-building of tools, followed closely by tax, data gathering, and note-taking software.

> **Nerd Note:** Our research does distinguish between advisor self-building of tools, and advisor use of proprietary firm-developed tools in this study. So, for instance, we are not referring to a mega-RIA building their own financial planning software as self-built (this would be a proprietary, firm-developed tool).

From the technology company perspective, it is notable that not all homegrown technology tools are expensive to build, and the ones that are less expensive may be especially difficult to compete against (because it really doesn't take much for the advisor to implement their own solution). In this context, the self-building of risk/behavioral assessment tools may be particularly hard for firms to compete against, since this technology, at its core, is just a 'simple' questionnaire. Of course, the quality of the questionnaire can vary widely, along with the UI/UX in how it is presented to the client, but particularly when many advisors view risk tolerance questionnaires as check-the-box compliance tasks and question the validity of such tools in actually informing portfolio allocations, there may simply be a limited appetite here for new more full-fledged tools. As ironically, its self-building rate is high *despite* Risk Tolerance software being one of the most prolific categories of new entrants since the rise of Riskalyze a decade ago… suggesting that there is a segment of the market that is *not* being served by Riskalyze, nor any of its lookalike competitors trying to emulate the same value proposition.

Adoption Of Self-Built Tools And Satisfaction With Such Tools



Of course, building technology is difficult, and just because advisors try to build their own tools doesn't mean they'll be happy with what they build. Interestingly, two of the categories that stand out the most in this context, are that advisors seem particularly dissatisfied with their self-built financial planning software, but are particularly satisfied with their self-built plan *monitoring* software.

Trading is another area of note, with the highest level of self-built use (and also one of the highest rates of intended changes away from their current trading tools, as reported earlier), and yet still a relatively low level of satisfaction in their self-built tools at roughly 6.0 (versus an 8.9 rating of iRebal). This suggests that while iRebal and the like are very popular amongst their users, there are specific edge cases where advisors are struggling to find viable trading software solutions anywhere in the existing marketplace… yet also struggling to build their own as well.

> **Nerd Note:** Because building advisor technology oneself is a challenging and expensive endeavor, it is still not occurring widely, and even 'leading' self-building categories are being implemented by <2% of advisors. Accordingly, readers should be cautious not to infer too heavily from admittedly limited sample sizes in this cutting/bleeding edge of advisor innovation. Nonetheless, a look at where firms are investing in technology – to the point of potentially spending tens or even hundreds of thousands of dollars to build their own, instead of simply adoption available solutions in the marketplace – speaks to a significant opportunity potential for at least certain very-specialized use cases.

Technology Specific Adoption And Advisor Ratings

While our Kitces Research Technology Study looked broadly at trends in advisor technology by category, the focus of our study was to examine trends in usage and adoption amongst specific providers across a wide range of categories.

Accordingly, advisors were surveyed about both high-level category technology usage and also specific vendors that they are using within the various categories, which allows us to share individual adoption rates, along with advisor user ratings for the specific tools that they use.

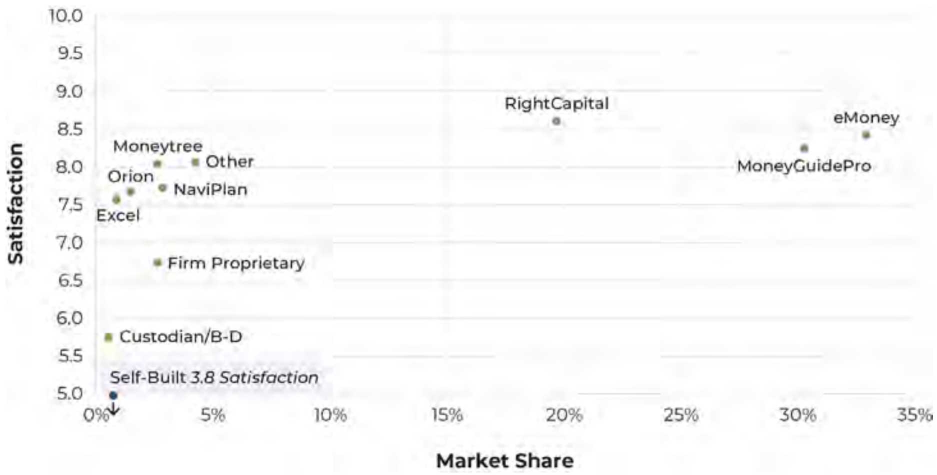
Unless noted otherwise, the adoption rates, software ratings, and similar metrics in this section are *not* adjusted for representativeness by channel. This is because sample sizes for some newer/less-popular vendors (or lower adopted categories in general) tend to be too small (given their limited market share) to reliably make such adjustments.

Nonetheless, our statistics are still valuable for understanding usage among the Financial Advicer community, which, as noted before, tends to be younger (and likely more inclined towards early adoption of technology in general). And in practice, for all categories where we did have a sufficient sample size to compare ratings by channel (which was most of them), there was no significant difference in advisor satisfaction with their software solutions between channels anyway.

Financial Planning Software

Overall, eMoney, MoneyGuidePro, and RightCapital show the largest adoption rates amongst financial advisors, and together have nearly 80% of the financial planning software market share amongst independent financial advisors. In turn, a broad range of additional competitors each held a modest single-digit market share, including NaviPlan, Moneytree, and Orion Financial Planning (formerly Advizr), along with "home-grown" tools that advisors have built for themselves and the trusty Excel spreadsheet.

Financial Planning Software Market Share And Satisfaction Rates



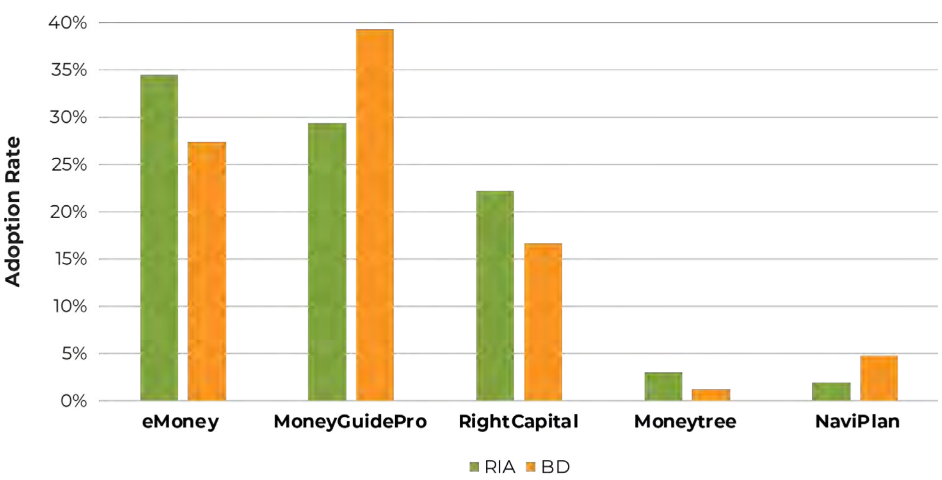
Vendor	Market Share	Satisfaction
eMoney	33.0%	8.4
MoneyGuidePro	30.3%	8.2
RightCapital	19.7%	8.6
Other	4.3%	8.1
NaviPlan	2.9%	7.7
Firm Proprietary	2.7%	6.7
MoneyTree	2.7%	8.0
Orion	1.5%	7.7
Excel	0.9%	7.6
Self-Built	0.6%	3.8
Custodian/B-D	0.6%	5.8
Maxifi	0.3%	N/A
Not Sure	0.2%	N/A
Cheshire Wealth Manager	0.2%	N/A
Advisys	0.1%	N/A

Category	
Importance	9.3
Satisfaction	8.3
Adoption	83.6%

Nerd Note: Category average satisfaction statistics are based on all individuals who reported a vendor and a satisfaction level within a given category. Market share statistics are based on individuals who reported the use of a given software. There were instances where individuals within our research survey reported the use of a given software, but then did not provide a rating of that software. For that reason, category satisfaction ratings may be slightly different than weighted average satisfaction scores computed using market share and satisfaction for each individual vendor.

Notably, RightCapital in particular has continued to see significant growth in market adoption amongst advisors in recent years, and now seems to have fully moved from an up-and-comer to an established vendor within the financial planning software category, having substantively passed much-longer-standing competitors like Moneytree and NaviPlan. This is driven primarily by the significant growth of RightCapital in the broker-dealer channel in recent years (up from a negligible market share with broker-dealers in our prior studies of planning software adoption), where MoneyGuidePro was historically the market leader.

Financial Planning Software Adoption Rates By Independent Channel

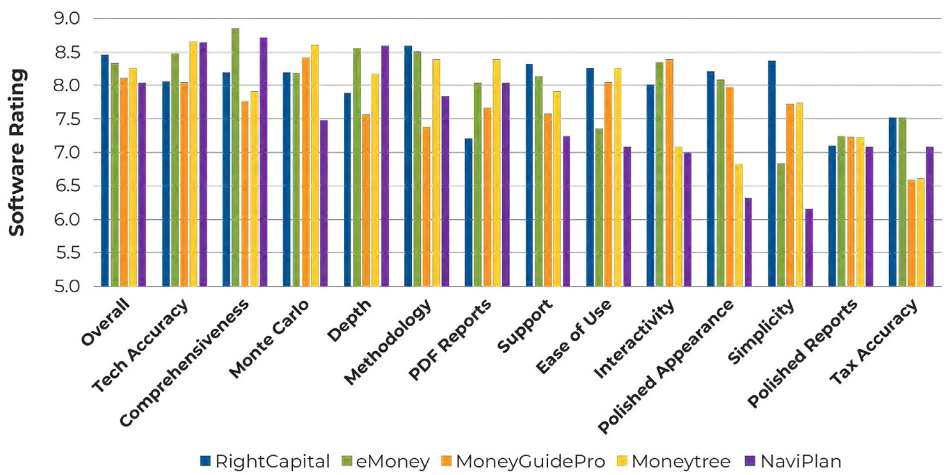


In terms of satisfaction ratings, RightCapital was the overall leader among financial planning software companies. In fact, RightCapital's consistently superior user ratings across our Kitces Research studies have predicted for several years that RightCapital would continue to gain market share over competitors, which in practice has occurred.

Meanwhile, Moneytree and NaviPlan – the two companies that still have some significant adoption outside of the "Big 3" – lagged each of the "Big 3" providers in terms of user satisfaction, which helps to explain where in particular RightCapital has been able to gain market share in an already-crowded software category (i.e., there are few advisors that haven't already implemented some solution, so RightCapital has been taking market share from smaller competitors).

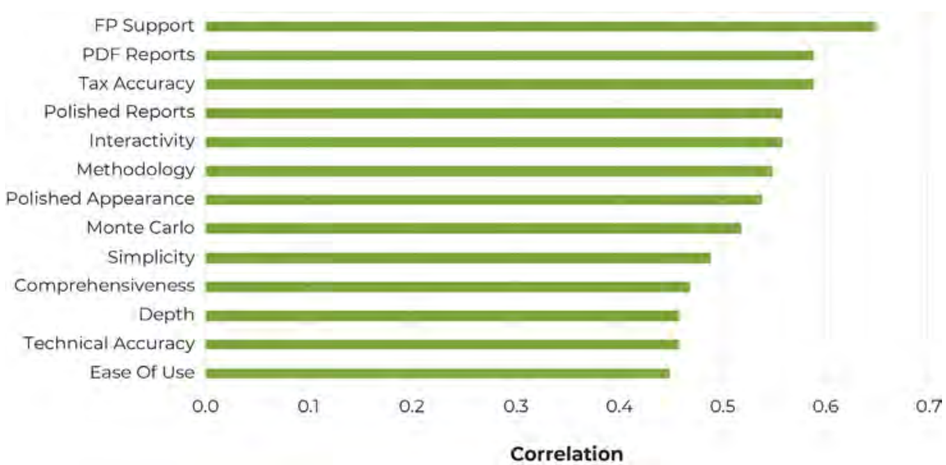
Not surprisingly, though, software companies have their own strengths and weaknesses. RightCapital led the rankings in areas such as methodology, support, ease of use, simplicity, and polished appearance. eMoney led in categories such as comprehensiveness, polished reports, and tax accuracy. And MoneyGuidePro only led in the category of interactivity—likely a result of their popular "Play Zone".

Detailed Financial Planning Software Ratings



Looking at correlations between overall satisfaction ratings and specific ratings on subcategories of software use, our research finds that ease of use (r=0.65) appears to be the most strongly corelated feature with overall satisfaction. Other features that appear to be more strongly related include planning depth (r=0.59), technical accuracy (r=0.59), and comprehensiveness (r=0.56), signaling that overall advisors have a hunger for software that can handle *more* complexity. Interestingly, support (r=0.45), tax accuracy (r=0.46), PDF reports (r=0.46), and polished reports (r=0.47) exhibited the weakest correlations with overall ratings, although the strength of these relationships is also not that far from the strongest correlations.

Notably, "interactivity" also scored relatively low amongst advisor satisfaction ratings, which may help to explain why MoneyGuidePro is showing slightly lower adoption scores (and, per the section that follows, a higher rate of attrition); its leading differentiator is a feature that advisors rank as less important than depth and technical accuracy (where MoneyGuidePro scores the lowest).



Financial Planning Software: Changes In Market Adoption

Overall, 5.2% of advisors indicated a plan to change FP software within the next 12 months, which is a moderate rate of anticipated turnover.

Amongst advisors looking to make a change, MoneyGuidePro had the highest level of anticipated outflows (followed by NaviPlan, Moneytree, Orion, and Cheshire), while RightCapital had the highest level of anticipated inflows (followed by eMoney). Though notably, a significant portion of advisors looking to make a change are still undecided in where they're going, with "Not Sure" represent the largest share of total advisors, followed by "Other", suggesting that financial planning software may be on the front edge of a new wave of entrants trying to disrupt. In fact, advisors building their own tools in Excel showed a projected gain in market share that was higher than most existing financial planning software providers, other than eMoney and RightCapital!

These trends of where advisors are looking to go are consistent with what advisors have been leaving (or joining) as well, with advisors most likely to have left MoneyGuidePro and NaviPlan over the past year, and most likely to have adopted RightCapital. While there was only a relatively small 1.8% market share of advisors adopting financial planning software for the first time.

It is also notable that Orion bought Advizr for $50M in 2019, and gives it away for free (or at least, bundled with their other services), which did lead to a significant uptick in adoption over the past 12 months. However, Orion's Financial Planning offering still only has less than 2% market share and is now showing an increased reporting of advisors looking to leave the software (with a Momentum score that has turned from positive over the past year to negative in the coming year). Which is consistent with the broader trend that advisors are seeking more in-depth and comprehensive planning software (while Orion's Advizr was known for being a 'simpler' financial-planning-light software tool, such that advisors who do adopt it are subsequently leaving for something more comprehensive, or walking away if they decide they don't want to focus on financial planning after all).

Overall, our Kitces tech study shows that both the backward-looking and forward-looking metrics for MoneyGuidePro are looking particularly negative, although they still command a very significant 30% market share among advisors in our study, and the backing of Envestnet could mean significant opportunities for expansion in the future (e.g., Envestnet could choose to give away MoneyGuidePro for free to drive advisors to its marketplaces such as their Envestnet Insurance Exchange).

In turn, advisors who do want to do financial planning are increasingly going for more advanced tools, which appears to be why RightCapital and eMoney are gaining in terms of future intentions to switch (and Orion's Advizr is struggling to gain momentum). As MGP was lowest on comprehensiveness, it is also losing the most market share, which probably isn't a coincidence, since again advisors who want to do planning want to have more in-depth tools (and those that don't want to do financial planning just don't really care to use *any* tool, regardless of how simple and easy to use it may be).

Overall, though, amongst the "Big 3," our results show that when it comes to independent advisors, MoneyGuidePro appears to be losing market share to eMoney and

RightCapital; eMoney also appears to be losing market share to RightCapital; and MoneyGuidePro does not appear to be winning market share from anyone. Ultimately, this does not consider adoption within larger captive enterprises, from banks to wirehouses – where these established stalwarts may be winning further large-scale enterprise contracts – which presents additional channels where the leading providers may still be growing. Nonetheless, amongst financial advisors who have the most flexibility of choice, a rotation of market leadership in financial planning software appears to be underway.

On the other hand, in the time since this Kitces Tech Study was administered, AssetMark announced the acquisition of primarily-UK-offered financial planning software Voyant, to be made available to advisors in the US – making Voyant a company to watch for the coming year about whether and to what extent it can successfully begin to capture market share in an already-crowded space.

Companies To Watch

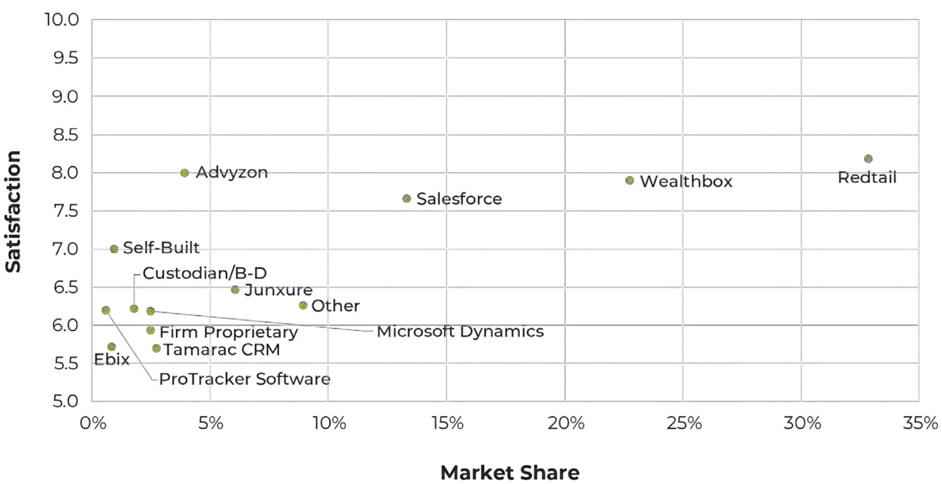
- Pessimistic: MoneyGuidePro, Moneytree, and NaviPlan
- Optimistic: RightCapital
- Neutral: eMoney, Voyant, Orion

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
eMoney	33.0%	2.0%	3.0%	1.0%	0.9%	1.3%	0.4%	3.2%	1.1%
MoneyGuidePro	30.1%	3.1%	1.9%	-1.2%	1.3%	0.8%	-0.5%	-3.9%	-1.8%
RightCapital	19.4%	1.2%	5.5%	4.4%	0.2%	0.9%	0.7%	28.9%	3.6%
NaviPlan	2.8%	1.5%	0.5%	-1.0%	0.2%	<0.1%	-0.2%	-26.7%	-8.0%
Moneytree	2.6%	<0.1%	<0.1%	0.0%	0.1%	<0.1%	-0.1%	0.0%	-4.4%
Firm Proprietary	2.6%	0.8%	0.3%	-0.5%	0.2%	0.1%	-0.1%	-16.0%	-4.3%
Orion	1.6%	0.2%	0.9%	0.7%	0.1%	<0.1%	-0.1%	83.7%	-7.1%
Excel	0.9%	0.6%	0.2%	-0.4%	<0.1%	0.2%	0.2%	N/A	N/A
Custodian/B-D	0.7%	0.5%	0.2%	-0.3%	<0.1%	0.1%	0.1%	N/A	N/A
Self-Built	0.6%	0.1%	<0.1%	-0.1%	<0.1%	0.1%	0.1%	N/A	N/A
MaxiFi	0.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Cheshire Wealth Manger	0.3%	<0.1%	<0.1%	0.0%	0.1%	<0.1%	-0.1%	N/A	N/A
Advisys	0.1%	0.1%	<0.1%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
Other	4.4%	1.5%	1.3%	-0.2%	0.1%	0.9%	0.8%	N/A	N/A
WealthTrace	0.0%	0.1%	<0.1%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
inStream	0.0%	0.1%	<0.1%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
Morningstar Goal Bridge	0.0%	0.1%	<0.1%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
Appraisal Lab	0.0%	<0.1%	<0.1%	0.0%	<0.1%	0.1%	0.10%	N/A	N/A
Not Sure	0.2%	N/A	N/A	N/A	<0.1%	1.4%	1.40%	N/A	N/A
No Use	0.3%	1.8%	<0.1%	-1.8%	N/A	N/A	N/A	N/A	N/A

CRM

Overall, Redtail, Wealthbox, and Salesforce were the strong leaders in advisor adoption of CRM systems, and all three scored strong advisor ratings (from 7.7 to 8.2) to support their ongoing popularity, suggesting that their market share should continue to hold.

CRM Market Share And Satisfaction Rates



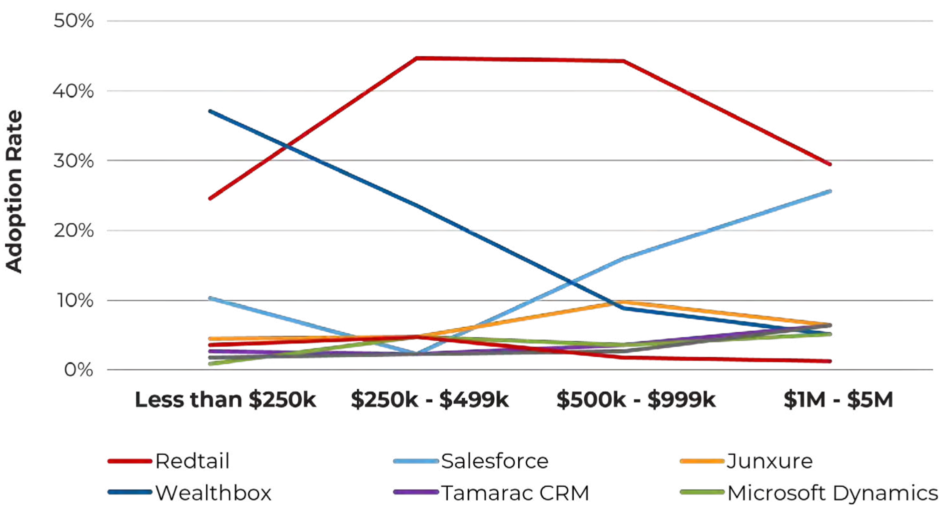
Vendor	Market Share	Satisfaction
Redtail	32.9%	8.2
Wealthbox	22.7%	7.9
Salesforce	13.3%	7.7
Other	8.9%	6.3
Junxure	6.1%	6.5
Advyzon	3.9%	8.0
Tamarac CRM	2.7%	5.7
Firm Proprietary	2.5%	5.9
Microsoft Dynamics	2.5%	6.2
Custodian/B-D	1.8%	6.2
Self-Built	1.0%	7.0
Ebix	0.8%	5.7
ProTracker Software	0.6%	6.2
Not Sure	0.1%	N/A
Equisoft	0.1%	N/A

Category	
Importance	9.1
Satisfaction	7.5
Adoption	85.5%

From the perspective of advisor satisfaction, Advyzon's combined CRM-plus-portfolio-reporting was a notable standout, scoring ratings as high as competitors like Wealthbox and Redtail, but with far less market share as a relative newcomer to the category… which suggests that Advyzon in particular is a vendor worth watching in the future, as their high satisfaction rate implies a likely upwards trajectory in advisor adoption (i.e., above-average future growth).

On the other hand, substantially below-average user ratings from Junxure, Tamarac's CRM system, and users of Microsoft Dynamics in general suggest that they may face continued attrition of advisor users in the coming year.

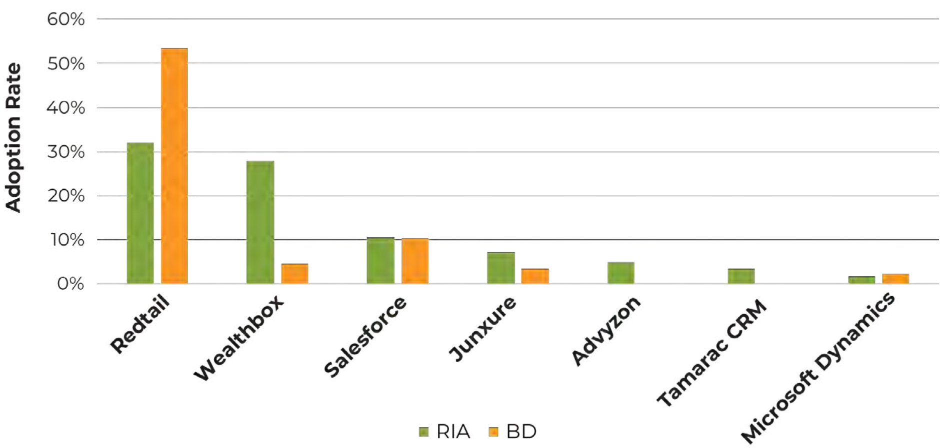
CRM Adoption By Advisor Revenue



Notably, CRM adoption is a category that also varies substantially based on the size of the advisory firm (as measured by revenue). In this context, smaller firms (under $250k in revenue) are far more likely to use Wealthbox, mid-sized firms ($250k to $1M of revenue) tend to prefer Redtail (or Junxure, to the extent it is still used), and Salesforce is most commonly adopted in the largest ($1M+ revenue typically-multi-advisor) firms. Which isn't entirely surprising, as tools like Wealthbox and Redtail may be nice 'off-the-shelf' solutions for less established advisors or those that have a relatively limited number of team members, whereas the customization potential of tools like Salesforce (and the ability to go deeper with everything from multi-system workflows to business intelligence) become more important/desired among larger, more established practices.

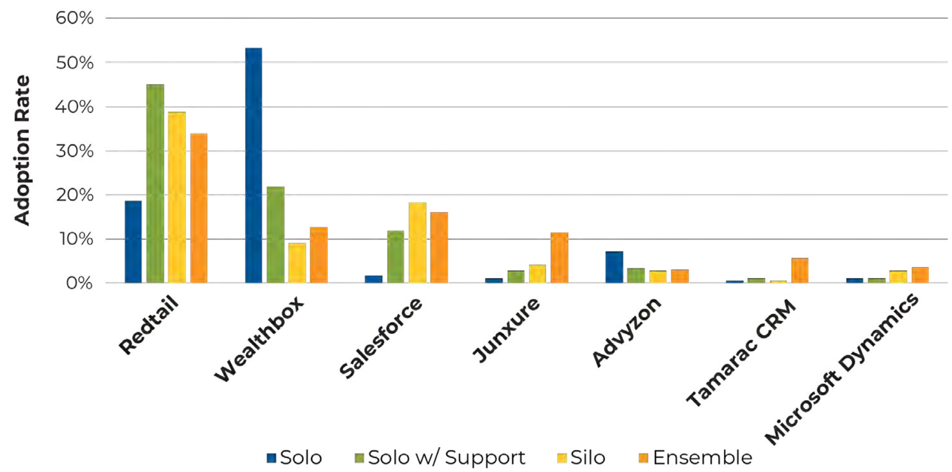
Notably, this also suggests that Salesforce's lower overall market share may be less a result of its limitations, per se, and simply that there are only 'so many' mid-to-large-sized independent advisory firms that *could* adopt Salesforce in the first place. On the other hand, given that advisory firms tend to naturally grow and compound over time – given typical 90% - 95%+ retention rates in advisory firms – the natural tendency of firms with enough longevity to 'inevitably' get larger bodes well for Salesforce's positioning (and/or presents a challenge for Redtail and especially Wealthbox to be able to retain advisors as their firms grow in size and internal operational complexity).

CRM Adoption By Industry Channel



Furthermore, there were also significant differences in CRM adoption by independent advisor channel, with tools like Redtail being far more popular among independent BDs than independent RIAs, whereas Wealthbox was drastically more utilized amongst RIAs than broker-dealers, and Junxure, Advyzon, and Tamarac CRM were also more common among independent RIAs (albeit with much-smaller market share in the first place). Notably, given not-substantially-different user ratings across channels, these results suggest that differences in channel adoption are not necessarily a matter of the software 'not being good' for the advisors in one channel over another, but instead the distribution strategies *of* the providers into the various independent channels (and/or their readiness to accommodate the additional complexities of 'enterprise' sales to mid-to-large-sized independent broker-dealers).

CRM Adoption Rates By Team Structure



CRM adoption rates also varied substantially by team structure. Wealthbox was dominant among solo advisors, but adoption rates fell significantly among other team structures that have more advisors or staff support. Redtail was the most widely adopted offering among solo advisors with support staff (where its unique team-based pricing model is particularly compelling). And while adoption of Salesforce was almost non-existent among solo advisors, it was the highest among silo advisors (multiple advisors running 'silo' practices on a shared platform) and ensemble advisors—both of which tend to be parts of larger firms/teams that would help justify the additional cost of Salesforce (while also being better positioned to take advantage of its customization and other benefits as well).

CRM: Changes In Market Adoption

Overall, 6.3% of advisors indicated a plan to change CRM software within the next 12 months, making it an above-average category for advisors in motion.

Overall, the biggest trends in projected advisor adoption are an ongoing outflow of advisors departing Junxure following yet-another-ownership-change in 2020 (from WisdomTree to Franklin Templeton), a continuation of its ongoing languishing since it was acquired by AdvisorEngine in 2018.

From there, the next most significant shift is an emerging departure of (typically mid-to-large-sized) advisory firms from Microsoft Dynamics, who are rotating to Salesforce (which continues to show positive momentum and had the largest gains overall in terms of anticipated future inflows). As while Microsoft has increasingly developed and expanded its ecosystem in recent years – most notably with the rapid expansion of Teams as an internal communication tool for advisory firms – its CRM capabilities continue to languish, requiring more out-of-the-box development to be viable than most advisory firms are capable of and lacking the ecosystem of overlay providers that populate Salesforce (e.g., XLR8, Skience, Practifi, etc.). And while Microsoft did recently announce its own Financial Services Cloud – a direct nod to competitor Salesforce – it appears that Microsoft's FSC is targeted much more at mega-scale enterprises (e.g., banks) than the mid-to-large-sized independent firms where Salesforce has (and continues to gain) traction. The end result is that to the extent firms are deciding to stay with Dynamics, they appear most likely to shift to Envestnet's Tamarac (which was originally built as an overlay to the Microsoft Dynamics system).

In the meantime, market leader Redtail shows a healthy projected inflow, along with its most direct competitor, Wealthbox, as both appear to be winning both new advisors buying CRM for their first time, and advisors who are leaving Salesforce and Dynamics for a more 'out of the box, industry-specific' solution. On the other hand, despite Wealthbox having gained the largest market share last year, it is still showing very limited growth interest in the coming year, suggesting that at best Wealthbox still has a 'visibility' problem (that it's not even being considered as an option in the first place compared to the more popular Redtail and the more broadly visible Salesforce, even as Wealthbox wins the largest market share from those who *do* see the software). Which is a visibility problem that appears to be shared by Advyzon, that similarly was one of the biggest winners of market share in practice over the past year but is not often named by advisors as a tool they're considering (yet?) in the coming year.

Companies To Watch

- Pessimistic: Junxure, Microsoft Dynamics
- Optimistic: Wealthbox, Advyzon, Salesforce
- Neutral: Redtail

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Redtail	33.3%	1.9%	2.1%	0.2%	0.8%	1.2%	0.4%	0.5%	1.2%
Wealthbox	22.4%	1.3%	5.1%	3.8%	0.2%	0.5%	0.2%	20.2%	1.1%
Salesforce	13.1%	3.0%	2.4%	-0.5%	0.2%	1.2%	1.0%	-3.9%	7.4%
Junxure	6.1%	2.3%	0.4%	-1.9%	0.9%	0.2%	-0.7%	-23.6%	-11.4%
Advyzon	3.9%	<0.1%	1.3%	1.3%	0.1%	0.2%	0.1%	51.8%	3.2%
Tamarac CRM	2.7%	0.1%	0.8%	0.6%	<0.1%	0.6%	0.6%	30.9%	22.5%
Firm Proprietary	2.6%	0.5%	<0.1%	-0.5%	<0.1%	0.2%	0.2%	-15.6%	9.4%
Microsoft Dynamics	2.5%	0.2%	0.4%	0.1%	0.5%	0.1%	-0.3%	5.9%	-14.1%
Custodian/B-D	1.8%	0.5%	<0.1%	-0.5%	<0.1%	0.1%	0.1%	N/A	N/A
Self-Built	0.9%	0.1%	<0.1%	-0.1%	<0.1%	0.1%	0.1%	N/A	N/A
Ebix	0.8%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
ProTracker Software	0.6%	<0.1%	<0.1%	0.0%	0.1%	<0.1%	-0.1%	N/A	N/A
Equisoft	0.1%	0.5%	<0.1%	-0.5%	<0.1%	<0.1%	0.0%	N/A	N/A
Other	8.9%	2.0%	1.5%	-0.5%	0.8%	1.0%	0.1%	N/A	N/A
Not Sure	0.1%	N/A	N/A	N/A	<0.1%	1.8%	1.8%	N/A	N/A
No Use	0.5%	1.5%	<0.1%	-1.5%	N/A	N/A	N/A	N/A	N/A

eSignature

As noted earlier, e-signature software has moved from a moderately adopted tool to widely adopted from 2018 to 2021. DocuSign in particular dominates this category with over 70% of the adoption amongst advisors using e-signature software and a strong User Rating, making it the clear Market Leader in the category.

eSignature Market Share And Satisfaction

Vendor	Market Share	Satisfaction
DocuSign	72.2%	8.9
Custodian/B-D	10.9%	8.0
Adobe Sign	3.8%	8.1
Other	3.0%	7.5
HelloSign	2.6%	8.9
Use Onboard	2.0%	7.9
RightSignature	1.9%	7.8
Signix	1.6%	7.2
Firm Proprietary	1.1%	8.2
Not Sure	0.7%	6.0
Self-Built	0.2%	N/A

Category	
Importance	9.0
Satisfaction	8.7
Adoption	78.6%

Ironically, the second-most-adopted solution is an internal broker-dealer-provided e-signature option – which in practice often is built on top of DocuSign (and occasionally via HelloSign or Adobe Sign) – though advisors actually rated broker-dealer-implemented e-signature solutions substantially lower than the 'direct' versions of the tools, suggesting that broker-dealers are still struggling to integrate 'new' e-signature tools into their existing (legacy?) onboarding workflows with a positive advisor experience.

e-Signature: Changes In Market Adoption

Overall, 3.5% of advisors indicated a plan to change e-signature software within the next 12 months, making e-signature one of the least likely categories for advisors to change once implemented.

When it comes to growth, DocuSign is the clear market leader not only in current adoption, but in the proportion of new adoption it gained over the past year. Though notably, on a forward-looking basis, advisors appear to be more sanguine about DocuSign, with a much wider range of potential solutions that advisors state they are considering.

However, it is notable that the majority of the growth in e-signature last year came from advisors who weren't using any solution in the past, suggesting that DocuSign's dominant market share is driven first and foremost by its ability to gain new advisors adopting e-signature for the first time, not necessarily by winning business away from its competitors (with 51% of advisors who switched last year stating that they switched from 'nothing prior'). Which in turn is likely driven by the robustness of DocuSign's already-established integrations into most of the leading RIA custodians and broker-dealer clearing platforms... such that once advisors try to figure out what their firm/platform can actually use, most end out with DocuSign.

On the other hand, as the adoption rate for e-signature crosses above 80%, there is less and less untapped market share available, suggesting that growth in the category overall may soon slow. Which may be especially challenging to existing competitors, given the low switch rate of advisory firms using e-signature in the first place (as there will be fewer new advisors, and not many advisors looking to change, either).

The key point, though, is that within the e-Signature category overall, DocuSign has run away with the market, advisors are loathe to ever switch once e-signature is implemented, the remaining growth opportunities come almost entirely from new advisors adopting e-signature for the first time… and there isn't even much 'growth' opportunity left, as the category overall shows nearly 80% adoption (and it's rare for *any* advisor technology to get over 90%, given the number of new-advisor startups who tend not to buy/use any technology in their first year or two until they get initial new-client traction).

Companies To Watch

- Pessimistic: Broker-Dealer-Provided E-Signature
- Optimistic: DocuSign
- Neutral: Any provider that isn't DocuSign

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
DocuSign	72.1%	2.3%	7.6%	5.3%	0.6%	1.4%	0.8%	8.0%	1.1%
Custodian/B-D	10.9%	1.3%	1.7%	0.5%	0.1%	0.6%	0.5%	4.6%	4.7%
Adobe Sign	3.8%	0.8%	0.9%	0.1%	<0.1%	0.5%	0.5%	3.0%	13.3%
HelloSign	2.6%	0.3%	<0.1%	-0.3%	<0.1%	<0.1%	0.0%	-8.8%	0.0%
Onboard	2.0%	0.1%	0.4%	0.3%	<0.1%	0.3%	0.3%	18.4%	12.8%
RightSignature	1.9%	0.3%	<0.1%	-0.3%	0.1%	<0.1%	-0.1%	-12.0%	-6.7%
SIGNix	1.6%	0.1%	0.7%	0.5%	<0.1%	0.1%	0.1%	48.3%	7.9%
Firm Proprietary	1.1%	0.5%	0.2%	-0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
Self-Built	0.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Other	3.0%	0.1%	0.7%	0.5%	<0.1%	0.3%	0.3%	N/A	N/A
Not Sure	0.7%	N/A	N/A	N/A	0.1%	1.3%	1.1%	N/A	N/A
Not Used	0.1%	6.4%	<0.1%	-6.4%	N/A	N/A	N/A	N/A	N/A

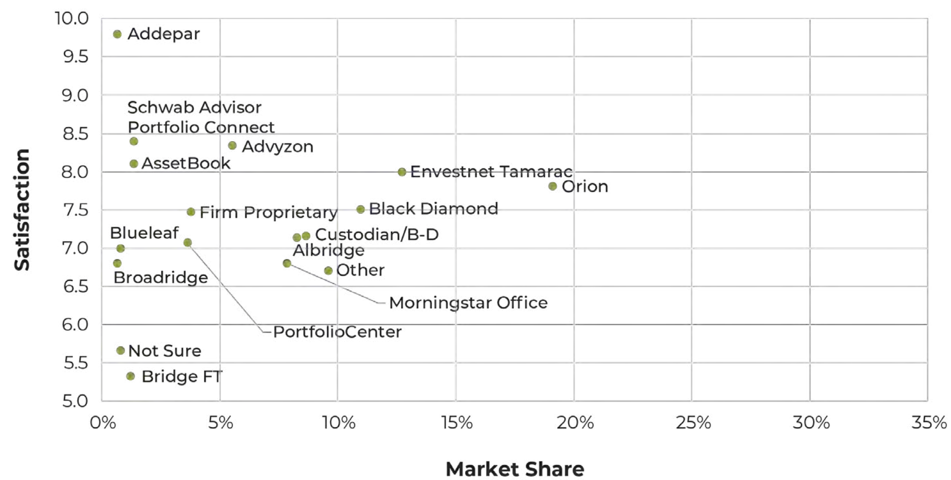
Performance Reporting

Performance Reporting software is a unique category within advisor software, as it is by far the most crowded category on the Kitces AdvisorTech Map, with more than 50 vendors competing for market share with various combinations of portfolio management, trading, and related investment management functions, on top of the core feature of performance reporting. Though most either have barely negligible market share, or are solely focused in mega-enterprise channels (e.g., banks and regional broker-dealers) where independent advisors don't get to make the choice about what software they use.

Overall, our results show that when it comes to independent advisors, the "Big 3" players are Orion, Black Diamond, and Envestnet's Tamarac that lead in adoption rates amongst advisors, followed by Morningstar Office, Albridge and other 'custom' broker-dealer solutions, and newcomer Advyzon.

Notably, though, the existing market leaders did not stand out in terms of satisfaction levels. While all of them did have relatively strong (7.5 to 8.0) user satisfaction scores, newcomers including Advzyon (for smaller firms), Addepar (for firms serving ultra-HNW clients), AssetBook, and the new Schwab Advisor Portfolio Connect offering (the newly built successor alternative to Schwab's legacy PortfolioCenter offering that was sold to Envestnet in 2019) all rated higher than the incumbents.

Performance Reporting Market Share And Satisfaction



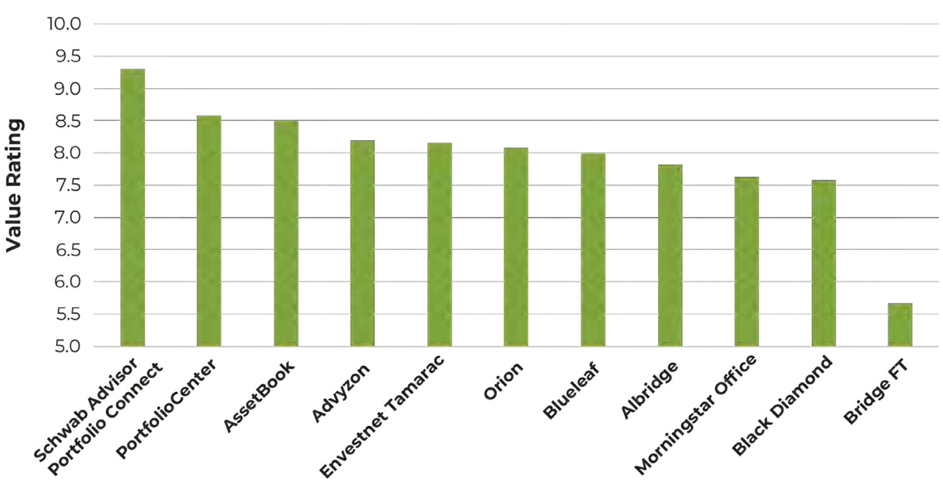
Vendor	Market Share	Satisfaction
Orion	19.1%	7.8
Envestnet Tamarac	12.7%	8.0
Black Diamond	11.0%	7.5
Other	9.6%	6.7
Custodian/B-D	8.7%	7.2
Albridge	8.3%	7.1
Morningstar Office	7.9%	6.8
Advyzon	5.6%	8.3
Firm Proprietary	3.8%	7.5
PortfolioCenter	3.7%	7.1
AssetBook	1.4%	8.1
Schwab Advisor Portfolio Connect	1.4%	8.4
Bridge FT	1.2%	5.3
Blueleaf	0.8%	7.0
Not Sure	0.8%	5.7
Addepar	0.7%	9.8
Broadridge	0.7%	6.8
Panoramix	0.5%	N/A
Self-Built	0.5%	N/A
Advisor360	0.4%	N/A
First Rate	0.1%	N/A
Hanlon	0.1%	N/A

Category	
Importance	8.8
Satisfaction	7.5
Adoption	70.7%

Schwab's new offering in particular is notable as while it is still quite new, and adoption is low, it is *free* and *highly*-rated, and so if this satisfaction continues as Schwab adds features to make it more fully functional for a broader range of firms, this tool could become a huge category disrupter amongst independents (at least the ones that custody fully with Schwab, as the company has stated its intention to keep Portfolio Connect as a single-custodian Schwab-only solution).

Also notable amongst the results was the relatively low rating for Morningstar Office. Given their still-relatively-significant market share, Morningstar Office's rating is actually very low, signaling that their market share is likely to continue to decline amongst independent advisors.

Value Relative To Cost



Another question asked of advisors was to rate the value of providers relative to their cost (given that the cost of performance reporting tools is high, but also varies greater from one solution to the next), as the reality is that some vendors are less expensive but also less capable, while others are more expensive but more capable (which means sometimes the most expensive solutions are still the best 'value' relative to cost).

In practice, though, Schwab Advisor Portfolio Connect's 'free' pricing (for advisors who custody at Schwab), coupled with their high user ratings, did score particularly well on the value metric. Whereas most providers, across a wide range of price points, filled a broad middle of consistent value (suggesting that providers are pricing relatively well in setting their cost relative to their feature sets). However, Morningstar Office again ranked near the bottom of vendors, along with Black Diamond. While Bridge FT's relatively low-cost solution also scored very poorly on its value metric (despite having a strong overall User Satisfaction, suggesting that advisors are happy with the capabilities of the software itself but not how it's priced for the features it offers).

Performance Reporting: Changes In Market Adoption

Overall, 7.6% of advisors indicated a plan to change performance reporting software within the next 12 months. Given the relatively high adoption rate overall within the category (more than 70%), relatively limited first-time advisor adoption, and the high dollar value often associated with vendors within these categories, this level of shift could represent a significant market opportunity in the competitive landscape between existing vendors.

Of those advisors looking to make changes, the biggest losses in momentum are generally tied to the more long-standing broker-dealer-centric performance reporting systems, including Albridge and Broadridge, though Morningstar Office also showed a growing number of advisors looking to leave. In addition, the legacy PortfolioCenter continues to (not surprisingly) show significant departures of users since its sale to Envestnet in 2019 (and it appears that competitors were successful in pulling a significant number of PortfolioCenter users away from Envestnet's own Tamarac alternative built on the PortfolioCenter chassis).

In the meantime, Orion continues to show the highest rate of new adoption – despite already being the leader in market share amongst independents that all of its competitors are gunning for – though a significant number of advisors looking at portfolio reporting solutions are still undecided.

It is also worth noting that Black Diamond doesn't actually seem to be experiencing many advisors leaving (with a mere 0.1% of the advisor market stating they left Black Diamond last year), despite reported intentions to consider other solutions—perhaps suggesting advisors look elsewhere, and then once they see the competing landscape, decide to stay. By contrast, vendors like Orion have a lower reported intention to leave, but higher rates of actual leaving, perhaps suggesting that once advisors do look elsewhere, they decide they want to make a move.

Similarly, it is also notable that while relatively few advisors are stating a desire to move to Advyzon, in practice Advyzon gained a very material uptick in market share last year – winning an absolute level of market share that was less than Orion but on par with Black Diamond and Tamarac, which, relative to its lower market share, made it a leader in growth momentum – even as relatively few advisors stated an intention to explore Advyzon in the coming year. Which implies that as a relatively 'new' contender in the space, Advyzon is still suffering from an awareness problem relative to its larger more visible brethren.

Companies To Watch

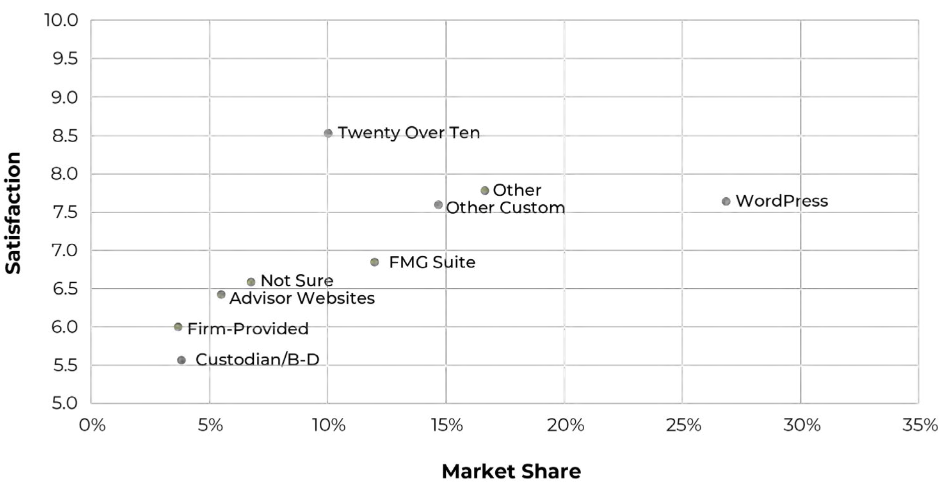
- Pessimistic: Morningstar Office, PortfolioCenter, Broadridge, Albridge
- Optimistic: Schwab Portfolio Connect, Advyzon, Orion
- Neutral: Black Diamond, Tamarac

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Orion	19.0%	1.9%	3.9%	2.0%	0.4%	2.0%	1.6%	11.6%	8.2%
Envestnet Tamarac	12.6%	1.2%	1.9%	0.7%	0.3%	0.8%	0.6%	5.9%	4.5%
Black Diamond	10.9%	0.1%	1.7%	1.6%	0.5%	1.3%	0.7%	16.8%	6.6%
Other	9.5%	1.5%	1.3%	-0.3%	0.7%	0.7%	0.0%	-2.6%	0.1%
Custodian/B-D	8.6%	1.6%	0.7%	-0.9%	0.4%	0.8%	0.4%	-9.6%	5.1%
Albridge	8.2%	0.6%	<0.1%	-0.6%	0.3%	<0.1%	-0.3%	-6.3%	-3.3%
Morningstar Office	7.8%	1.4%	0.2%	-1.1%	0.7%	<0.1%	-0.7%	-12.7%	-8.6%
Advyzon	5.5%	0.1%	1.7%	1.6%	0.1%	<0.1%	-0.1%	39.8%	-2.4%
Firm Proprietary	3.8%	0.7%	0.2%	-0.4%	<0.1%	<0.1%	0.0%	-10.4%	0.0%
Portfolio Center	3.6%	1.4%	0.3%	-1.1%	0.5%	<0.1%	-0.5%	-24.0%	-15.2%
AssetBook	1.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Schwab Advisor Portfolio Connect	1.3%	0.1%	<0.1%	-0.1%	<0.1%	0.1%	0.1%	-8.9%	10.7%
Bridge FT	1.2%	0.1%	0.5%	0.4%	0.3%	0.6%	0.3%	46.2%	23.8%
Blueleaf	0.8%	0.1%	<0.1%	-0.1%	0.1%	0.1%	0.0%	N/A	N/A
Addepar	0.7%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Broadridge	0.7%	0.3%	<0.1%	-0.3%	0.3%	0.3%	0.0%	N/A	N/A
Panoramix	0.5%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Self-Built	0.5%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Advisor360	0.4%	0.1%	0.3%	0.1%	<0.1%	0.1%	0.1%	N/A	N/A
First Rate	0.1%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Hanlon	0.1%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Undecided	0.8%	N/A	N/A	N/A	<0.1%	3.2%	3.2%	N/A	N/A
Weren't Using	1.9%	0.5%	<0.1%	-0.5%	N/A	N/A	N/A	N/A	N/A

Advisor Websites

Among website providers, using a standalone WordPress installation was far ahead of all other more industry-specific competitors in terms of adoption rates. In fact, Word-Press' adoption rate was more than double the next leading niche industry provider, FMG Suite. However, it is also worth noting that FMG recently acquired Twenty Over Ten. Combined, the two in the year to come at least makes FMG Suite a formidable competitor to WordPress with a more niche focus.

Advisor Websites Market Share And Satisfaction



Vendor	Market Share	Satisfaction
WordPress	26.8%	7.6
Other	16.7%	7.8
Other Custom	14.7%	7.6
FMG Suite	12.0%	6.8
Twenty Over Ten	10.0%	8.5
Not Sure	6.8%	6.6
Advisor Websites	5.5%	6.4
Custodian/B-D	3.8%	5.6
Firm-Provided	3.7%	6.0

Category	
Importance	8.3
Satisfaction	7.4
Adoption	70.4%

It's also notable that only Twenty Over Ten managed to have a higher Advisor Satisfaction rating than generic WordPress website installations (or other Custom website designs, suggesting that while many industry-specific providers market their industry-specific capabilities, in practice advisors are showing they're usually *less* happy with out-of-the-box industry solutions than something built more custom to their specific marketing needs.

Advisor Websites: Changes In Market Adoption

Overall, 4.5% of advisors indicated a plan to change website provider software within the next 12 months, signaling a relatively limited turnover of advisor websites. Over the past year, the bulk of attrition came from advisor platforms that provide websites to all their advisors (e.g., firm-provided and broker-dealer-provided websites), while growth went primarily to custom website builders, along with FMG Suite and Twenty Over Ten.

In general, the trend among website providers seems to be a shift away from generic website solutions (e.g., WordPress, or home office templates) and towards niche providers like Twenty Over Ten or other more custom-WordPress providers. Furthermore, now that FMG Suite owns Twenty Over Ten, the primary competition in this area seems to be FMG Suite and Twenty Over Ten vs. WordPress custom providers (and other open website design platforms), with WordPress owning the current adoption rate but FMG Suite & Twenty Over Ten winning most of the forward-looking metrics.

Although, notably, the change metrics were not positive for all industry-specific providers, with Advisor Websites showing slight negative trends on both a backward- and forward-looking basis. Furthermore, WordPress' forward-looking metrics were still positive, perhaps a reflection of some continued opportunities for growth as some advisors move away from not using a website at all (or a generic home-office-provided website) and may look at low-cost options to create their first (more custom) website.

Similarly, other new entrants into the advisor website business will be more likely to compete for an existing WordPress (or Squarespace or Wix) website and a custom provider for them, than any particular industry-specific provider. Though overall, the projected growth in Custom website designers suggests that there is still more hunger from advisors for personalized/customized websites than any 'off-the-shelf' (even industry-specific) solution.

Companies To Watch

- Pessimistic: Broker-dealer and firm-provided websites
- Optimistic: FMG Suite/Twenty Over Ten, Custom WordPress providers
- Neutral: WordPress

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
WordPress	26.6%	2.4%	2.0%	-0.3%	0.6%	0.9%	0.3%	-1.3%	1.3%
Other	16.5%	1.1%	2.3%	1.2%	0.1%	0.6%	0.5%	7.6%	2.8%
Other Custom	14.6%	1.5%	2.3%	0.7%	0.4%	1.5%	1.1%	5.3%	7.4%
FMG Suite	11.9%	0.7%	1.6%	0.9%	0.3%	0.3%	0.0%	8.1%	0.2%
Twenty Over Ten	9.9%	1.3%	2.5%	1.2%	0.6%	0.6%	0.0%	14.4%	0.4%
Advisor Websites	5.5%	0.3%	<0.1%	-0.3%	0.4%	<0.1%	-0.4%	-4.8%	-7.6%
Custodian/B-D	3.8%	0.7%	0.2%	-0.5%	<0.1%	0.2%	0.2%	-11.0%	4.0%
Firm-Provided	3.6%	1.5%	0.2%	-1.3%	<0.1%	0.3%	0.3%	-26.7%	8.3%
Undecided	6.7%	N/A	N/A	N/A	<0.1%	2.1%	2.1%	N/A	N/A
Weren't Using	0.8%	1.5%	0.2%	-1.3%	N/A	N/A	N/A	N/A	N/A

Document Management

Document Management Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Microsoft OneDrive	16%	8.7
Dropbox	12%	8.7
Box	9%	8.6
Firm Proprietary	4%	7.3
Docupace	4%	8.4
eMoney	4%	8.0
Use Client Portal	4%	8.9
Laserfiche	3%	8.5
Worldox	3%	8.8
Custodian/B-D	3%	7.6
NetDocuments	2%	7.5
Google Drive	4%	9.0
Egnyte	4%	8.8
ShareFile	3%	8.2

Category	
Importance	8.9
Satisfaction	7.9
Adoption	64.5%

Given that advisory firms in general tend to live most commonly in the Microsoft ecosystem, it is perhaps not surprising that the most popular document management solution is simply Microsoft's own OneDrive/SharePoint system – beyond the plurality of advisors who don't even use Microsoft's business solutions and are simply solo advisors keeping their files on their local hard drives (the most common response in 'Other'). For advisors who prefer a standalone solution (or don't live in or want to remain in the Microsoft ecosystem), Dropbox and Box were also noticeable standouts.

In addition, these leaders in terms of adoption rate all scored fairly high on satisfaction (8.5+ user ratings), suggesting that advisors' needs are generally met by out-of-the-box document management systems (with Google Drive also scoring quite well). On the other hand, more enterprise-specific solutions like Egnyte and Worldox also scored quite high, suggesting that when it comes to larger advisory firms, they seek – and are satisfied with – more enterprise-level capabilities. And in general, most enterprise document management systems were competitive – including Laserfiche, Docupace, and ShareFile – with only NetDocuments scoring significantly lower.

On the other hand, broker-dealer provided solutions and proprietary solutions scored particularly low in terms of satisfaction, suggesting that similar to e-signature, advisors are less satisfied with the end capabilities of more use-specific or proprietary (platform-specific) solutions over the more flexible standalone purpose-built document management systems.

Document Management: Changes In Market Adoption

While every advisory firm has "files" to manage, not all firms use formal document management systems, and the category overall has a 'remarkably' low adoption rate of less than 70% (at least, "low" given the ubiquity of having client files saved as electronic documents to store and retrieve). Though in practice, given the sheer number of small and solo advisory firms, this is likely just a reflection of the reality that many individual advisors don't 'need' document management software, per se, and simply store their files on local hard drives for their access as needed. Though this does suggest that there is still a relatively sizable growth opportunity for document management solutions amongst advisors that have not yet implemented one at all.

Overall, 5% of advisors indicated a plan to change document management software within the next 12 months.

Over the past 12 months, Microsoft OneDrive and Advyzon saw the largest total gains in this category, although the two companies are positioned quite differently with Microsoft OneDrive being positioned as a market leader, whereas Advyzon's market share is still negligible. NetDocuments and Dropbox saw the largest total losses, along with firms trying to create their own proprietary solutions.

On a forward-looking basis, most advisors were still not sure what provider they would go with. Microsoft OneDrive and Box had the highest anticipated gains in total numbers, while Advyzon again looked strong relative to their currently small market share. Docupace, Worldox, and self-built tools had the highest reported levels of total anticipated outflows.

Overall, there are few clear winners *gaining* market share in the current environment, as the large smattering of providers with <5% market share are all gaining (and losing) small slices of advisors. Though in general, 'enterprise'-focused systems are tending to lose market share (e.g., Worldox, Docupace, and NetDocuments all show projected small declines in market share, at least amongst independent advisors), while relative gainers include the more 'general' document management systems that are capable enough for advisory firms but tend to have a lower cost, including Microsoft's OneDrive and Box (along with the document management system attached to Advyzon, as an add-on to its core offering, albeit growing from a very small base).

Overall, Microsoft's OneDrive position likely bodes well for them, given their continued development of Office365, and potential deepening of integration between the full suite of (advisor) office productivity tools. Especially given that the largest growth opportunity is arguably gaining first-time adopters, where advisors who already use Word, Excel, and PowerPoint may be especially inclined to just expand their existing Microsoft Office365 relationship into using OneDrive/SharePoint as well.

Companies To Watch

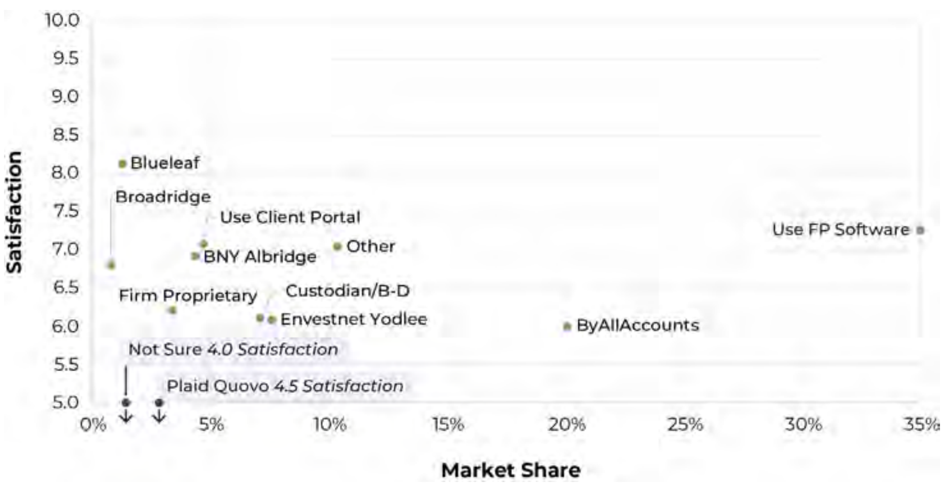
- Pessimistic: Worldox, Docupace, NetDocuments
- Optimistic: Microsoft OneDrive, Box, Advyzon
- Neutral: Egnyte, Laserfiche, ShareFile, Dropbox

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	27.5%	2.2%	3.3%	1.1%	0.7%	1.5%	0.8%	4.2%	2.8%
Microsoft OneDrive	16.5%	1.1%	2.5%	1.4%	<0.1%	0.6%	0.6%	9.3%	3.7%
Dropbox	11.2%	1.2%	0.8%	-0.4%	0.4%	0.6%	0.2%	-3.5%	1.4%
Box	8.8%	1.4%	1.4%	0.0%	<0.1%	0.6%	0.6%	0.0%	6.9%
Docupace	4.2%	<0.1%	0.3%	0.3%	0.4%	0.3%	-0.1%	7.7%	-3.4%
Firm Proprietary	3.9%	1.5%	0.8%	-0.7%	<0.1%	0.3%	0.3%	-15.2%	7.8%
eMoney	3.7%	0.5%	0.3%	-0.2%	0.1%	0.2%	0.0%	-5.1%	0.1%
Laserfiche	3.7%	0.3%	<0.1%	-0.3%	<0.1%	0.3%	0.3%	-7.5%	8.2%
Worldox	3.4%	0.3%	0.6%	0.3%	0.6%	0.2%	-0.4%	9.7%	-13.0%
Client Portal	3.3%	0.2%	0.6%	0.4%	0.1%	0.5%	0.3%	13.8%	9.3%
Custodian/B-D	3.1%	0.3%	<0.1%	-0.3%	0.1%	0.5%	0.3%	-8.8%	9.9%
NetDocuments	2.2%	0.6%	<0.1%	-0.6%	0.1%	0.2%	0.0%	-21.4%	0.1%
Advyzon	1.3%	<0.1%	0.6%	0.6%	<0.1%	0.3%	0.3%	85.7%	23.4%
Salesforce	1.0%	0.2%	0.3%	0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
eFileCabinet	0.9%	<0.1%	0.3%	0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
Self-Built	0.6%	0.2%	<0.1%	-0.2%	0.1%	<0.1%	-0.1%	N/A	N/A
Capitect	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	1.8%	N/A	N/A	N/A	<0.1%	1.7%	1.7%	N/A	N/A
No Use	2.7%	1.9%	0.6%	-1.3%	N/A	N/A	N/A	N/A	N/A

Account Aggregation

Account aggregation is a software category that has become increasingly popular in recent years, fulfilling a growing number of use cases from performance reporting on a client's 'entire' financial household, tracking household cash flow (i.e., spending) in addition to assets, facilitating the management (and billing upon) held-away accounts, and automating the input and updates to the data gathering process in financial planning software.

Account Aggregation Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Use FP Software	35.0%	7.3
ByAllAccounts	20.1%	6.0
Other	10.4%	7.0
Envestnet Yodlee	7.6%	6.1
Custodian/B-D	7.1%	6.1
Use Client Portal	4.7%	7.1
BNY Albridge	4.4%	6.9
Firm Proprietary	3.4%	6.2
Plaid Quovo	2.9%	4.5
Blueleaf	1.3%	8.1
Not Sure	1.3%	4.0
Broadridge	0.8%	6.8
Self-Built	0.5%	N/A
CircleBlack	0.3%	N/A
AquMulate	0.2%	N/A

Category	
Importance	7.8
Satisfaction	6.7
Adoption	62.7%

In practice, the most common use case appears to be automating financial planning data, as using financial planning software was by far the most common form of account aggregation used by advisors. From there, ByAllAccounts and Envestnet's Yodlee were the next most common solutions.

From a user ratings perspective, though, account aggregation had one of the lowest average ratings of any software category (particularly amongst those that have a material advisor adoption), suggesting that advisors are broadly unsatisfied by the full breadth of solutions in the marketplace, despite seeing the overall importance of account aggregation and its various use cases. T means when it comes to account aggregation, most providers don't need to make the case about *whether* to use account aggregation to gain adoption (and in fact, account aggregation continues to show a significant increase in first-time users, given its high Importance); the next stage of growth will come from whichever can figure out how to create the best flow of 'clean' data (without having their connections break on a regular basis!).

Account Aggregation: Changes In Market Adoption

Overall, 6.4% of advisors using account aggregation software indicated a plan to change their account aggregation software within the next 12 months, an above-average rate of change, and suggesting a moderate level of dissatisfaction amongst advisors with their current providers.

Over the past year, though, the biggest drivers of change were advisors adopting account aggregation for the first time, who overwhelmingly are plugging into the account aggregation via their financial planning software (e.g., eMoney Advisor, or via the Yodlee-MGP connection), or are adopting ByAllAccounts for their account aggregation, with most other providers showing modest outflows (particularly Broadridge and BNY's Albridge).

On a forward-looking basis, though, advisors are showing relatively more interest in Envestnet's Yodlee, and ByAllAccounts, and slightly less in using their financial planning software as a hub for account aggregation, although the forward-looking trend for using financial planning software still remains positive. It's possible this reflects a sort of the evolutionary shift that advisors tend to go through with account aggregation – where first it is used to gather and update financial planning data, but then shifts to bringing in data on held-away accounts into their performance reporting tools (e.g., to expand their business model from AUM to Assets Under Advisement [AUA] and begin billing on held-away assets), which requires a third-party provider to power the data beyond 'just' the financial planning software.

Notably, despite the fact that Blueleaf actually scored the highest on user satisfaction, advisors are stating mixed intentions to move away from Blueleaf (negative outflows in the past 12, and only a slight positive in the next 12), perhaps a reflection that recent updates have Blueleaf again trending in a positive direction.

Nonetheless, the key point remains that financial planning software is proving to be the primary channel for first-time or new use of account aggregation, given that it is already packaged into a planning software, and doesn't require adding a new tool. However, once advisors gain a desire to integrate those data flows into multiple tools, they are increasingly deciding that doing so primarily through their planning software may not be the best solution, particularly as the use of account aggregation migrates away from 'just' automating financial planning software updates, and beginning a process of reporting on (or managing, or billing on) held-away accounts where providers like ByAllAccounts and Yodlee come into play.

Companies To Watch

- Pessimistic: Quovo, Broadridge, Albridge
- Optimistic: Financial Planning software, ByAllAccounts
- Neutral: Envestnet Yodlee, Blueleaf

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Use FP	33.8%	2.1%	4.5%	2.4%	0.9%	1.6%	0.7%	7.6%	2.1%
ByAllAccounts	19.4%	0.5%	1.7%	1.2%	0.3%	1.1%	0.8%	6.6%	4.3%
Other	10.0%	1.0%	1.4%	0.4%	0.6%	0.5%	-0.1%	4.5%	-1.3%
Envestnet Yodlee	7.4%	0.6%	0.6%	-0.1%	<0.1%	0.8%	0.8%	-1.1%	11.1%
Custodian/B-D	6.9%	0.8%	0.3%	-0.5%	0.3%	0.5%	0.2%	-7.1%	2.6%
Client Portal	4.5%	0.8%	0.3%	-0.5%	0.2%	0.5%	0.3%	-10.4%	7.4%
BNY Albridge	4.2%	0.2%	<0.1%	-0.2%	0.5%	<0.1%	-0.5%	-3.7%	-11.1%
Firm Proprietary	3.3%	0.6%	0.3%	-0.4%	<0.1%	<0.1%	0.0%	-10.0%	0.0%
Plaid Quovo	2.8%	0.5%	0.6%	0.1%	0.5%	<0.1%	-0.5%	2.8%	-16.6%
Blueleaf	1.3%	0.6%	0.3%	-0.4%	<0.1%	0.2%	0.2%	-22.6%	13.1%
Broadridge	0.8%	0.2%	<0.1%	-0.2%	0.2%	<0.1%	-0.2%	N/A	N/A
Self-Built	0.5%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
CircleBack	0.3%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
AquMulate	0.2%	<0.1%	0.3%	0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
Investigo	0.0%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Undecided	1.3%	N/A	N/A	N/A	0.2%	4.1%	3.9%	N/A	N/A
Weren't Using	3.4%	2.3%	0.3%	-2.0%	N/A	N/A	N/A	N/A	N/A

Trading Software

Trading software is a category that has evolved greatly over the past decade, from what started out as broker-dealers and RIA custodians that all had their own direct trading platforms (to place orders through their platforms), to standalone "rebalancing" software for advisors to manage models (and upload trade files to their platforms), that ultimately turned into its own independent trading software that then plugs directly *into* broker-dealer and custodial platforms to place orders.

Overall, though, the most popular trading tools continue to be the ones provided by platforms, including TD Ameritrade's (and soon Schwab's) popular iRebal, and various broker-dealers' own trading platforms.

Ultimately, iRebal was the clear market leader, with one of the strongest User Satisfaction ratings, along with a plurality of user adoption. (Note: Rebalance Express did not meet our minimum adoption rate requirements to displace iRebal in terms of top User Satisfaction, though it was a clear standout amongst its still-relatively-limited user base.) On the other hand, broker-dealers' trading platforms ranked amongst the lowest of trading platforms, suggesting a significant opportunity for third-party tools (e.g., Orion, Tamarac, and Black Diamond) to gain traction amongst independent broker-dealers by leading with their portfolio trading and model management capabilities.

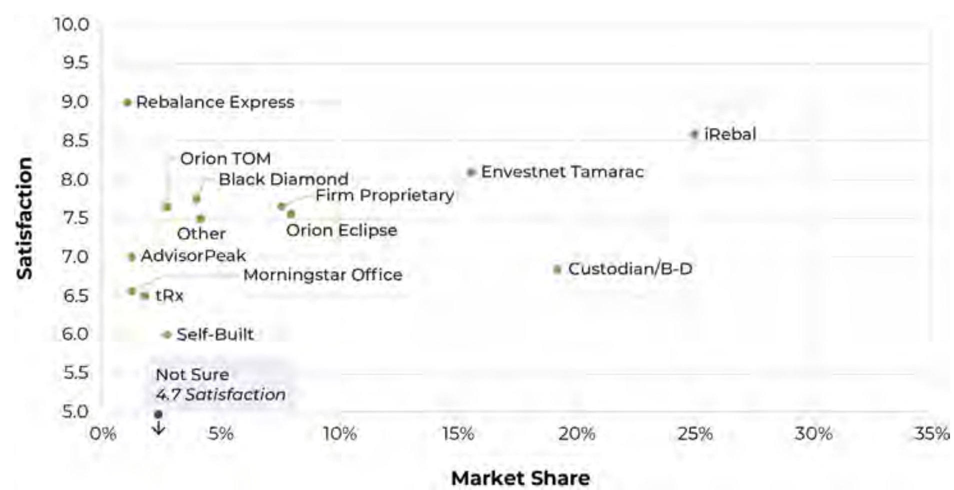
Trading Software: Changes In Market Adoption

Overall, 8.9% of advisors indicated a plan to change their trading software within the next 12 months – a category with one of the highest rates of planned departure from existing systems, suggesting a higher-than-average level of dissatisfaction amongst advisors... notwithstanding what are actually relatively high average user satisfaction ratings.

In general, the fastest growers are portfolio performance reporting systems that have expanded into portfolio trading capabilities in recent years, with Orion's Eclipse, Black Diamond, and Envestnet's Tamarac all showing very strong momentum over the past year... to the expense of almost every other trading solution, from their smaller brethren (e.g., AdvisorPeak, tRx, and Rebalance Express) to larger competitors (e.g., Morningstar Office).

In addition, a number of "platform" trading systems – e.g., the offerings that advisors receive directly from their broker-dealers and custodians – are also showing prior or expected outflows of market share, including iRebal itself with a negative outlook over the past 12 months (albeit with a slightly positive outlook for the coming 12 months).

Trading Software Market Share And Satisfaction



Vendor	Market Share	Satisfaction
iRebal	25.0%	8.6
Custodian/B-D	19.2%	6.8
Envestnet Tamarac	15.6%	8.1
Orion Eclipse	8.0%	7.6
Firm Proprietary	7.6%	7.7
Other	4.2%	7.5
Black Diamond	4.0%	7.8
Orion TOM	2.7%	7.6
Self-Built	2.7%	6.0
Not Sure	2.2%	4.7
tRx	1.8%	6.5
AdvisorPeak	1.3%	7.0
Morningstar Office	1.3%	6.6
Rebalance Express	1.1%	9.0
Altruist	0.7%	N/A
Capitect	0.7%	N/A
Riskalyze Trading	0.5%	N/A
55ip	0.4%	N/A
Advisor360	0.2%	N/A
BlazePortfolio	0.2%	N/A
FinFolio	0.2%	N/A
SMArtX	0.2%	N/A
Smartleaf	0.2%	N/A

Category	
Importance	9.0
Satisfaction	7.7
Adoption	46.3%

However, when it comes to iRebal in particular, these changes may be more related to Schwab's acquisition of TD Ameritrade. It's possible TDA advisors were fearing that they would need to leave TDA (or actually did choose to leave) after the acquisition, which led to advisors feeling more inclined to seek out new software (either to replace their trading directly through TD Ameritrade, or via iRebal). On the other hand, given that Schwab has announced plans to retain iRebal in the TD Ameritrade merger and will ultimately introduce it on a free basis to more-than-double the users who were previously implementing with TD Ameritrade alone, iRebal is arguably still very well positioned to gain additional market share as a 'free' Schwab-specific alternative (extending Schwab's Portfolio Connect strategy with another very-highly-rated advisor technology solution). Though competitors have still managed to gain market share away from iRebal (and TD Ameritade in general) during the angst and uncertainty associated with the Schwabitrade merger.

Companies To Watch

- Pessimistic: tRx, Morningstar Office, Orion TOM
- Optimistic: iRebal, Orion, Black Diamond, Tamarac
- Neutral: Customized broker-dealer trading, AdvisorPeak, Rebalance Express

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
iRebal	24.2%	1.4%	0.9%	-0.5%	1.2%	2.2%	0.9%	-2.2%	3.9%
Custodian/B-D	18.6%	2.7%	2.4%	-0.3%	0.9%	1.1%	0.2%	-1.6%	1.1%
Envestnet Tamarac	15.1%	1.1%	2.4%	1.3%	0.2%	0.9%	0.7%	9.5%	4.9%
Orion Eclipse	7.7%	0.9%	2.7%	1.8%	<0.1%	1.6%	1.6%	29.9%	21.1%
Firm Proprietary	7.4%	1.1%	0.3%	-0.8%	<0.1%	0.5%	0.5%	-9.5%	7.4%
Other	4.0%	0.7%	1.2%	0.5%	0.4%	0.7%	0.4%	13.3%	9.3%
Black Diamond	3.9%	0.2%	1.8%	1.6%	<0.1%	1.8%	1.8%	70.7%	47.0%
Orion TOM	2.6%	0.2%	<0.1%	-0.2%	0.4%	0.2%	-0.2%	-6.3%	-6.4%
Self-Built	2.6%	0.7%	0.3%	-0.4%	0.5%	0.2%	-0.3%	-13.6%	-13.1%
tRx	1.8%	1.1%	0.3%	-0.8%	<0.1%	<0.1%	0.0%	N/A	N/A
Morningstar Office	1.2%	0.2%	<0.1%	-0.2%	0.4%	0.2%	-0.2%	N/A	N/A
AdvisorPeak	1.2%	0.5%	0.6%	0.1%	0.2%	0.4%	0.2%	N/A	N/A
Rebalance Express	1.1%	0.4%	0.3%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
Altruist	0.7%	<0.1%	<0.1%	0.0%	0.2%	0.7%	0.6%	N/A	N/A
Capitect	0.7%	<0.1%	0.6%	0.6%	<0.1%	<0.1%	0.0%	N/A	N/A
Riskalyze Trading	0.5%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
55ip	0.4%	<0.1%	<0.1%	0.0%	0.2%	0.2%	0.0%	N/A	N/A
Advisor360	0.2%	0.2%	<0.1%	-0.2%	<0.1%	0.2%	0.2%	N/A	N/A
Blaze Portfolio	0.2%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	N/A	N/A
FinFolio	0.2%	<0.1%	0.3%	0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
SMArtX	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Smartleaf	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
LifeYield	0.0%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Not Sure	2.1%	N/A	N/A	N/A	<0.1%	3.6%	3.6%	N/A	N/A
Not Used	3.3%	2.1%	0.3%	-1.8%	N/A	N/A	N/A	N/A	N/A

Investment Data / Analytics

Investment Data/Analytics Market Share And Satisfaction

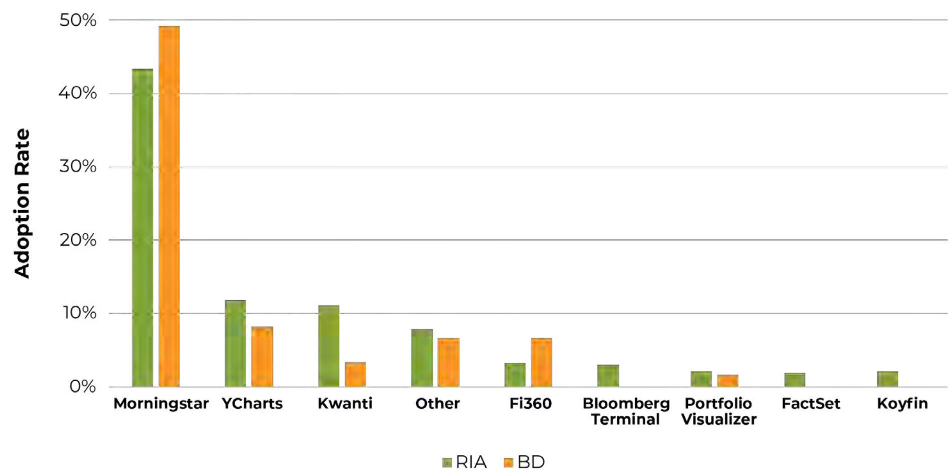
Vendor	Market Share	Satisfaction
Morningstar	47.2%	7.5
YCharts	10.7%	8.3
Kwanti	9.7%	8.7
Other	8.1%	8.0
Custodian/B-D	3.9%	7.0
Fi360	3.9%	7.4
Not Sure	3.1%	6.8
Bloomberg Terminal	2.8%	8.3
FactSet	2.4%	8.7
Portfolio Visualizer	2.2%	6.8
Koyfin	1.8%	8.6
Firm Proprietary	1.7%	5.8
Self-Built	1.3%	6.5
AdvisoryWorld	0.6%	N/A
Chaikin	0.4%	N/A
CFRA	0.2%	N/A
Zephyr	0.2%	N/A

Category	
Importance	8.3
Satisfaction	7.8
Adoption	53.8%

Morningstar has long been the staple provider of investment data and analytics for financial advisors, dating back to the 1980s and 1990s when mutual funds were the primary product that financial advisors sold and Morningstar was the dominant provider of mutual fund analytics.

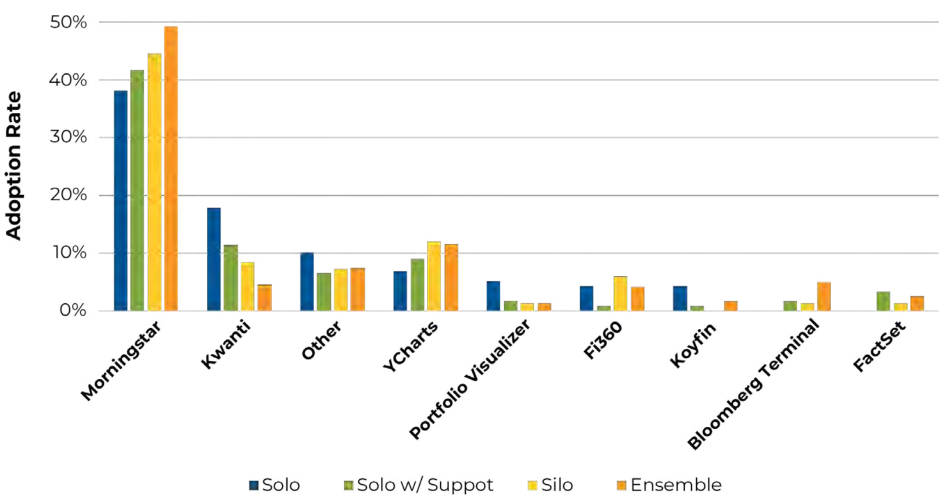
Yet while Morningstar remains a clear leader in terms of adoption rates, the category of investment data and analytics is one where a very large number of 'upstarts' have managed to enter the category, achieve (moderately) higher user ratings, and gain incremental market share... to the point that while no other company even reaches 15% adoption (yet?), Morningstar itself is below 50% market share and is no longer the majority player.

Investment Data / Analytics Adoption By Channel



Notably, the upstarts are getting more traction initially in the RIA channel. While Morningstar is still dominant in both, its adoption rate is substantially lower within the RIA channel, where upstarts are generally either outright more popular in the RIA channel (YCharts, Kwanti) or just not observed at all in the BD channel (e.g., FactSet, Koyfin). Fi360 is a notable divergence from this trend, however, perhaps due to Fi360's capabilities on the 401(k) and other ERISA retirement plan management metrics (which is also relevant for broker-dealer-based advisors selling 401(k) plans).

Investment Data / Analytics Adoption By Team Structure



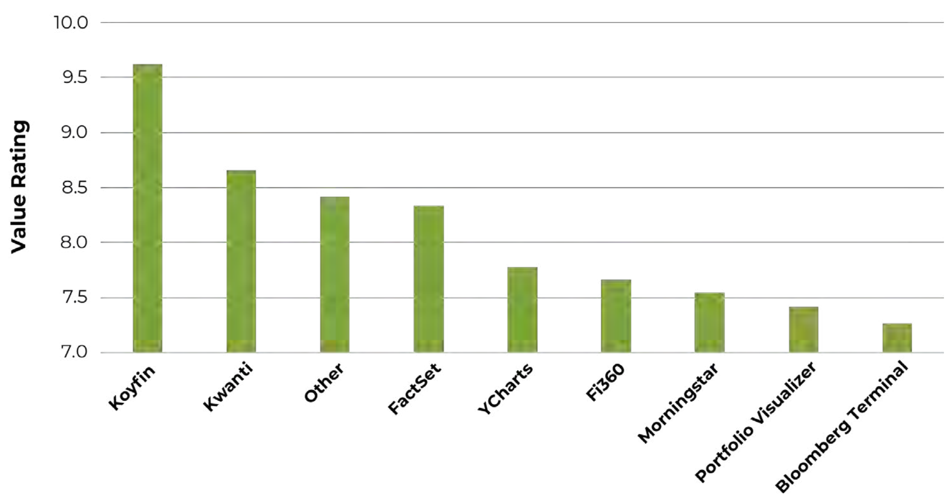
Adoption also varied by team structure. In particular, Morningstar was most commonly adopted among those in ensemble practices (which tend to be larger) and least commonly adopted within solo firms (which tend to be more budget constrained), while the reverse was true for lower cost upstarts like Kwanti, Portfolio Visualizer, and Koyfin that appear to be doing especially well with solo advisors on limited budgets.

In practice, Morningstar appears to be suffering a classic scenario of 'death by a thousand cuts' as individual niche players attempt to chip away at its market share with more focused offerings that do a better job for a particular use case, from Fi360 focused on investment analytics specifically for ERISA fiduciary due diligence of 401(k) plans, to Koyfin and Kwanti as lower-cost alternatives for smaller firms, Bloomberg's depth of information for large investment managers, and YCharts' growing tools for building and monitoring model-based portfolios.

Given Morningstar's lead and the relative complexity and training curve of changing investment analytics providers – especially in a larger enterprise environment – it seems unlikely that Morningstar will see significant market share deterioration anytime soon; instead, its slow decline in dominance appears to be driven more by the expanding proliferation of different investment approaches used by advisory firms (such that different size and styles of firms are pursuing different types of solutions)… though YCharts in particular appears to be winning business from Morningstar as a more direct head-to-head competitor.

Advisors were also asked about perceived value of a tool relative to its cost. Because there's a large gap in pricing between some of the options surveyed, it is possible that while someone may be satisfied with the actual performance of a tool, it is actually the cost that is driving a general level of dissatisfaction (or a desire to move to another tool). Accordingly, our results show that Koyfin and Kwanti, both options at the lower end of the price spectrum, do tend to score well (though Portfolio Visualizer as an ultra-low-cost provider scores poorly, even relative to its low cost). Conversely, value scores fall off relatively significantly for higher-priced YCharts and Morningstar, suggesting there may be room for those providers to increase their relative Value ratings with a pricing change (though notably, YCharts already appears to be winning significant market share from Morningstar as a relatively-lower-cost-than-Morningstar alternative provider).

Perceived Value Relative To Cost



Investment Data / Analytics: Changes In Market Adoption

Overall, 4.5% of advisors indicated a plan to change their investment data/analytics software within the next 12 months, a slightly-below-average change rate for advisor technology.

Overall, churn amongst most investment analytics tools is relatively low, with the exception of Morningstar, which has and is projected to continue to experience a significant decline as a number of advisors look to adopt "anything else" as an alternative. Though what advisors are going *to* varies tremendously, with almost every provider projected to pick up at least a small slice of market share at Morningstar's expense (and a non-trivial number of first-adopters entering the market, also looking at generally-lower-cost alternatives to Morningstar as they buy their first software solutions).

Over the past year, the primary growth movers have been YCharts and Kwanti, along with "Other" select one-off solutions that advisors are using. Notably, neither is showing as the anticipated software-of-choice for advisors trying to decide what to move *to*, but investment analytics tools also show an unusually high percentage of advisors who are "Not Sure" what they will be going to... implying that YCharts and Kwanti are winning market share away from Morningstar but suffer an awareness problem that advisors have to actually search the landscape and find them for the first time before deciding to adopt one of those alternatives.

Companies To Watch

- Pessimistic: Morningstar
- Optimistic: Koyfin, Kwanti, YCharts
- Neutral: Bloomberg Terminal, Fi360

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Morningstar	44.6%	4.5%	1.6%	-2.9%	1.6%	1.1%	-0.5%	-6.1%	-1.1%
YCharts	10.1%	1.1%	2.5%	1.4%	0.2%	0.5%	0.4%	16.7%	3.7%
Kwanti	9.2%	0.4%	1.6%	1.2%	0.3%	0.7%	0.4%	15.2%	4.1%
Other	7.6%	0.5%	2.5%	2.0%	0.2%	0.7%	0.6%	34.9%	7.2%
Fi360	3.7%	0.5%	0.3%	-0.2%	<0.1%	0.2%	0.2%	-5.8%	5.0%
Custodian/B-D	3.7%	1.1%	0.9%	-0.1%	0.2%	<0.1%	-0.2%	-3.4%	-4.8%
Bloomberg Terminal	2.6%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	-6.4%	0.0%
Fact Set	2.3%	0.4%	0.3%	0.0%	<0.1%	0.2%	0.2%	-1.9%	8.0%
Portfolio Visualizer	2.1%	0.2%	0.3%	0.1%	<0.1%	0.2%	0.2%	6.9%	8.7%
Koyfin	1.7%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	0.0%	10.4%
Firm Proprietary	1.6%	0.5%	0.6%	0.1%	<0.1%	0.2%	0.2%	N/A	N/A
Self-Built	1.2%	0.2%	<0.1%	-0.2%	<0.1%	0.4%	0.4%	N/A	N/A
AdvisoryWorld	0.5%	<0.1%	<0.1%	0.0%	0.2%	0.2%	0.0%	N/A	N/A
Chaikin	0.4%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
CFRA	0.2%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	N/A	N/A
Zephyr	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Windham Labs	0.0%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	N/A	N/A
Logicly	0.0%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Not Sure	3.0%	N/A	N/A	N/A	0.2%	2.7%	2.5%	N/A	N/A
No Use	5.6%	1.6%	0.9%	-0.7%	N/A	N/A	N/A	N/A	N/A

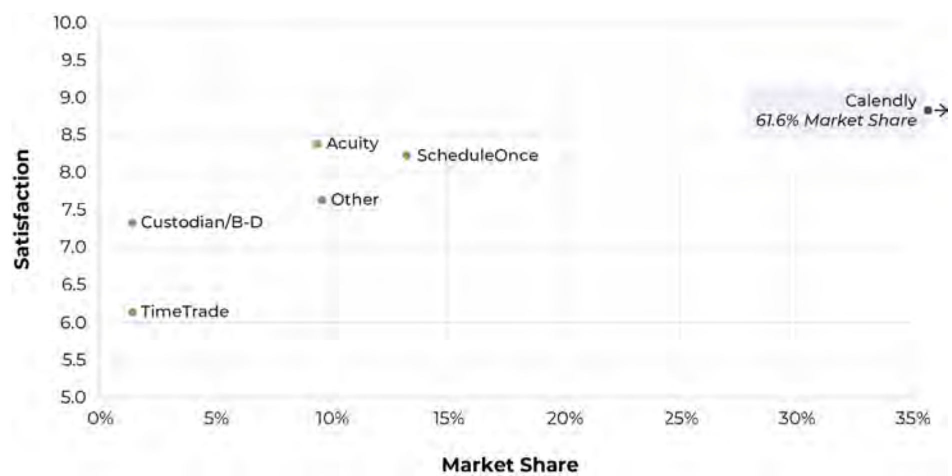
Scheduling Software

Scheduling software is a category that was relatively unknown just a few years ago but is rapidly growing in adoption as an easy way to save time on the typical back-and-forth hassles of scheduling meetings with clients and prospects – typically by either sending a scheduling link, or by outright including the scheduling link/app embedded into the advisor's website. In practice, it actually enjoys the highest average rating of any tool that doesn't already have 50%+ market adoption from advisors (which, coupled with its Importance rating, suggests its market share will grow quickly from here in the years to come).

Overall, Calendly dominated the scheduling category in terms of adoption rates, with more than 60% adoption ratings, and boasted the highest satisfaction rating amongst advisors that did use it. Though more generally, all of the companies that offer dedicated calendaring solutions scored quite well in this category in terms of satisfaction except TimeTrade and the broker-dealer-provided tools (another example of a category where broker-dealers creating their own solutions ranked significantly lower than off-the-shelf solutions).

As noted in [a prior Nerd's Eye View review of scheduling software](), Calendly very early on offered a free option, whereas many of their competitors did not, and Calendly's original freemium approach – along with a visually pleasing UI – appears to have gone a long way in terms of initial adoption and getting advisors to try out (and then stick with) the tool.

Scheduling Software Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Calendly	61.6%	8.7
ScheduleOnce	13.3%	8.2
Other	9.6%	7.6
Acuity	9.4%	8.4
Custodian/B-D	1.4%	7.3
TimeTrade	1.4%	6.1
Not Sure	0.8%	N/A
Self-Built	0.6%	N/A
Use Digital Marketing	0.6%	N/A
Firm Proprietary	0.6%	N/A
YouCanBookMe	0.4%	N/A
x.ai	0.2%	N/A

Category	
Importance	8.1
Satisfaction	8.4
Adoption	46.8%

Scheduling Software: Changes In Market Adoption

Overall, 6.2% of advisors indicated a plan to change scheduling software within the next 12 months, which is an above-average rate of change and suggests some level of dissatisfaction with current scheduling tools, notwithstanding their relatively high average rating.

Over the past 12 months, Calendly saw the largest total gains in this category, followed by ScheduleOnce and Acuity. Notably, though, the adoption gap between Calendly versus ScheduleOnce and Acuity is quite large. Tools provided by a custodian or broker-dealer saw the largest declines.

On a forward-looking basis, Calendly had the highest reported intentions for advisors to move to, followed by Acuity. Though a number of advisors were also not sure which tool they would adopt, and because of the high satisfaction-plus-importance combination, scheduling software is also showing an especially high rate of first-time adoption.

Another potential benefit for Calendly may be the wind-down for x.ai, which announced that it was being acquired and shutting down by the end of 2021.

Companies To Watch

- Pessimistic: BD-provided scheduling Apps, x.ai
- Optimistic: Calendly
- Neutral: ScheduleOnce, Acuity

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Calendly	59.5%	2.2%	12.4%	10.2%	1.0%	5.0%	4.0%	20.7%	6.7%
ScheduleOnce	12.8%	1.0%	2.1%	1.1%	0.6%	0.6%	0.0%	9.2%	0.1%
Other	9.3%	1.0%	1.7%	0.7%	0.4%	0.6%	0.2%	8.6%	2.2%
Acuity	9.1%	0.6%	1.7%	1.1%	0.4%	1.0%	0.6%	14.2%	6.7%
Custodian/B-D	1.4%	0.4%	<0.1%	-0.4%	<0.1%	0.6%	0.6%	-22.2%	43.5%
Engageware (fka TimeTrade)	1.4%	0.6%	0.3%	-0.2%	<0.1%	<0.1%	0.0%	-15.1%	0.0%
Self-Built	0.6%	<0.1%	<0.1%	0.0%	<0.1%	0.4%	0.4%	0.0%	67.9%
Digital Marketing	0.6%	0.2%	<0.1%	-0.2%	0.2%	<0.1%	-0.2%	-25.0%	-33.4%
Firm Proprietary	0.6%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	-25.0%	0.0%
YouCanBookMe	0.4%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
x.ai	0.2%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	-49.6%	0.0%
Not Sure	0.8%	N/A	N/A	N/A	<0.1%	3.2%	3.2%	N/A	N/A
No Use	3.5%	12.0%	0.3%	-11.7%	N/A	N/A	N/A	N/A	N/A

Tax Planning

Holistiplan is new entrant in the tax planning category, having launched barely more than 2 years ago, but has quickly moved to a dominant position with over 45% of adoption among advisors using tax planning tools.

Overall, tax planning was a category with relatively low advisor adoption but an especially high score in importance and a high user satisfaction (driven by Holistiplan's dominant market share with a very high rating), suggesting that the category overall (and Holistiplan in particular) is well-positioned for rapid growth, even as Holistiplan is positioned to win market share away from legacy alternatives like BNA Income Tax Planner.

Tax Planning: Changes In Market Adoption

Overall, 6.9% of advisors indicated a plan to change tax planning software within the next 12 months, an above-average rate of change.

The biggest driver of growth in the category, though, comes from advisors who were not using tax planning software previously at all, where Holistiplan is dominating the growth, followed by an "Other" category of advisors who are using various tax preparation tools to do their tax planning (e.g., for those who are already CPAs or EAs doing tax preparation for clients). Though at the same time, Holistiplan managed to grow last year at the expense of *nearly* every other tax planning software tool, except for various 'Other' tools, and BNA's Income Tax Planner.

On the other hand, the platform anticipated to suffer most loss of market share in the coming year is BNA Income Tax Planner, which previously had a sizable market share but is projected to lose a material slice of its market share as a significant number of its userbase reports that it is looking to leave and adopt an alternative solution.

Tax Planning Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Holistiplan	43.5%	8.9
Other	24.0%	7.7
BNA Income Tax	9.6%	7.7
Firm Proprietary	5.8%	6.5
CFS Tax Software	4.9%	8.0
Planner CS	2.8%	9.4
Not Sure	2.6%	4.8
Tax Clarity	2.6%	7.3
Self-Built	2.4%	6.5
Custodian/B-D	1.9%	7.2

Category	
Importance	8.4
Satisfaction	8.2
Adoption	36.9%

Overall, though, the story in this tax planning category is the explosive growth of Holistiplan, which has not only very rapidly become a category leader, but is succeeding in a category with little other competition, and an accelerating rise of new advisors adopting the category for the first place... leaving it well positioned to pick up advisors changing tax planning software, as well as continuing to grow this category as a whole by drawing in users who weren't previously using any tax planning software.

Companies To Watch

- Pessimistic: BNA Income Tax
- Optimistic: Holistiplan
- Neutral: CFS Tax Software, Tax Clarity, Planner CS

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Holistiplan	39.3%	0.6%	11.0%	10.4%	0.6%	5.0%	4.4%	36.1%	11.2%
Other	21.7%	1.0%	1.8%	0.8%	<0.1%	1.0%	1.0%	3.9%	4.6%
BNA Income Tax	8.7%	0.6%	1.3%	0.7%	0.8%	0.6%	-0.2%	8.6%	-2.0%
Firm Proprietary	5.2%	0.4%	<0.1%	-0.4%	<0.1%	0.2%	0.2%	-7.0%	3.8%
CFS Tax Software	4.5%	0.8%	0.3%	-0.5%	<0.1%	<0.1%	0.0%	-10.6%	0.0%
Planner CS	2.5%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	-7.2%	0.0%
Tax Clarity	2.3%	0.4%	<0.1%	-0.4%	<0.1%	0.2%	0.2%	-14.5%	8.6%
Self-Built	2.1%	0.6%	<0.1%	-0.6%	0.4%	0.2%	-0.2%	-21.6%	-8.8%
Custodian/B-D	1.7%	0.6%	<0.1%	-0.6%	<0.1%	<0.1%	0.0%	-25.3%	0.0%
Not Sure	2.3%	N/A	N/A	N/A	<0.1%	4.8%	4.8%	N/A	N/A
No Use	9.7%	9.6%	0.8%	-8.8%	N/A	N/A	N/A	N/A	N/A

Social Media Archiving

While social media has become quite ubiquitous in modern life, the same cannot be said of social media platforms in the realm of financial advisors. Driven primarily by the compliance concerns – broadcasts on social media can be deemed advertising, and the ways that prospects and especially clients interact via social media historically was at risk of triggering adverse compliance consequences as 'testimonials' – adoption of social media has been limited, and thus so too has the adoption of social media archiving solutions.

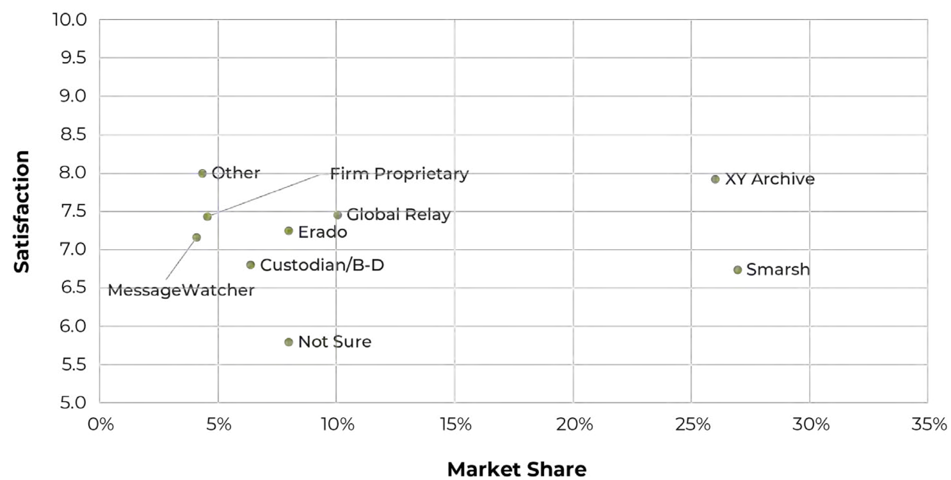
In general, the landscape for social media archiving is split into two camps – providers for independent RIAs (e.g., MessageWatcher and XY Archive), and providers that are more commonly used in broker-dealer enterprises (e.g., Global Relay and Erado) – with Smarsh as the 'go-between' provider that has significant adoption amongst both.

Notably, ratings for social media archiving solutions overall were relatively consistent (with moderate but not extremely high ratings), suggesting that in practice the driver of adoption is more about distribution strategies (thus why some providers are higher in broker-dealers and others in the RIA channel, given their differing marketing efforts). Which is somewhat remarkable as, particularly in the broker-dealer channel, advisors actually have very little discretion of what providers to use (as the decision is driven by the home office compliance department); in other words, despite limited pressure from advisors to impact selection, competition has still produced a consistently high user rating/experience for social media archiving solutions.

Notably, XY Archive appears to have scored well in part because it is included for 'free' as part of membership in XY Planning Network, and because XYPN advisors skew younger by age and are more likely to adopt social media in the first place, they represented a disproportionately large response rate amongst advisors who actually use social media archiving tools in the first place.

Disclosure: Michael Kitces is a co-founder of AdvicePay, fpPathfinder, and XY Planning Network, all of which were mentioned in this study (including XY Planning Network's offering, XY Archive). Additionally, Michael and Derek are on the Advisory Boards for the Timeline App and IncomeLab, respectively.

Social Media Archiving Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Smarsh	26.9%	6.7
XY Archive	26.0%	7.9
Global Relay	10.0%	7.5
Erado	8.0%	7.3
Not Sure	8.0%	5.8
Custodian/B-D	6.4%	6.8
Firm Proprietary	4.6%	7.4
Other	4.3%	8.0
MessageWatcher	4.1%	7.2
Proofpoint	0.7%	N/A
PageFreezer	0.5%	N/A
ArchiveSocial	0.2%	N/A
Self-Built	0.2%	N/A

Category	
Importance	7.6
Satisfaction	7.3
Adoption	42.3%

Social Media Archiving: Changes In Market Adoption

Overall, 4.3% of advisors indicated a plan to change social media archiving software within the next 12 months.

Over the past 12 months, XY Archive saw the largest total gains in this category, followed by Global Relay and Erado. MessageWatcher and Smash saw the largest total declines. First time adoption was also relatively high for this category.

On a forward-looking basis, XY Archive was the only vendor to possess a negative forward-looking outlook, although the reported anticipated outflows were still low on a relative basis and the proportion of users who were "not sure" was much larger than the anticipated outflows from XY Archive (suggesting that once new advisors who aren't sure eventually select a solution, all of the providers are likely to show at least small net gains in user count). Overall, there weren't really many standouts in this category. However, in the broker-dealer realm, one thing to look out for is Global Relay potentially gaining market share from Smarsh, given the differences in satisfaction rates (although, again, even Smarsh users are relatively satisfied, and advisor users themselves in the broker-dealer have limited impact on the selection of home-office-chosen social media archiving tools).

Companies To Watch

- Pessimistic: MessageWatcher
- Optimistic: XY Archive
- Neutral: Smarsh, Erado, Global Relay

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Financial Planning Software	24.4%	1.6%	2.9%	1.4%	1.0%	2.0%	1.1%	5.9%	4.4%
SS Analyzer	23.2%	1.4%	0.4%	-1.0%	0.6%	1.4%	0.8%	-4.2%	3.6%
Other	14.0%	0.6%	0.7%	0.1%	0.2%	0.2%	0.0%	1.0%	0.1%
Maximize MySocial Security	11.0%	0.2%	0.4%	0.2%	0.4%	0.4%	0.0%	1.6%	0.2%
Hoursemouth SavvySocial Security	5.5%	0.8%	1.8%	1.0%	<0.1%	0.2%	0.2%	23.4%	3.7%
Social Security Timing	4.9%	0.2%	<0.1%	-0.2%	0.2%	<0.1%	-0.2%	-3.8%	-4.0%
Firm Proprietary	4.5%	0.6%	<0.1%	-0.6%	<0.1%	<0.1%	0.0%	-11.5%	0.0%
Income Solver	2.8%	0.2%	1.1%	0.9%	<0.1%	0.4%	0.4%	48.8%	14.9%
Custodian/B-D	2.0%	0.4%	<0.1%	-0.4%	<0.1%	<0.1%	0.0%	N/A	N/A
Self-Built	0.6%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Not Sure	2.2%	N/A	N/A	N/A	<0.1%	4.1%	4.1%	N/A	N/A
No Use	5.1%	2.2%	0.7%	-1.4%	N/A	N/A	N/A	N/A	N/A

Compliance Software

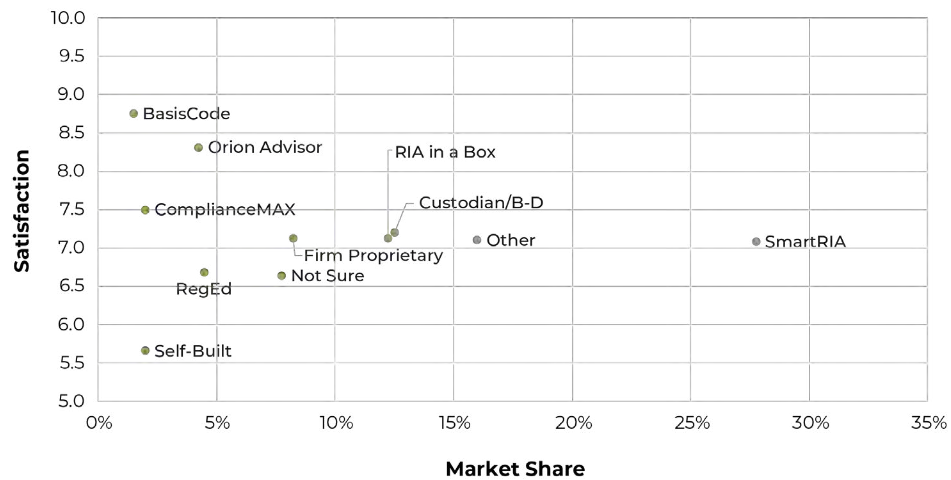
In a highly regulated industry like financial services, 'compliance' is simply a reality that all advisors must deal with. Yet the irony is that despite the relatively repetitive nature of compliance – which makes it rather conducive to technology to help support – there has been remarkably little in the way of 'compliance software' to help independent advisory firms manage their compliance obligations, especially amongst the independent RIA channel.

Accordingly, in recent years, it's been RIA compliance software in particular that has begun to experience rapid growth, and where our Kitces Research has been focused (as in the case of broker-dealers, compliance software is not an advisor-selected tool at all, but simply an obligation to use whatever the home office provider requires). Standouts in our Kitces Tech Study included SmartRIA and RIA in a Box, along with a number of more niche players such as ComplianceMAX, Basis Code, Orion's own compliance module, and custodian-provided solutions (e.g., Schwab Compliance tools).

Notably, while SmartRIA had the highest rate of adoption among our respondents, this was again an area where adoption is likely impacted by the fact that SmartRIA is included in membership benefits of XY Planning Network, effectively reducing the marginal cost of the software to $0 for XYPN members (and leading to a rather high adoption in a category where nearly two-thirds of advisors simply don't use any software at all).

More generally, this suggests that while compliance software has historically priced at a premium – given that compliance is 'required' – that lower prices and/or more price competition in the category could lead to a further acceleration in adoption (as in the end, the greatest 'competition' amongst compliance software providers is not with each other, but the mass of advisors who handle their compliance manually without using any software to support at all).

Compliance Software Market Share And Satisfaction



Vendor	Market Share	Satisfaction
SmartRIA	27.8%	7.1
Other	16.0%	7.1
Custodian/B-D	12.5%	7.2
RIA in a Box	12.3%	7.1
Firm Proprietary	8.3%	7.1
Not Sure	7.8%	6.6
RegEd	4.5%	6.7
Orion	4.3%	8.3
ComplianceMAX	2.0%	7.5
Self-Built	2.0%	5.7
BasisCode	1.5%	8.8
Complysci	0.8%	N/A
Patrina	0.3%	N/A
Red Oak	0.3%	N/A

Category	
Importance	8.1
Satisfaction	7.1
Adoption	34.0%

Compliance Software: Changes In Market Adoption

Overall, 4.1% of advisors indicated a plan to change compliance software within the next 12 months.

Notably, though, the Compliance software category again has material number of advisors indicating that they are Not Sure where they will be heading to… suggesting that there is a lot of market share 'up for grabs.'

On a retrospective basis, though, the primary winners of advisors choosing new compliance software has been SmartRIA, RIA in a Box, or Orion's Compliance tool. In addition, BasisCode also gained a non-trivial market share last year, and was recently acquired by Orion, creating a merged category that is positioned to become a more rapidly growing competitor in the Compliance space.

On a forward-looking basis, SmartRIA and Orion's compliance tool were again reported to be gaining the most in terms of total users, while RIA in a Box lagged behind – again leaving the SmartRIA and Orion positioned as apparent leaders within this category, while it is less clear what the future will hold for RIA in a Box. Notably, RegEd did not have such positive reported trends, suggesting RegEd may be slipping behind the competition and losing momentum.

Companies To Watch

- Pessimistic: ComplianceMAX, RegEd
- Optimistic: SmartRIA, Orion
- Neutral: RIA in a Box

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
SmartRIA	26.1%	2.1%	3.9%	1.7%	0.5%	1.7%	1.3%	7.1%	4.8%
Other	15.0%	1.2%	1.9%	0.7%	<0.1%	1.2%	1.2%	5.2%	8.2%
Custodian/B-D	11.7%	1.9%	<0.1%	-1.9%	0.2%	0.7%	0.5%	-14.0%	4.3%
RIA in a Box	11.5%	1.7%	2.9%	1.2%	0.7%	0.5%	-0.2%	12.1%	-1.8%
Firm Proprietary	7.8%	1.4%	1.0%	-0.5%	<0.1%	0.5%	0.5%	-5.6%	6.4%
RegEd	4.2%	0.2%	0.5%	0.2%	0.2%	0.2%	0.0%	6.2%	0.3%
Orion	4.0%	<0.1%	1.9%	1.9%	0.2%	0.5%	0.3%	94.6%	6.5%
ComplianceMAX	1.9%	<0.1%	<0.1%	0.0%	0.2%	<0.1%	-0.2%	N/A	N/A
Self-Built	1.9%	0.2%	<0.1%	-0.2%	0.2%	0.5%	0.3%	N/A	N/A
Basis Code	1.4%	<0.1%	0.5%	0.5%	<0.1%	<0.1%	0.0%	N/A	N/A
ComplySci	0.7%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Patrina	0.2%	0.2%	0.5%	0.2%	<0.1%	<0.1%	0.0%	N/A	N/A
Red Oak	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	7.3%	N/A	N/A	N/A	0.2%	3.5%	3.2%	N/A	N/A
No Use	6.1%	4.8%	0.5%	-4.3%	N/A	N/A	N/A	N/A	N/A

Specialized Retirement Planning

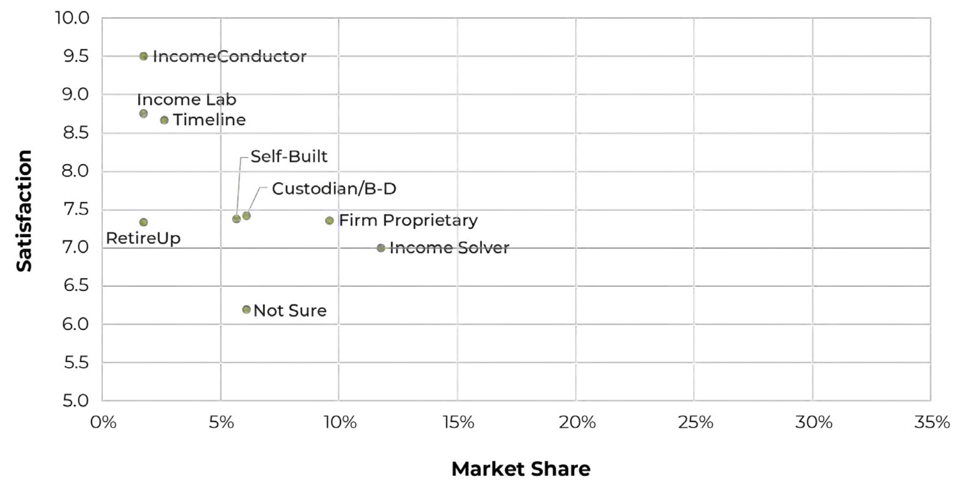
Given the breadth of adoption of financial planning software amongst independent financial advisors – and its primary focus on long-term retirement projections – it is somewhat astonishing that 'retirement planning software' should also exist as a stand-alone category amongst advisors. On the one hand, its presence suggests that there are still some substantive gaps in existing financial planning software that more specialized tools are aiming to fill, particularly when it comes to spending strategies *in* retirement. On the other hand, given the relatively low ratings present in the category, there is also an implication that advisors aren't necessarily happy with standalone tools to fill the gaps, either.

In practice, Income Solver was the most widely adopted tool among advisors using specialized retirement planning tools (besides those who answered "Other" because they still rely primarily on their main financial planning software), though Income Solver's user rating was a relatively low 7.0. This in fact was common across many of the most widely adopted tools in the category, including other broker-dealer provided, proprietary, and self-built tools by advisors. Though it is not clear whether this is a general dissatisfaction with the usage and output of the tools themselves or simply the commonly voiced challenge that it is a hassle to use standalone retirement planning software *and* comprehensive financial planning software at the same time (given the double data-entry that entails).

On the other hand, the specialized retirement category is notable in that a new wave of more recent entrants – including IncomeConductor, Income Lab, and Timeline – have emerged in just the past few years, and all with substantively higher 8.5+ user ratings, and all in the domain of portfolio spending/drawdown strategies. (In fact, the majority of software in this category literally has "income" in the *name* of the software to connote the significance of tools to model the generation of income/cash flows *in* retirement.)

The appearance of very highly-rated new entrants suggests that the specialized retirement category is one prone to potential disruption… or alternatively, a warning sign to broader financial planning software that it risks losing market share to more specialized tools if it can't further adapt from what was historically retirement planning software for *accumulators* into the increasingly more popular retirement planning software for *decumulators* instead?

Specialized Retirement Planning Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	48.0%	8.5
Income Solver	11.8%	7.0
Firm Proprietary	9.6%	7.4
Custodian/B-D	6.1%	7.4
Not Sure	6.1%	6.2
Self-Built	5.7%	7.4
Timeline	2.6%	8.7
IncomeConductor	1.7%	9.5
Income Lab	1.7%	8.8
RetireUp	1.7%	7.3
Bucket Bliss	1.3%	N/A
Retirement Analyzer	1.3%	N/A
The Big Picture	0.9%	N/A
Wealth2k	0.9%	N/A
JourneyGuide	0.4%	N/A

Category	
Importance	8.4
Satisfaction	7.9
Adoption	24.8%

Specialized Retirement Planning: Changes In Market Adoption

Overall, 3.6% of advisors indicated a plan to change specialized retirement planning software within the next 12 months, an indication that not many advisors are actively switching tools in the category.

However, as with many software categories with more limited adoption to begin with, the biggest driver of growth appears to be advisors looking to begin using specialized retirement planning tools for the first time, along with those abandoning their own self-built or broker-dealer-provided tools, for which Income Solver, Timeline, and Income Lab are all gaining market share as advisors begin to test out new tools.

On a forward-looking basis, there are few clear winners anticipated to gain market share, though notably, the specialized retirement category had an unusually large share of advisors state that they were Not Sure what they would be changing to – which isn't surprising, given the relatively niche solutions and limited marketing/visibility that most providers have in this category. When looking at what advisors ultimately chose last year, Income Lab and Timeline saw the highest reported levels of growth, which, along with higher user satisfaction ratings, may leave them well-positioned for growth. Additionally, it appears there may be good potential for IncomeConductor, given its high advisor satisfaction ratings. Income Solver lags among others within the category in terms of satisfaction ratings, but does still possess a significant advantage in terms of market share and has had the second highest level of reported future growth behind Income Lab.

Companies To Watch

- Pessimistic: User-Built/Proprietary Tools
- Optimistic: Income Lab, IncomeConductor, Timeline
- Neutral: Income Solver

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	35.0%	2.0%	4.2%	2.2%	<0.1%	0.7%	0.7%	6.8%	2.0%
Income Solver	8.6%	0.7%	1.1%	0.4%	0.3%	1.0%	0.7%	4.8%	8.4%
Firm Proprietary	7.0%	1.3%	0.5%	-0.8%	<0.1%	<0.1%	0.0%	-10.1%	0.0%
Custodian/B-D	4.5%	1.0%	<0.1%	-1.0%	0.3%	0.3%	0.0%	-18.1%	0.6%
Self-Built	4.1%	0.3%	0.5%	0.2%	0.3%	0.7%	0.4%	5.0%	9.0%
Timeline	1.9%	<0.1%	0.5%	0.5%	<0.1%	0.3%	0.3%	N/A	N/A
IncomeConductor	1.3%	<0.1%	<0.1%	0.0%	0.3%	0.7%	0.4%	N/A	N/A
Income Lab	1.3%	<0.1%	1.6%	1.6%	<0.1%	1.4%	1.4%	N/A	N/A
RetireUp	1.3%	0.3%	<0.1%	-0.3%	0.3%	<0.1%	-0.3%	N/A	N/A
Bucket Bliss	1.0%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Retirement Analyzer	1.0%	0.3%	0.5%	0.2%	<0.1%	0.3%	0.3%	N/A	N/A
The Big Picture	0.6%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Wealth2k	0.6%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
JourneyGuide	0.3%	<0.1%	<0.1%	0.0%	<0.1%	0.3%	0.3%	N/A	N/A
Not Sure	4.5%	N/A	N/A	N/A	<0.1%	4.2%	4.2%	N/A	N/A
No Use	27.1%	4.6%	1.6%	-3.0%	N/A	N/A	N/A	N/A	N/A

Risk / Behavior Assessment

While assessing a client's risk tolerance has long been a compliance requirement under the general obligation to 'Know Your Customer/Client' (KYC), in practice risk tolerance assessments were largely home office-created questionnaires that were simply built to 'check the box' on the compliance requirement… rounded out by standalone tools that boasted a more rigorous psychometrically-designed risk tolerance questionnaire instead (e.g., FinaMetrica).

And then Riskalyze showed up. Though what made Riskalyze unique was not merely its actual risk tolerance assessment process, but the way it positioned itself as a tool to use with *prospects* to understand the problems with their current portfolio (and how the advisor's recommended portfolio may be 'better' when viewed through the lens of risk), rather than 'just' a tool to use with the client *after* they become a client and need to document their risk tolerance for compliance purposes.

Accordingly, Riskalyze stood far ahead of competition in terms of risk/behavioral assessment adoption at over 40%. The next closest competitor, FinaMetrica, had only 13% adoption among participants using a risk/behavioral assessment tool. Though Riskalyze's success has spawned a large range of other providers in the past decade, including Totum, RiskPro, Andes Wealth, Pocket Risk, Tolerisk, and more, all competing now with low-single-digit market share, but with none successfully capturing a material segment of the market away from Riskalyze itself.

In fact, in terms of potential for market capture, none of Riskalyze's competitors even managed to surpass Riskalyze's own Advisor Satisfaction rating, with the closest being DataPoints and Financial DNA. Which suggests Riskalyze faces little threat from its competition going forward. However, in the months after this Research survey data was collected, Orion rolled out its "3D Risk Profile" tool, and Morningstar released its latest Portfolio Risk Scoring system, which will at least present a potential challenge for Riskalyze in the coming year.

Overall, though, given what is still relatively low overall adoption of risk tolerance software as a category, though – with more advisors simply using their own self-created (non-software-based) risk tolerance questionnaires, or simply 'having a conversation about risk' with prospects and clients – the reality is that the bulk of upside growth for risk tolerance software (Riskalyze and the others) is still a story of gaining market share from advisors not using *any* solution, rather than a competitive dynamic *between* the players.

Risk / Behavior Assessment Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Riskalyze	39.2%	7.8
Other	17.3%	7.6
FinaMetrica	13.7%	7.3
Custodian/B-D	6.8%	6.0
Firm Proprietary	6.8%	6.0
DataPoints	3.4%	7.5
Self-Built	3.0%	6.5
Pocket Risk	2.3%	5.7
Financial DNA	1.4%	7.7
Not Sure	1.4%	4.3
Tolerisk	1.1%	5.8
Morningstar Global Risk Model	0.9%	N/A
Money Quotient	0.7%	N/A
Totum	0.7%	N/A
RiskPro	0.5%	N/A
StratiFi	0.5%	N/A
Andes Wealth Technologies	0.2%	N/A
ROL Advisor	0.2%	N/A

Category	
Importance	7.7
Satisfaction	7.3
Adoption	45.1%

Risk / Behavior Assessment: Changes In Market Adoption

Overall, 8.6% of advisors indicated a plan to change risk / behavioral assessment software within the next 12 months, signaling a relatively high level of dissatisfaction in the category.

On a retrospective basis, Riskalyze saw the highest levels of total growth, followed by FinaMetrica, and then self-built tools. Notably, Riskalze and FinaMetrica are already both leaders within the category in terms of market share and satisfaction ratings.

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Riskalyze	36.5%	3.5%	5.9%	2.4%	2.5%	3.3%	0.8%	7.0%	2.1%
Other	16.1%	1.8%	2.1%	0.4%	1.1%	1.8%	0.7%	2.2%	4.3%
FinaMetrica	12.7%	0.2%	1.7%	1.5%	0.8%	0.2%	-0.6%	13.1%	-4.9%
Firm Proprietary	6.4%	1.1%	0.4%	-0.7%	0.2%	0.2%	0.0%	-9.7%	0.1%
Custodian/B-D	6.4%	2.4%	0.4%	-2.0%	0.2%	0.7%	0.4%	-24.0%	7.0%
DataPoints	3.2%	0.4%	0.8%	0.4%	<0.1%	<0.1%	0.0%	14.7%	0.0%
Self-Built	2.8%	<0.1%	1.3%	1.3%	0.4%	0.9%	0.5%	85.8%	16.5%
Pocket Risk	2.1%	0.4%	<0.1%	-0.4%	<0.1%	<0.1%	0.0%	-17.3%	0.0%
Financial DNA	1.3%	<0.1%	0.4%	0.4%	<0.1%	<0.1%	0.0%	N/A	N/A
Tolerisk	1.1%	0.2%	<0.1%	-0.2%	<0.1%	<0.1%	0.0%	N/A	N/A
MorningstarGlobal Risk Model	0.9%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Money Quotient	0.6%	<0.1%	0.4%	0.4%	<0.1%	0.2%	0.2%	N/A	N/A
Totum	0.6%	0.2%	0.4%	0.2%	<0.1%	0.7%	0.7%	N/A	N/A
RiskPro	0.4%	0.2%	<0.1%	-0.2%	<0.1%	0.2%	0.2%	N/A	N/A
StratFi	0.4%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	N/A	N/A
Andes Wealth Technologies	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
ROL Advisor	0.2%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Positively	0.0%	<0.1%	<0.1%	0.0%	<0.1%	0.4%	0.4%	N/A	N/A
Not Sure	1.3%	N/A	N/A	N/A	0.2%	1.1%	0.9%	N/A	N/A
No use	6.8%	4.9%	1.7%	-3.2%	N/A	N/A	N/A	N/A	N/A

On a forward-looking basis, though, FinaMetrica users did report out a slight negative projected outflow (the only outflow for the entire category). Interestingly, it appears that one of the major competitive forces facing Riskalyze and FinaMetrica is not so much other providers, but simply advisors shifting away from such tools instead and reporting that they intended to not use *any* risk tolerance software at all (ostensibly just reverting back to their own homegrown risk tolerance questionnaires or client conversations). Though at the same time, the most common tools that advisors left to adopt Riskalyze or FinaMetrica last year were advisors previously using homegrown questionnaires, or their broker-dealer-provided solutions (which are also commonly home-office-written questionnaires). Which again emphasizes that, despite a very high volume of competitors in the risk tolerance category, in the end the primary competition that Riskalyze (and FinaMetrica) face is not competing risk tolerance tools, but simply whether advisors use risk tolerance software *at all*, or their own homegrown or home-office-written risk tolerance questionnaires (and save on the cost of the software altogether).

Similarly, the fact that risk tolerance software's primary competitor is a basic risk tolerance questionnaire also helps to explain why upstarts have failed to gain much traction against Riskalyze – as in practice, Riskalyze is arguably more popular as a sales/proposal tool with *prospects*, rather than as a risk tolerance questionnaire with existing clients – which is a Use Case that a homegrown questionnaire does not fill well. While those who do value a "better-written" questionnaire have tended towards FinaMetrica's psychometrically designed questionnaire (and now may just be shifting back to their own questionnaires).

On the other hand, in 2020 Morningstar acquired FinaMetrica, and in 2021 began to more proactively distribute the risk tolerance software to the existing Morningstar user base, along with an expansion of its new Portfolio Risk Score system; as a result, we anticipate that FinaMetrica will show better in market adoption results in the coming year, simply because of the sheer breadth of Morningstar's existing distribution capabilities, and the relatively large number of advisors not using any risk tolerance software today. (In addition, Orion also announced the launch of a new "3D Risk Profile" tool in 2021, though it remains to be seen whether or how much adoption it will be able to garner, especially given Orion's lackluster adoption of Advizr financial planning software even after acquiring and distributing the solution to its existing users.)

The key point, though, is simply that most advisors choose not to pay for a risk tolerance questionnaire to use with clients at all, and the primary competitor to any and all risk tolerance tools is not other tools, but the advisor reverting to their own questionnaire (or simply having a 'risk conversation' with their clients). While Riskalyze has managed to grow and maintain a strong market share by not actually being in the 'risk tolerance questionnaire' business, but the proposal-generational business with prospects (that happens to use a risk tolerance score as the basis for its proposal).

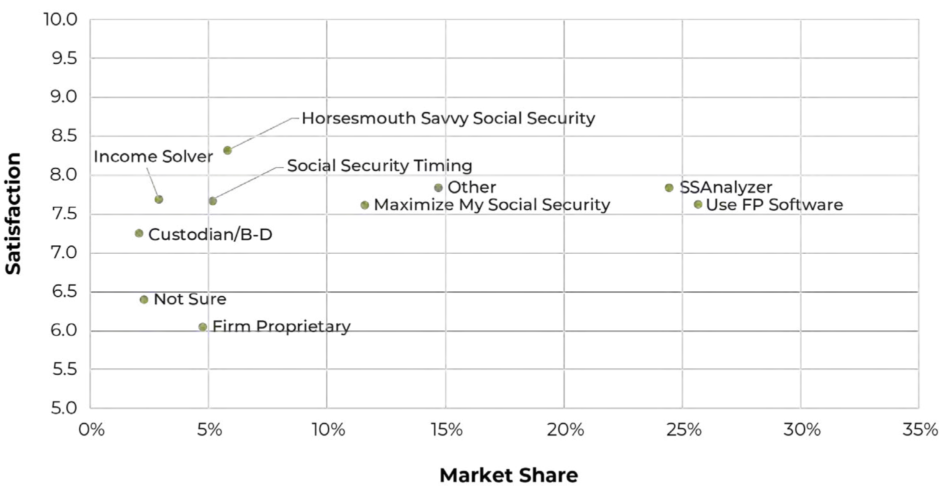
Companies To Watch

- Pessimistic: None
- Optimistic: Riskalyze
- Neutral: FinaMetrica, Homegrown Questionnaires

Social Security Planning Software

Social Security planning software is another category that – similar to specialized retirement planning software – exists only by virtue of what's *missing* from traditional financial planning software. In fact, it even exists in a related category to specialized retirement planning tools – modeling the Social-Security-specific planning trade-offs and strategies when generating a retirement income plan (as opposed to the broader retirement planning software tools that model a wider range of retirement income strategies).

Social Security Planning Software Market Share And Satisfaction



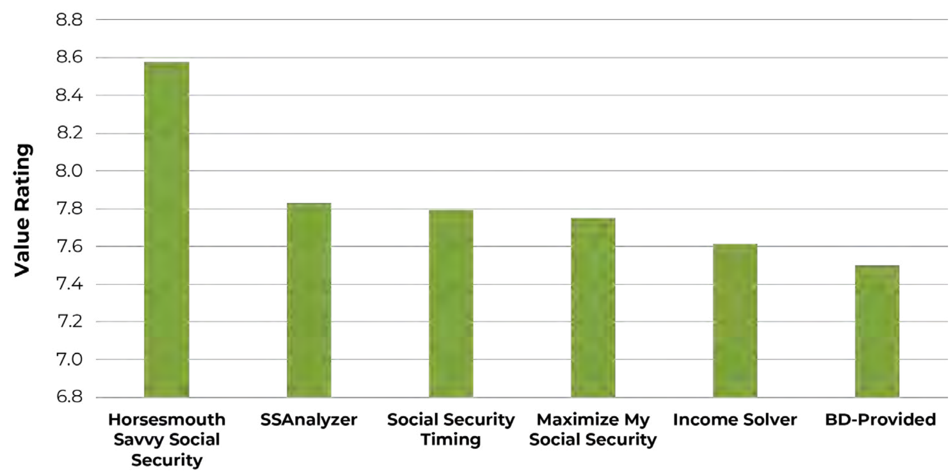
Vendor	Market Share	Satisfaction
Use FP Software	25.7%	7.6
SSAnalyzer	24.4%	7.8
Other	14.7%	7.8
Maximize My Social Security	11.6%	7.6
Savvy Social Security	5.8%	8.3
Social Security Timing	5.2%	7.7
Firm Proprietary	4.8%	6.1
Income Solver	2.9%	7.7
Not Sure	2.3%	6.4
Custodian/B-D	2.1%	7.3
Self-Built	0.6%	N/A

Category	
Importance	7.6
Satisfaction	7.7
Adoption	50.1%

As a result, while advisors did commonly report that they were using their financial planning software to do Social Security analyses, in the context of Social Security planning tools in particular, SSAnalyzer was a clear leader in terms of adoption rates, coming in at 33% of advisors using Social Security planning software, with Maximize My Social Security in second at 16%, and both Social Security Timing and Horsesmouth Savvy Social Security in high-single-digit market share.

Most tools in the Social Security planning category scored remarkably similarly in terms of satisfaction, with the exception that B/D-provided tools rated very poorly, and Horsesmouth Savvy Social Security received especially high marks. Notably, though, Horsesmouth is not just providing a tool like most competitors in this space, and rather also provides a package that includes access to professionals for Q&A, presentation templates, and more. Accordingly, Horsesmouth scored particularly well when it came to its value relative to cost as well.

Value Relative To Cost



Social Security Planning Software: Changes In Market Adoption

Overall, 4.9% of advisors indicated a plan to change Social Security software within the next 12 months.

Similar to other specialized tools, advisors who were not previously using any software for Social Security analyses were most likely to report going to their financial planning software, which is serving as the most common entry point to the category.

However, amongst advisors that have already adopted tools, the most common tool that advisors stated they intended to *leave* was their financial planning software, implying that advisors are generally still dissatisfied with what their planning software can do relative to the more specialized alternatives. Though similar to other categories with a coterie of niche players, most advisors aren't even sure what the options are, leading to the bulk of advisors looking to make a change stating that they're Not Sure what they'll be switching to. And because adoption is already relatively low, most companies are projected to have net gains in the coming year, if only because the number of new advisors adopting the whole category for the first time is more than the number of advisors looking to change away from any particular software *within* the category.

Still, the broad trend is that the most popular tool for those planning to start implementing Social Security planning was to use their existing financial planning software, but planning software-based Social Security planning tools were also the most common for advisors to report that they were looking to *leave* as well, suggesting that while planning software is often the pathway to doing more and deeper planning, advisors who actually go deeper on their planning around Social Security are subsequently finding that their financial planning software doesn't *go* deep enough to satisfy their needs… at which point they may opt not just for deeper Social Security planning tools, but also deeper retirement income planning software (that includes Social Security modeling in its feature set, which leaves solutions like Income Solver, that combines both, as particularly well positioned).

Companies To Watch

- Pessimistic: BD-provided Social Security Tools
- Optimistic: Horsesmouth Savvy Social Security, Income Solver
- Neutral: SSAnalyzer, Maximize My Social Security, Social Security Timing, Financial Planning software

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Financial Planning Software	24.4%	1.6%	2.9%	1.4%	1.0%	2.0%	1.1%	5.9%	4.4%
SSAnalyzer	23.2%	1.4%	0.4%	-1.0%	0.6%	1.4%	0.8%	-4.2%	3.6%
Other	14.0%	0.6%	0.7%	0.1%	0.2%	0.2%	0.0%	1.0%	0.1%
Maximize My Social Security	11.0%	0.2%	0.4%	0.2%	0.4%	0.4%	0.0%	1.6%	0.2%
Horsemouth Savvy Social Security	5.5%	0.8%	1.8%	1.0%	<0.1%	0.2%	0.2%	23.4%	3.7%
Social Security Timing	4.9%	0.2%	<0.1%	-0.2%	0.2%	<0.1%	-0.2%	-3.8%	-4.0%
Firm Proprietary	4.5%	0.6%	<0.1%	-0.6%	<0.1%	<0.1%	0.0%	-11.5%	0.0%
Income Solver	2.8%	0.2%	1.1%	0.9%	<0.1%	0.4%	0.4%	48.8%	14.9%
Custodian/B-D	2.0%	0.4%	<0.1%	-0.4%	<0.1%	<0.1%	0.0%	-16.7%	0.0%
Self-Built	0.6%	<0.1%	<0.1%	0.0%	<0.1%	0.2%	0.2%	0.0%	34.6%
Not Sure	2.2%	N/A	N/A	N/A	<0.1%	4.1%	4.1%	N/A	N/A
No Use	5.1%	2.2%	0.7%	-1.4%	N/A	N/A	N/A	N/A	N/A

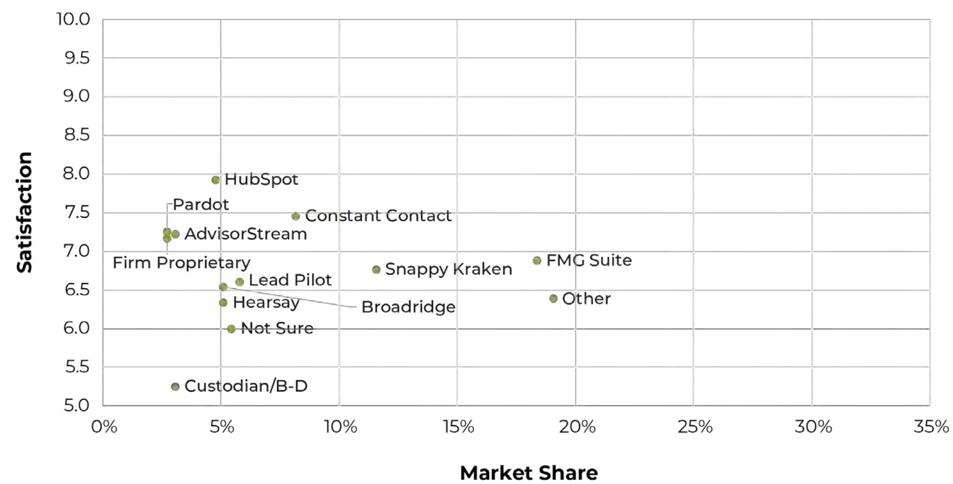
Digital Marketing

Just as financial advisors have been relatively slow to adopt social media due to compliance concerns, so too have financial advisors generally been slow to adopt other digital marketing channels as well. As a result, digital marketing software as a broad category has market adoption not much higher than the related social media archiving tools that advisors adopt. However, as compliance rules gain clarity – especially with more recent SEC guidance on digital marketing and (digital/online) testimonials – and technology makes it easier to both implement digital marketing strategies and oversee them (even as the company scales) for compliance purposes, so too has the digital marketing category been on the rise.

When it comes to adoption, FMG Suite was the leader in terms of digital marketing adoption with 18% of advisors using digital marketing software reporting using them (which will grow in the future as FMG acquired competitor Twenty Over Ten's Lead Pilot solution as well, combining their market share going forward), followed by relatively recent newcomer (and thus fast-grower) Snappy Kraken with 12%.

Overall, companies in this category scored only moderately well from a satisfaction perspective, with satisfaction averaging less than a 7 (which means even the leading platforms have few active promoters). And ironically, it was the non-industry-specific digital marketing providers – e.g., HubSpot and Constant Contact and Pardot – that scored higher than industry-specific solutions, suggesting that thus far industry-specific providers may be solving for industry-specific compliance challenges, but are still lagging in features and UI/UX relative to more established digital marketing solution providers?

Digital Marketing Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	19.0%	6.4
FMG Suite	18.4%	6.9
Snappy Kraken	11.6%	6.8
Constant Contact	8.2%	7.5
Lead Pilot	5.8%	6.6
Not Sure	5.4%	6.0
Broadridge	5.1%	6.5
Hearsay	5.1%	6.3
HubSpot	4.8%	7.9
AdvisorStream	3.1%	7.2
Custodian/B-D	3.1%	5.3
Pardot	2.7%	7.3
Firm Proprietary	2.7%	7.2
ActiveCampaign	1.0%	N/A
Infusionsoft	1.0%	N/A
Clout	0.7%	N/A
FMeX	0.7%	N/A
Hyperchat Social	0.3%	N/A
Marekto	0.3%	N/A
Seismic	0.3%	N/A
Self-Built	0.3%	N/A
Seven Group	0.3%	N/A

Category	
Importance	7.2
Satisfaction	6.8
Adoption	37.7%

Digital Marketing: Changes In Market Adoption

Overall, 8.0% of advisors indicated a plan to change digital marketing software within the next 12 months – a relatively high percentage, signaling a moderate level of dissatisfaction with the category overall.

Over the past 12 months, users reported adopting Lead Pilot and FMG Suite at the highest levels of total inflows. On the other end of the spectrum, Broadridge, Hyperchat Social, and Gainfully reported the largest total outflows.

Over the next 12 months, Snappy Kraken, FMG Suite, and AdvisorStream had the highest reported levels of anticipated inflows, though the category overall is projected to have a significant number of new adopters, the majority of whom are not sure what solution they will pursue, suggesting broad growth opportunities for all players (albeit in an already-crowded category).

Notably, though, in the time since this study was conducted, FMG Suite announced the acquisition of Twenty Over Ten (which also sells Lead Pilot), which positions them well to hold onto and even gain market share (especially given that Lead Pilot had no advisors reporting intentions to leave). In fact,

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	16.2%	2.3%	4.8%	2.5%	1.2%	0.9%	-0.3%	18.2%	-1.6%
FMG Suite	15.7%	3.2%	4.2%	1.0%	0.9%	1.8%	0.9%	6.9%	6.0%
Snappy Kraken	9.9%	2.1%	1.8%	-0.2%	<0.1%	1.2%	1.2%	-2.3%	12.2%
Constant Contact	7.0%	0.9%	1.2%	0.3%	0.3%	0.3%	0.0%	5.0%	0.2%
LeadPilot	4.9%	0.6%	5.4%	4.9%	<0.1%	0.3%	0.3%	7311.1%	6.1%
Broadridge	4.4%	1.5%	0.6%	-0.9%	<0.1%	0.3%	0.3%	-16.5%	6.9%
Hearsay	4.4%	0.9%	1.8%	0.9%	<0.1%	0.3%	0.3%	27.5%	6.9%
HubSpot	4.1%	0.6%	0.6%	0.0%	<0.1%	0.6%	0.6%	0.5%	14.8%
Custodian/B-D	2.6%	0.9%	0.6%	-0.3%	<0.1%	0.3%	0.3%	-9.5%	11.5%
AdvisorStream	2.6%	0.6%	0.6%	0.0%	<0.1%	0.6%	0.6%	0.7%	23.0%
Pardot	2.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Firm Proprietary	2.3%	0.6%	<0.1%	-0.6%	<0.1%	0.9%	0.9%	-20.2%	39.0%
ActiveCampaign	0.9%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Keap (fka Infusionsoft)	0.9%	<0.1%	<0.1%	0.0%	0.3%	<0.1%	-0.3%	N/A	N/A
Clout	0.6%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
FMeX	0.6%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Hyperchat Social	0.3%	0.6%	<0.1%	-0.6%	0.3%	<0.1%	-0.3%	N/A	N/A
Marketo	0.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Seismic	0.3%	<0.1%	0.6%	0.6%	<0.1%	<0.1%	0.0%	N/A	N/A
Self-Built	0.3%	<0.1%	<0.1%	0.0%	<0.1%	0.3%	0.3%	N/A	N/A
Seven Group	0.3%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Gainfully	0.0%	0.3%	<0.1%	-0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	4.6%	N/A	N/A	N/A	<0.1%	12.3%	12.3%	N/A	N/A
No Use	14.8%	10.3%	4.2%	-6.0%	N/A	N/A	N/A	N/A	N/A

Lead Pilot was the standout growth firm over the past 12 months gaining market share, which bodes well for FMG Suite's positioning.

In addition, Snappy Kraken is also showing positive momentum on a forward-looking basis, building on the back of a recently announced new round of capital, and positioning the company well for continued growth.

Furthermore, AdvisorStream was also acquired (by Broadridge, which up until this point was one of the lowest-rated providers) in the past year, making Digital Marketing one of the categories with the most new capital flowing in, and a high potential for accelerating market adoption overall in the coming year.

Though again, with an unusually large number of very-small-adoption providers and one of the largest percentages of advisors stating they were uncertain what they would be switching to, Digital Marketing is a category with strong overall growth potential.

Companies To Watch

- Pessimistic: Broadridge, Hearsay, Keap (formerly Infusionsoft)
- Optimistic: Snappy Kraken, FMG Suite/Lead Pilot, AdvisorStream
- Neutral: HubSpot, Constant Contact

Data Gathering

When it comes to data gathering, the primary challenge that financial advisors face is that the data they collect often needs to go into multiple different systems, including general client data into a CRM, planning-specific data into financial planning software, and onboarding-specific data (e.g., for account openings or insurance/annuity applications) into vendor-specific systems or forms.

Data Gathering Market Share And Satisfaction

Vendor	Market Share	Satisfaction
PreciseFP	37.7%	7.8
Use FP Software	26.4%	7.6
Other	11.7%	8.0
Firm Proprietary	5.9%	6.3
Self-Built	4.6%	7.6
Custodian/B-D	3.3%	6.7
Jotform	3.3%	8.1
Google Forms	1.7%	N/A
Not Sure	1.7%	N/A
Cognito Forms	1.3%	N/A
SurveyMonkey	1.3%	N/A
Typeform	0.8%	N/A
LifeArcPlan	0.4%	N/A

Category	
Importance	8.2
Satisfaction	7.6
Adoption	23.7%

Accordingly, PreciseFP was the leader in terms of data gathering software, with a more open-architecture approach of providing forms that can port client-inputted data into any number of integrated systems, with 38% of advisors using the tool.

Though notably, to the extent that the most intensive data gathering tends to occur with respect to financial planning, the next most common option was using an advisor's financial planning software to collect planning-specific data.

Beyond that, advisors were primarily using a smattering of non-specialized tools, such as Google Forms, SurveyMonkey, Jotform, and Cognito Forms, to create their own client data gathering tools.

Data Gathering: Changes In Market Adoption

Overall, 5.7% of advisors indicated a plan to change data gathering software within the next 12 months.

Notably, the highest volume of advisors looking to make a change, though, are aiming to move away from using their financial planning software for data gathering (though in total more advisors are adopting data gathering tools for the first time through their planning software, so overall planning software is projected for a net increase in market share).

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
PreciseFP	31.7%	1.5%	8.2%	6.7%	0.7%	4.0%	3.3%	26.8%	10.4%
FP Software	22.2%	1.1%	2.7%	1.6%	1.1%	1.5%	0.4%	7.9%	1.8%
Other	9.9%	1.5%	2.7%	1.3%	<0.1%	1.8%	1.8%	14.6%	18.5%
Firm Proprietary	4.9%	1.1%	0.7%	-0.4%	<0.1%	0.4%	0.4%	-7.8%	7.4%
Self-Built	3.9%	1.1%	0.7%	-0.4%	<0.1%	1.1%	1.1%	-9.7%	28.3%
Jotforms	2.8%	0.4%	1.4%	1.0%	<0.1%	0.4%	0.4%	54.6%	13.0%
Custodian/B-D	2.8%	1.1%	0.7%	-0.4%	<0.1%	1.1%	1.1%	-12.9%	38.8%
Google Forms	1.4%	0.4%	<0.1%	-0.4%	<0.1%	0.7%	0.7%	N/A	N/A
Cognito Forms	1.1%	0.7%	<0.1%	-0.7%	<0.1%	<0.1%	0.0%	N/A	N/A
SurveyMonkey	1.1%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Typeform	0.7%	<0.1%	<0.1%	0.0%	<0.1%	0.4%	0.4%	N/A	N/A
LifeArcPlan	0.4%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	1.4%	N/A	N/A	N/A	<0.1%	7.7%	7.7%	N/A	N/A
No Use	15.9%	11.0%	2.7%	-8.3%	N/A	N/A	N/A	N/A	N/A

Similar to account aggregation, this appears to be a scenario where advisors began to use their planning software to gather (planning) data, but are subsequently realizing that they need to gather more data points than 'just' what their planning software provides (and/or their planning software isn't flexible enough to port that data into other non-planning-software systems), leading to a growing interest in other third-party data gathering tools that can integrate beyond 'just' their financial planning software. This further emphasizes the increasingly multi-system nature of data gathering, where financial planning software may need the bulk of the most complex data, but advisors are increasingly looking to tools that can populate data across multiple systems and not 'just' into the planning software itself.

For those seeking alternatives, the dominant winner of market share overwhelmingly is PreciseFP, which in practice appears to be well positioned to gain market share both from advisors not previously using a data gathering tool, and those who are Not Sure what they will adopt (but are likely to end out with PreciseFP). As while advisors can in theory gather data from any number of basic form-creating tools – and a small number are doing so via providers like Jotform, Cognito Forms, Typeform, and Google Forms – the pre-built integrations for PreciseFP to port data to its intended destinations has led it to gain significant traction over more generic competitors.

Companies To Watch

- Pessimistic: Generic Forms tools (e.g., Google Forms, Jotform, etc.)
- Optimistic: PreciseFP
- Neutral: Financial planning software

Advice Support

"Advice Support" is a relatively new category on the Kitces AdvisorTech Map, a reflection of the deepening focus of financial advisors on financial advice itself, and the growing need for tools to help make the relatively complex and time-intensive advice process more efficient and/or higher-quality.

While adoption in the advice support overall was relatively low at less than 20%, the use of fpPathfinder among those using advice support was very high at over 85% of advisors reporting using advice support tools. Beyond fpPathfinder, the only other solutions to garner enough responses to be included were FP Alpha—which scored slightly higher than fpPathfinder in terms of satisfaction, but has a substantively different offering—and internal B/D provided tools.

Advice Support Market Share And Satisfaction

Vendor	Market Share	Satisfaction
fpPathfinder	85.5%	7.2
FP Alpha	5.1%	7.8
Custodian/B-D	3.4%	5.4
Other	3.0%	6.4
Not Sure	1.7%	N/A
Self-Built	0.9%	N/A
Firm Proprietary	0.4%	N/A

Category	
Importance	5.8
Satisfaction	7.1
Adoption	19.7%

Advice Support: Changes In Market Adoption

Overall, 4.2% of advisors indicated a plan to change advice support software within the next 12 months.

As with many other newer categories, though, the driver of growth for companies in the Advice Support category has been advisors who begin to adopt solutions for the first time (and/or switch from internal/self-built/broker-dealer-provided solutions, where it's difficult for a single advisor or firm to maintain a broad range of advice support capabilities), with relatively little changes amongst tools within the category.

In fact, the only major 'loser' of traction within the category are custodian or broker-dealer-provided tools and self-built tools, where advisors are instead seeking other alternatives, and are finding their way to newcomers like fpPathfinder and FP Alpha.

Companies To Watch

- Pessimistic: Internal broker-dealer tools
- Optimistic: fpPathfinder, FP Alpha
- Neutral: Proprietary and self-built tools

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
fpPathFinder	77.3%	1.2%	10.7%	9.5%	0.4%	4.4%	4.1%	14.1%	5.2%
FP Alpha	4.6%	<0.1%	2.0%	2.0%	<0.1%	2.0%	2.0%	76.9%	43.7%
Custodian/B-D	3.1%	2.0%	1.3%	-0.6%	0.8%	1.2%	0.4%	-16.9%	14.3%
Other	2.7%	1.2%	1.3%	0.2%	<0.1%	0.4%	0.4%	6.4%	15.0%
Self-Built	0.8%	0.8%	<0.1%	-0.8%	<0.1%	0.4%	0.4%	N/A	N/A
Firm Proprietary	0.4%	0.8%	0.7%	-0.1%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	1.5%	N/A	N/A	N/A	<0.1%	4.8%	4.8%	N/A	N/A
No Use	9.6%	11.4%	2.0%	-9.4%	N/A	N/A	N/A	N/A	N/A

Fee Billing Software

Historically, financial advisors didn't need to use any kind of software technology to collect their revenue from clients because they were paid commissions for the sale of products, and it was their broker-dealer or insurance company platforms that would collect the commissions, then remit the advisor's share.

In turn, as advisor business models shifted from broker-dealers to advisory accounts under an RIA, the primary fee billing mechanism switched from commissions through the broker-dealer to fees collected via the RIA custodian. For which, again, advisors generally just relied on what their (RIA custodian) platforms provided.

In the modern environment, though, fee billing is evolving in two significant ways. First and foremost, because fee billing is often an operationally centralized function, a large number of advisors reported no separate fee billing solution at all, because they either bill their fees directly using their RIA custodian, or the fees are handled on their behalf by a home office (e.g., in a multi-advisor or larger enterprise corporate RIA) so the advisor themselves doesn't "use" any software personally. The second evolution, though, is the entrance of various "fee-for-service" business models (e.g., subscription and retainer fees), where the advisor may be fee billing a client's bank account or credit card, which necessitates new technology and an entirely separate fee billing solution.

Accordingly, in the context of fee-for-service billing, AdvicePay had the highest levels of use reported, at nearly 60%, followed by QuickBooks a very distant second with less than 5% market share. Notably, overall adoption of the Fee Billing category was less than 20% of all advisors, given the limited number of advisors who utilize alternative fee-for-service models and/or do their own fee billing in the first place.

On the other hand, when it came to facilitating AUM fee billing, the primary solutions were handled directly through the advisor's custodian or broker-dealer, using their existing portfolio management software (e.g., Orion, Tamarac, etc.), or using a standalone solution like BillFin.

As with many other low overall adoption categories with high user ratings *in* the category, though, this also suggests that growth within the Fee Billing category will come primarily from advisors who don't use any technology now and begin to use *some* solution in the future, rather than competition amongst providers within the category.

Fee Billing Software Market Share And Satisfaction

Vendor	Market Share	Satisfaction
AdvicePay	52.2%	9.0
Firm Proprietary	10.3%	6.6
Use Portfolio Management	6.4%	8.5
Other	5.9%	8.0
Custodian/B-D	4.4%	7.1
QuickBooks	3.9%	8.8
Self-Built	3.9%	5.0
Not Sure	3.4%	5.0
BillFin	3.0%	6.0
Orion	2.5%	7.4
Bridge FT	1.5%	N/A
RightPay	1.5%	N/A
Adzyvon	0.5%	N/A
billPort	0.5%	N/A

Category	
Importance	8.6
Satisfaction	8.2
Adoption	17.1%

Fee Billing Software: Changes In Market Adoption

Overall, 3.4% of advisors indicated a plan to change fee billing software within the next 12 months – a relatively low percentage, likely in recognition of both the rather high user ratings of providers in the category (little reason to change), and the general hassle of changing operational fee billing systems.

Of those looking to adopt new tools, AdvicePay was overwhelmingly the most common tool being adopted, as the reality is that most financial advisors being paid through Assets Under Management simply use their existing broker-dealer or RIA custodial platforms for fee billing… while fee billing non-AUM fees requires separate software, for which AdvicePay and RightPay are the only major competitors (with RightPay limited to only users of RightCapital).

Companies To Watch

- Pessimistic: Broker-dealer and proprietary tools
- Optimistic: AdvicePay
- Neutral: Portfolio Management Software, BillFin

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
AdvicePay	48.9%	2.8%	14.9%	12.1%	<0.1%	1.4%	1.4%	32.9%	2.9%
Other	13.4%	0.5%	<0.1%	-0.5%	<0.1%	0.9%	0.9%	-3.3%	7.1%
Firm Proprietary	9.7%	1.8%	<0.1%	-1.8%	0.9%	2.4%	1.5%	-16.0%	15.0%
Portfolio Management	6.0%	1.4%	<0.1%	-1.4%	<0.1%	0.5%	0.5%	-18.8%	7.9%
Custodian/B-D	4.2%	3.7%	1.2%	-2.4%	<0.1%	1.4%	1.4%	-37.1%	34.3%
Self-Built	3.7%	<0.1%	<0.1%	0.0%	0.5%	0.9%	0.5%	0.0%	13.2%
BillFin	2.8%	<0.1%	1.2%	1.2%	0.5%	<0.1%	-0.5%	81.4%	-16.7%
RightPay	1.4%	<0.1%	<0.1%	0.0%	<0.1%	0.5%	0.5%	N/A	N/A
billPort	0.5%	0.9%	1.2%	0.3%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	3.2%	N/A	N/A	N/A	<0.1%	4.7%	4.7%	N/A	N/A
No Use	6.5%	7.4%	1.2%	-6.1%	N/A	N/A	N/A	N/A	N/A

Notetaking Software

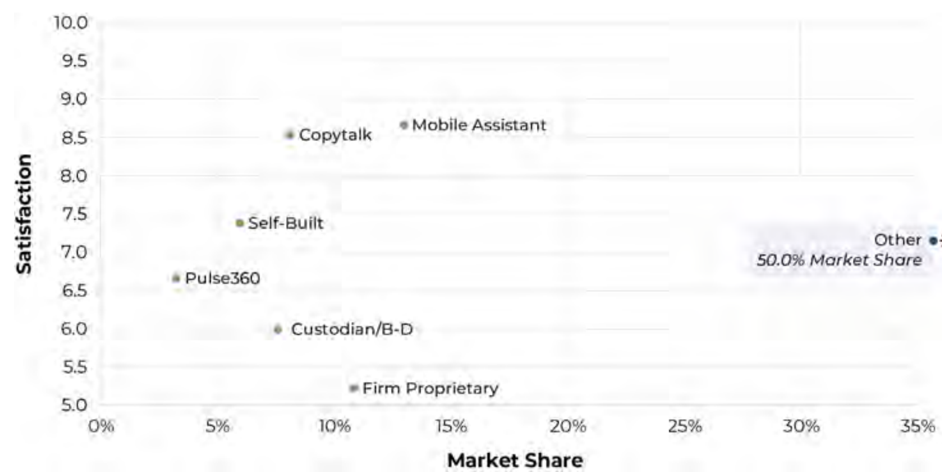
According to Kitces Research on the Financial Planning Process, the average financial advisor spends more than 1 hour of meeting preparation and follow-up time for every 1 hour of actual meetings with clients, making tools that support the meeting process an especially sizable time-savings opportunity for advisors.

In practice, tools to support notetaking associated with client meetings (prep and follow-up) have generally fallen into two categories – those that allow advisors to verbally dictate their notes (e.g., Copytalk and Mobile Assistant), and those that expedite the otherwise-time-consuming process of typing out notes in fall by providing templates and shortcuts (e.g., Pulse360).

Thus far, audio-based dictation solutions have been the most popular options in the category, in part because alternatives like Pulse360 are still relative newcomers (having just launched in the past 2 years). Notably, dictation-based tools have also substantively outscored all of the written (typed) tools in user ratings, ostensibly because the advisors who choose *not* to type their notes are especially interested in the non-typing alternatives (though even within the written category, broker-dealer-provided and internal proprietary solutions also scored materially lower than other standalone options).

Overall, though, the biggest question in the category of Notetaking is whether standalone solutions will be able to hold in the face of CRM systems themselves becoming increasingly capable in this regard (and obviating the need for a separate standalone solution?)

Notetaking Software Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	50.0%	7.2
Mobile Assistant	13.0%	8.7
Firm Proprietary	10.9%	5.2
Copytalk	8.2%	8.5
Custodian/B-D	7.6%	6.0
Self-Built	6.0%	7.4
Pulse360	3.3%	6.7
Not Sure	1.1%	N/A

Category	
Importance	7.8
Satisfaction	7.2
Adoption	20.8%

Notetaking Software: Changes In Market Adoption

Overall, 4.8% of advisors indicated a plan to change notetaking software within the next 12 months.

As a relatively thinly adopted category in the first place – and most advisors using their own Other systems rather than any formal software – the driver of note-taking tools overwhelmingly is simply getting advisors *to* use any kind of third-party solution at all.

Amongst those who are looking to get software support, Pulse360 is an early leader for written note-taking (showing strong backward- and forward-looking metrics resulting in a lead over generic note-taking tools like Microsoft's OneNote), while Copytalk is showing more positive adoption momentum for those who prefer audio-recording-based notetaking.

Companies To Watch

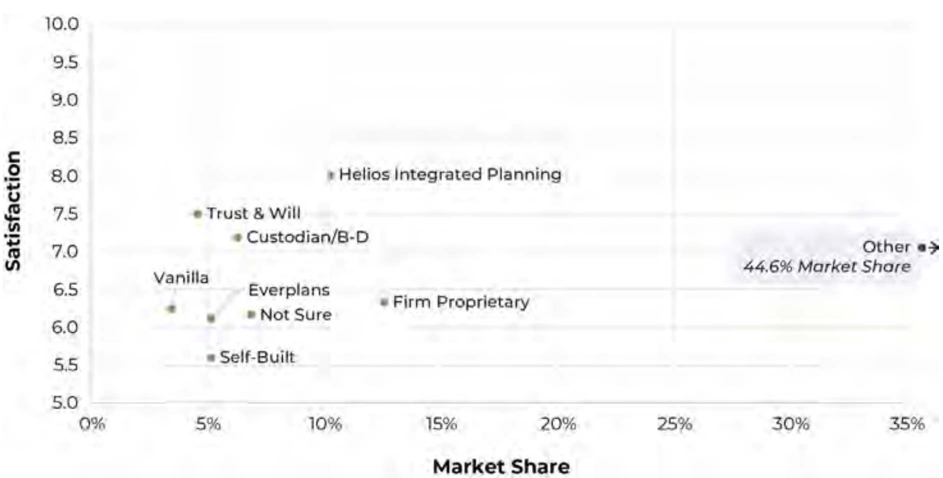
- Pessimistic: Microsoft One Note, BD-provided tools
- Optimistic: Pulse360, Copytalk
- Neutral: Mobile Assistant

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	43.4%	1.5%	5.7%	4.2%	1.4%	2.9%	1.5%	10.7%	3.4%
Mobile Assistant	11.3%	1.0%	0.9%	0.0%	<0.1%	<0.1%	0.0%	-0.3%	0.0%
Firm Proprietary	9.4%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Copytalk	7.1%	1.5%	1.9%	0.4%	<0.1%	1.4%	1.4%	6.4%	20.4%
Custodian/B-D	6.6%	1.9%	0.9%	-1.0%	<0.1%	0.5%	0.5%	-13.2%	7.3%
Self-Built	5.2%	0.5%	<0.1%	-0.5%	<0.1%	<0.1%	0.0%	-8.6%	0.0%
Pulse360	2.8%	0.5%	2.8%	2.3%	<0.1%	1.4%	1.4%	480.7%	51.0%
Not Sure	0.9%	N/A	N/A	N/A	<0.1%	14.9%	14.9%	N/A	N/A
No Use	13.2%	8.3%	2.8%	-5.4%	N/A	N/A	N/A	N/A	N/A

Estate Planning

Back in the 1980s and 1990s, when the estate tax exemption was only $600,000, estate planning was a common area for financial advisors, given that nearly any young family who simply had 'reasonable' life insurance to protect their young children would have an estate tax 'problem.' However, in the 20 years since, the estate tax exemption has multiplied dramatically, to the point that only a minuscule fraction of a percent of households face an estate tax problem… and leading to a substantial decline in the focus of estate planning amongst financial advisors.

Estate Planning Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	44.6%	7.1
Firm Proprietary	12.6%	6.3
Helios Integrated Planning	10.3%	8.0
Not Sure	6.9%	6.2
Custodian/B-D	6.3%	7.2
Everplans	5.1%	6.1
Self-Built	5.1%	5.6
Trust & Will	4.6%	7.5
Vanilla	3.4%	6.3
LifeSite	0.6%	6.0
Yourefolio	0.6%	1.0

Category	
Importance	7.3
Satisfaction	6.9
Adoption	17.6%

Yet the irony is that as estate planning has declined in popularity – and dramatically reduced its capabilities in traditional financial planning software – the shift has spawned the rise of a new category of estate planning software solutions. In general, though, such solutions are *not* focused on traditional estate *tax* planning needs – except for Vanilla, which is focused on ultra-HNW clients who *do* still have an estate tax problem. Instead, estate planning tools are now increasingly focused on either the non-tax dynamics of estate and legacy planning (e.g., Everplans), or the more 'basic' document-creation process in estate planning that is still vital (e.g., Helios, and Trust & Will).

Among those using an estate planning tool, Helios Integrated Planning had the highest adoption at 11%. Everplans, Vanilla, and Trust & Will were all in the 4–5% range. The "Other" category was dominated by advisors still using their traditional financial planning software for estate planning projections. Notably, Helios Integrated Planning abruptly shut down in November of 2021 with little explanation as to why they were going out of business, leaving advisors who were previously using Helios needing to find a replacement that wouldn't have been indicated in our study. Helios then relaunching under new leadership in January as EncorEstate.

More generally, though, it's notable that the solutions with the highest advisor satisfaction now are the ones most squarely focused on estate *document* creation (Helios and Trust & Will), not 'traditional' advisor tools that model asset flows and estate tax exposure.

Estate Planning: Changes In Market Adoption

Overall, 5.6% of advisors indicated a plan to change estate planning software within the next 12 months.

Similar to the theme in other more specialized tools with limited current adoption, one of the biggest growth engines of the category are advisors who don't use any estate planning solution but are looking to start, where financial planning software (in the "Other' category) is still most popular. However, financial planning software is also experiencing the largest *outflow* of advisors that are ceasing its use, and shifting to deeper and more specialized solutions instead.

However, with a very high number of advisors indicating they're not sure what they're going *to*, the limited visibility of existing solutions (as mostly very-small companies that still have a limited number of advisors in total) has clearly made it difficult for advisors to even know what the choices are. On the other hand, with low overall adoption rates for the category as a whole, it's still unclear whether there is sufficient demand *to* scale up a significant number of competitors in the category.

Companies To Watch

- Pessimistic: Financial Planning software
- Optimistic: Trust & Will, EncorEstate (formerly Helios Integrated Planning)
- Neutral: Vanilla, Everplans

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	34.1%	2.3%	2.1%	-0.1%	0.4%	1.8%	1.4%	-0.4%	4.0%
Firm Proprietary	9.6%	<0.1%	1.1%	1.1%	<0.1%	1.4%	1.4%	12.6%	14.1%
Helios Integrated Planning	7.9%	<0.1%	4.3%	4.3%	<0.1%	1.8%	1.8%	120.0%	23.0%
Custodian/B-D	4.8%	1.4%	<0.1%	-1.4%	<0.1%	0.9%	0.9%	-22.1%	18.9%
Everplans	3.9%	<0.1%	<0.1%	0.0%	0.4%	0.9%	0.5%	0.0%	11.9%
Self-Built	3.9%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Trust & Will	3.5%	<0.1%	<0.1%	0.0%	<0.1%	0.9%	0.9%	0.0%	26.0%
Vanilla	2.6%	0.9%	2.1%	1.2%	<0.1%	0.9%	0.9%	89.4%	34.6%
Yourefolio	0.4%	<0.1%	<0.1%	0.0%	<0.1%	0.5%	0.5%	N/A	N/A
LifeSite	0.4%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Not Sure	5.2%	N/A	N/A	N/A	<0.1%	12.2%	12.2%	N/A	N/A
No Use	23.6%	7.3%	2.1%	-5.1%	N/A	N/A	N/A	N/A	N/A

Stock Option Planning

Stock Options is another specialized domain where advisors often find a need to stretch beyond the capabilities of their existing financial planning software. Especially given the often-high-dollar stakes of stock options and other equity compensation, and the unique tax issues involved in planning around liquidations of those positions.

Notably, though, in practice stock option planning is an area where advisors are still most often relying on their financial planning software (the primary response in the "Other" category), or building their own solutions. Accordingly, beyond planning software itself, Excel was the most commonly used tool for stock option planning, at an adoption rate of 15%, and other "self-built" tools also scored a solid ~7% adoption rate (and an above-average user rating).

Other third-party solutions that have strong adoption included StockOpter (12%) and myStockOptions (9%), which notably have significantly higher Satisfaction ratings than simply using Excel or financial planning software, suggesting that for advisors who focus on stock option planning, there *is* additional value perceived in using more specialized solutions.

In the meantime, home-office proprietary tools (i.e., created by the firm's custodian or broker-dealer) again ranked low for this category.

Stock Option Planning Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Other	36.0%	5.2
Excel	17.6%	4.9
StockOpter	11.8%	6.8
myStockOptions	10.3%	7.1
Custodian/B-D	9.6%	4.5
Self-Built	6.6%	7.2
Firm Proprietary	5.1%	6.1
Not Sure	2.9%	N/A

Category	
Importance	5.2
Satisfaction	5.6
Adoption	12.3%

Stock Option Planning: Changes In Market Adoption

Overall, 3.9% of advisors indicated a plan to change stock options planning software within the next 12 months, a relatively low change rate that signals most growth in the category will come from advisors adopting solutions for the first time.

Similar to other specialized categories with narrow adoption and limited players, advisors looking to make a change were typically unsure of what they would be going to, with few clear winners for adoption. Though in general, advisors most commonly have been implementing myStockOptions, leveraging their existing financial planning software, or just building their own analyses in Excel to evaluate stock option scenarios for clients.

Notably, while StockOpter scored similar advisor satisfaction ratings to myStockOptions, neither is experiencing significant outflows of users, StockOpter has not been gaining market share as quickly, suggesting that it may benefit by (more targeted) marketing to interested advisors.

More generally, though, when it comes to stock options planning, the challenge is that as a more specialized niche, the overall market size will forever be limited (not all advisors have some or even *any* clients who have substantial stock option positions). As a result, growth in the category is less likely to come from new advisors adoption the software, per se, and primarily from those who are instead using their own self-built solutions (or related Excel spreadsheets), to begin using higher-rated third-party software instead.

Companies To Watch

- Pessimistic: Proprietary Tools, Excel
- Optimistic: myStockOptions
- Neutral: StockOpter, Financial Planning software

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
Other	32.2%	0.7%	4.8%	4.1%	<0.1%	<0.1%	0.0%	14.5%	0.0%
Excel	15.8%	<0.1%	3.2%	3.2%	0.7%	2.6%	2.0%	25.4%	12.5%
StockOpter	10.5%	<0.1%	<0.1%	0.0%	0.7%	2.6%	2.0%	0.0%	18.7%
myStockOptions	9.2%	0.7%	3.2%	2.5%	1.3%	1.3%	0.0%	37.2%	0.0%
Custodian/B-D	8.6%	0.7%	<0.1%	-0.7%	<0.1%	0.7%	0.7%	-7.6%	7.7%
Self-Built	5.9%	<0.1%	<0.1%	0.0%	0.7%	<0.1%	-0.7%	0.0%	-11.1%
Firm Proprietary	4.6%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Not Sure	2.6%	N/A	N/A	N/A	<0.1%	14.5%	14.5%	N/A	N/A
No Use	10.5%	8.4%	<0.1%	-8.4%	N/A	N/A	N/A	N/A	N/A

Mind Mapping

The concept of "Mind Mapping" is relatively new amongst financial advisors but has long been popular in other industries and domains. At the most basic level, the approach is about visually mapping out how various concepts are connected/related to one another, typically by drawing a cloud of concepts and using lines to visually connect them. Which in practice makes the approach rather conducive to software that eases the process of 'drawing' the mind map, arranging the concept clouds, and connecting them together.

Mind Mapping Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Other	38.7%	6.7
MindManager	21.5%	6.7
Asset-Map	19.4%	7.9
MindMeister	11.8%	7.7
Not Sure	3.2%	N/A
Firm Proprietary	3.2%	N/A
Custodian/B-D	1.1%	N/A
Self-Built	1.1%	N/A

Category	
Importance	6.1
Satisfaction	6.9
Adoption	6.6%

Among advisors using mind mapping software, MindManager by MindJet was the most widely adopted tool at just over 20% adoption, followed by the more industry-specific Asset-Map (19%) solution, and then another 'generic' mind mapping tool, MindMeister (12%).

Notably, advisor satisfaction ratings were a solid 7.5 to 8 for the leading solutions, suggesting that advisors who do use mind-mapping software are reasonably satisfied with the tools available to them.

Mind Mapping: Changes In Market Adoption

Overall, 3.8% of advisors indicated a plan to change mind mapping software within the next 12 months, although given the limited adoption of the category overall, it's difficult to mark clear trends.

In indications of future interest, the industry-specific provider AssetMap showed by far the strongest adoption interest, both over the past year, and looking forward into the coming year, beating out more 'generic' mind-mapping competitors.

Notably, though, advisors overall were not often looking to make changes to their mind-mapping software, with anticipated turnover actually below average... suggesting that in practice, advisors who do adopt mind-mapping tend to quickly find a tool/approach they are happy with, and that the primary opportunity for growth in the category is for advisors who do not use the technique at all to begin doing so (and look for a solution to help support them).

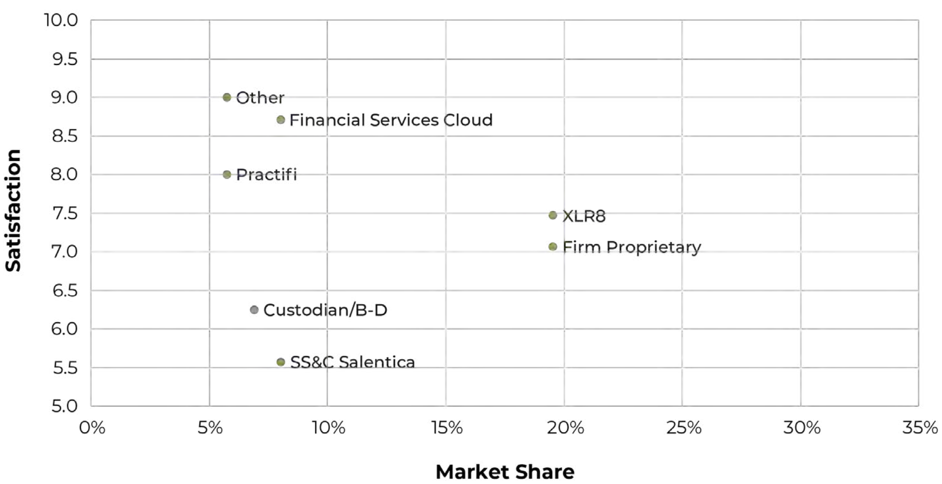
Companies To Watch

- Pessimistic: MindManager
- Optimistic: AssetMap
- Neutral: MindMeister

Salesforce Overlay

While Salesforce is arguably one of the most capable and flexible CRM systems available, the irony is that Salesforce is actually *so* capable and flexible that in practice it is very challenging for the typical advisor firm to adapt it out of the box to their needs. As a result, a growing number of 'Salesforce overlay' providers have emerged, which provide existing templates that can be applied to the Salesforce system to make it more readily usable for the typical advisory firm.

Salesforce Overlay Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Not Sure	19.5%	N/A
Firm Proprietary	19.5%	7.1
XLR8	19.5%	7.5
Financial Services Cloud	8.0%	8.7
SS&C Salentica	8.0%	5.6
Custodian/B-D	6.9%	6.3
Other	5.7%	9.0
Practifi	5.7%	8.0
Self-Built	3.4%	9.0
AppCrown	1.1%	5.0
Skience	1.1%	5.0
WealthConnect	1.1%	N/A

Category	
Importance	8.9
Satisfaction	7.4
Adoption	4.4%

In practice, the most commonly reported third-party overlays used by advisors within our study were XLR8, followed by Salentica and Salesforce's own Financial Services Cloud. Though relative newcomer Practifi, along with Salesforce's own Financial Services Cloud, had the highest satisfaction ratings (although those ratings are drawn from a smaller-than-ideal sample of advisors given the overall low adoption rates of Salesforce overlays).

Notably, though, the most common category of Salesforce overlays were advisory firms hiring Salesforce developers and building their own proprietary solutions (or broker-dealers creating their own templates), with Satisfaction ratings that were competitive to out-of-the-box overlays like XLR8 (albeit at a much higher cost given the expense of hiring developers), suggesting that Salesforce overlay providers have the most opportunity not by pressing against their competitors, but for advisors to use third-party overlays at a lower cost than trying to hire developers to fully customize Salesforce for themselves.

Salesforce Overlay: Changes In Market Adoption

Overall, only 0.7% of advisors indicated a plan to change Salesforce overlay software within the next 12 months – one of the lowest rates of change of any category measured, emphasizing the sheer complexity of what it takes to implement (and then switch to and retrain on) a new Salesforce implementation. Amongst those considering a change, the solutions with the largest percentage of respondents intending to switch to them were SS&C Salentica, Practifi, and Financial Services Cloud, though SS&C Salentica also had the highest percentage of users *move away* from their software over the past 12 months.

Companies To Watch

- Pessimistic: Self-built proprietary tools
- Optimistic: Financial Services Cloud, Practifi
- Neutral: XLR8, Salentica

Lead Generation

For most of its history, the business of being a financial advisor was first and foremost about being able to prospect and generate one's own clients – to the point that most long-term financial advisors started their careers cold-calling (or even cold-knocking door to door) in an effort to just get their first few clients.

Lead Generation Market Share And Satisfaction

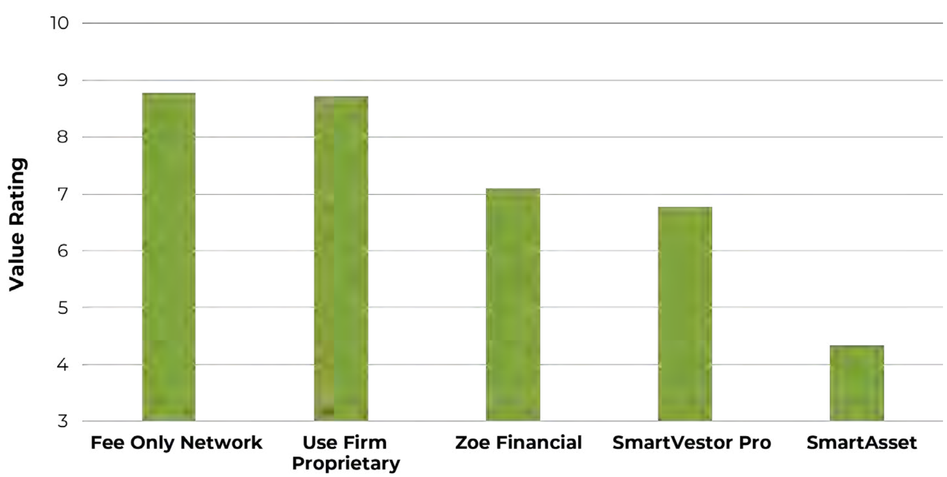
Vendor	Market Share	Satisfaction
SmartAsset	23.2%	4.3
Other	20.7%	8.6
Zoe Financial	12.2%	7.3
FeeOnlyNetwork	11.0%	8.7
SmartVestor Pro	11.0%	7.3
Firm Proprietary	8.5%	8.4
Self-Built	6.1%	6.8
Custodian/B-D	2.4%	N/A
Indyfin	2.4%	N/A
Not Sure	1.2%	N/A
WiserAdvisor	1.2%	N/A

Category	
Importance	7.2
Satisfaction	6.9
Adoption	9.4%

In more recent years, though, the digital revolution has led to the emergence of a new wave of lead generation services, that aim to deploy their own capital to do digital marketing campaigns that generate prospects, and then handing those prospects off to financial advisors as leads. In fact, Lead Generation services has become one of the most popular categories for new entrants on the Kitces AdvisorTech Map, driven in large part by the fact that RIA custodians have 'set the price' on leads at 25%-of-ongoing-revenue – which means a single $1M AUM client with high retention could generate tens of thousands of dollars to the lead generation service over time – such that startups that can effectively deploy capital towards digital marketing stand to generate rather phenomenal lifetime client values.

In terms of adoption, SmartAsset was the most widely used lead generation service at a 23% adoption rate, followed by Zoe Financial (14%) and SmartVestor Pro (12%). FeeOnlyNetwork had the highest level of satisfaction, followed by proprietary marketing systems that advisors created for themselves, and then Zoe Financial and SmartVestor Pro, whereas SmartAsset had the lowest (by a very significant margin!).

Value Relative To Price



Notably, costs for these types of lead generation services can vary significantly. In particularly, FeeOnlyNetwork is priced significantly lower than others, while Zoe Financial is substantively higher in the long term (albeit priced as a revenue-sharing agreement, so advisors only pay for clients they actually get). This is reflected in the value relative to price ratings, as FeeOnlyNetwork ranked highest overall on the Value metric.

Interestingly, SmartAsset was ranked the lowest on this metric, along with ranking the lowest in general satisfaction, which is consistent with separate Kitces Research on Advisor Marketing that has shown that advisors place the greatest rating on lead *quality* over just quantity (and consequently placed a lower value on SmartAsset's high-volume low-close-rate leads). Though on the other hand, SmartVestor Pro – which also has a reputation for passing along a high volume of leads that may not always be a good fit – did score as well as Zoe Financial, which is known for doing more screening of its leads before handing them along to advisors, perhaps a result of the strong loyalty and buy-in that long-time listeners of Dave Ramsey's content may have toward working with an advisor within the Ramsey network.

Perhaps most significant, though, was the fact that advisory firms that build their own proprietary marketing systems had as strong of a value and advisor satisfaction rating as any of the third-party systems, suggesting that in the end the decision to leverage a third-party generation platform is very much a 'choice' of whether advisors want to insource or outsource (but is something they *can* replicate themselves for those that make the investment to do so).

an outsized number of advisors are joining SmartAsset, but also an outsized number that are leaving).

Notably, both SmartAsset and Zoe Financial recently raised capital to deploy towards scaling their lead generation services, so it will be interesting to see how each company grows with those funds, as SmartAsset appears to need a reinvestment into its lead quality (to avoid churning through too many advisors) while Zoe still has an opportunity to build its marketing visibility to become more of a lead generation destination as SmartAsset is viewed.

Companies To Watch

- Pessimistic: SmartAsset
- Optimistic: Zoe Financial, FeeOnlyNetwork, Advisors' Proprietary Systems
- Neutral: SmartVestor Pro

Lead Generation: Changes In Market Adoption

Overall, 5.2% of advisors indicated a plan to change lead generation providers within the next 12 months.

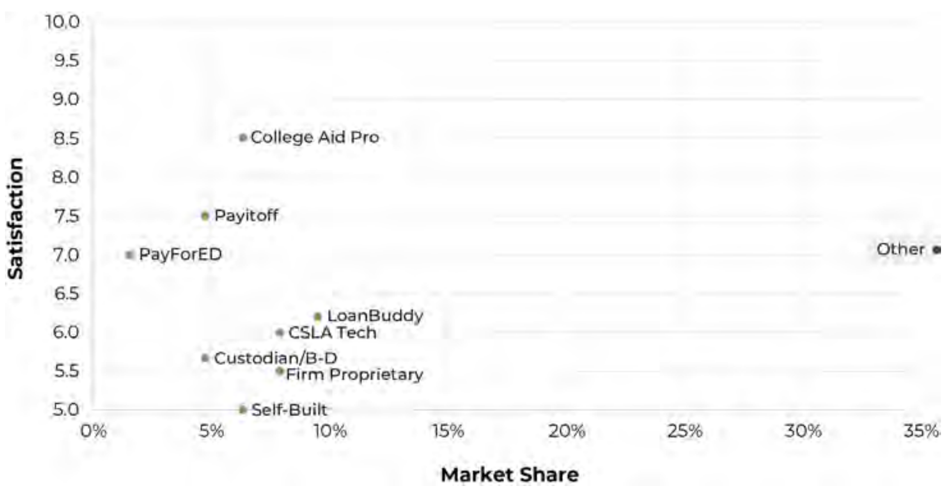
Surprisingly – at least given its advisor satisfaction score – SmartAsset still showed as the Lead Generation services that advisors are most often joining, followed by Zoe Financial. Though notably, it was also the lead generation service that advisors most *left* last year, suggesting a significant amount of advisor churn (i.e., that

	Current Marketing Share	Last 12 Months		Last 12 Change In Adoption	Next 12 Months		Next 12 Change In Adoption	Last-12	Next-12
		What Advisors Left	What Advisors Bought		What Advisors Are Leaving	Where Advisors Are Going		Growth/Attribution Momentum	
SmartAsset	17.0%	3.7%	10.1%	6.4%	<0.1%	7.4%	7.4%	60.2%	43.8%
Other	15.2%	0.9%	2.5%	1.6%	0.9%	1.9%	1.0%	11.7%	6.3%
Zoe Financial	8.9%	0.9%	5.0%	4.1%	<0.1%	<0.1%	0.0%	85.3%	0.0%
Ramsey	8.0%	0.9%	<0.1%	-0.9%	<0.1%	<0.1%	0.0%	-10.3%	0.0%
FeeOnlyNetwork	8.0%	1.8%	2.5%	0.7%	<0.1%	0.9%	0.9%	9.1%	11.5%
Firm Proprietary	6.3%	<0.1%	2.5%	2.5%	0.9%	0.9%	0.0%	67.4%	0.6%
Self-Built	4.5%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	0.0%	0.0%
Indyfin	1.8%	<0.1%	<0.1%	0.0%	<0.1%	<0.1%	0.0%	N/A	N/A
Custodian/B-D	1.8%	0.9%	<0.1%	-0.9%	<0.1%	0.9%	0.9%	N/A	N/A
WiserAdvisor	0.9%	0.9%	<0.1%	-0.9%	<0.1%	0.9%	0.9%	N/A	N/A
Not Sure	0.9%	N/A	N/A	N/A	<0.1%	15.8%	15.8%	N/A	N/A
No Use	26.8%	18.5%	5.0%	13.4%	N/A	N/A	N/A	N/A	N/A

Student Loan Planning

To the extent that financial advisors have primarily focused on the 'assets' side of the balance sheet over 'liabilities' (as advisors tend to sell/implement more asset-based products than borrowing solutions), it is perhaps not surprising that when it comes to college planning, advisors have historically offered 529 plans (for college savings) over student loan planning (for debt management advice).

Student Loan Planning Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	36.5%	7.1
Not Sure	14.3%	4.6
LoanBuddy	9.5%	6.2
CSLA Tech	7.9%	6.0
Firm Proprietary	7.9%	5.5
College Aid Pro	6.3%	8.5
Self-Built	6.3%	5.0
Custodian/B-D	4.8%	N/A
Payitoff	4.8%	N/A
PayForED	1.6%	N/A

Category	
Importance	5.5
Satisfaction	6.4
Adoption	7.6%

As a result, student loan planning software adoption rates were quite low. In addition, to the extent that advisors are using any tools, they have been most likely to simply build their own proprietary solutions, or simply retrofit the projections into their financial planning software or an Excel spreadsheet, rather than use third-party technology (and rate their own solutions higher than available third-party solutions!). Which suggests that at best, existing technology providers in this space have not yet figured out how to align the technology they're building to the actual use cases that advisors are seeking to fulfill with technology.

Though for advisors who are interested, College Aid Pro has a clear lead in advisor satisfaction, which positions it – and Payitoff – as the two most likely to gain traction in the limited space.

Student Loan Planning: Changes In Market Adoption

Overall, 4.3% of advisors indicated a plan to change student loan planning software within the next 12 months.

As with many other Experimental categories, Student Loans are an area where advisors are still showing uncertainty about which solutions they even *want* to pursue. As amongst those looking to make changes, most advisors were either unsure about what they were going to, or had decided they would stop using a standalone solution altogether (or instead would build their own). While specialist tools like College Aid Pro and LoanBuddy also showed some advisor interest (as tools that were built 'by advisors, for advisors').

Notably, though, in the months after data for this study was collected, LoanBuddy announced that they were shutting down (as of October 31, 2021) – a further acknowledgement to the challenges of adoption in an area where advisors historically haven't advised, and few have an existing business model that fits advising on student loans.

Consequently, the student loans category remains very thin, with advisors mostly staying away from it, and few providers available even for those advisors who do focus on student loan repayment. Though the departure of LoanBuddy does at least introduce some relative market share opportunity for existing competitors to gain, including College Aid Pro (which has shown some positive momentum), and CSLA Tech (which had one of the strongest advisor satisfaction scores).

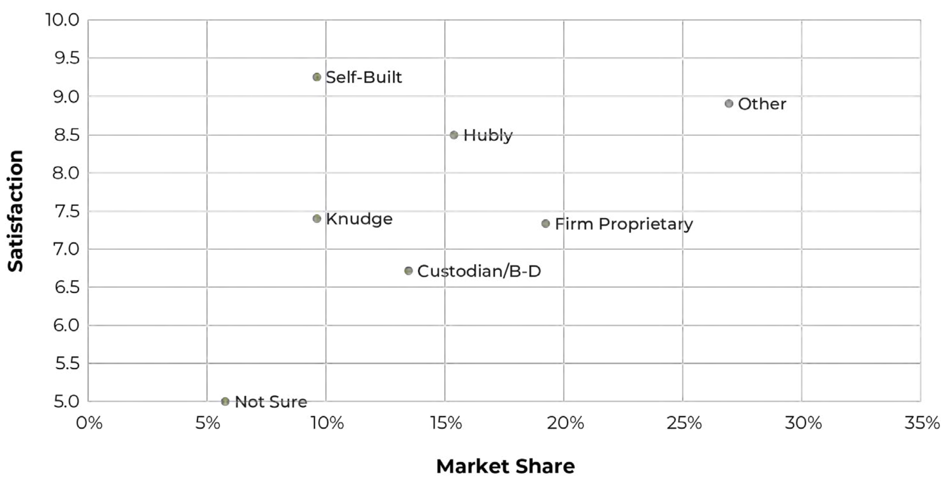
Companies To Watch

- Pessimistic: LoanBuddy
- Optimistic: College Aid Pro, Payitoff
- Neutral: Proprietary solutions, PayForED, CSLA Tech

Plan Monitoring

In its early days, financial planning was used as a form of 'consultative selling,' where advisors would collect data, project out and analyze a client's situation for potential gaps… and then sell/implement solutions to fill those gaps (e.g., a 'capital needs analysis' determined a shortfall for insurance the advisor could sell, a 'retirement needs analysis' identified the amount that the client should save into the advisor's retirement savings strategies, etc.).

Plan Monitoring Market Share And Satisfaction



Vendor	Market Share	Satisfaction
Other	26.9%	8.9
Firm Proprietary	19.2%	7.3
Hubly	15.4%	8.5
Custodian/B-D	13.5%	6.7
Knudge	9.6%	7.4
Self-Built	9.6%	9.3
Not Sure	5.8%	N/A

Category	
Importance	7.9
Satisfaction	8.0
Adoption	7.0%

However, as financial planning has shifted to become *the* value proposition in the first place, there is a growing need for tools to actually monitor a client's ongoing situation, engage them to implement the advice they've been given, and help the advisor spot new advice-giving opportunities.

Overall, adoption of the Plan Monitoring category is still very low, and many of the solutions that exist are self-built by advisory firms, based on proprietary/broker-dealer-provided solutions they receive from their platforms, or are simply handled through the advisor's existing financial planning software (the primary response in the Other category).

However, amongst advisors using third-party plan monitoring software, Hubly had the highest adoption rate at 15%, followed by Knudge at 13%. Overall, Hubly did receive higher satisfaction ratings than Knudge, although this is another case where adoption rates are low enough that caution should be taken in interpreting these results (in addition to the fact that in practice, Hubly and Knudge are substantively different solutions, with the former focused more on advisor workflows for plan monitoring, while the latter is oriented more towards ongoing financial planning task management with clients).

Plan Monitoring: Changes In Market Adoption

Overall, 4.9% of advisors indicated a plan to change plan monitoring software within the next 12 months.

Hubly and Knudge were the two primary commercial vendors available within this category. While both Hubly and Knudge had backward- and forward-looking growth, Hubly had the higher reported growth over the past 12 months, while Knudge had higher stated advisor interest over the next 12 months. Broker-dealer solutions lagged, which isn't entirely surprising as their systems are typically more attuned for monitoring portfolios and transactions, rather than ongoing advice and plan monitoring.

Overall, plan monitoring may be one of the areas with the most opportunity for a new entrant, particularly since plan monitoring was rated relatively high in importance, yet as low adoption, low satisfaction (at least on average), and mostly self-built/proprietary solutions that advisors are using. Whether it is financial planning companies themselves developing better tools for plan monitoring, or third-party tools like Hubly and Knudge, there seems to be significant opportunity for expansion in this category. Knudge will need to refine its offering and improve its user ratings to gain market share as the category grows, especially given the high satisfaction some advisors have with their own self-built solutions.

Companies To Watch

- Pessimistic: Broker-Dealer offerings
- Optimistic: Hubly
- Neutral: Knudge, Self-built/Proprietary solutions

Business Support Systems

As advisory firms continue to systematize their advice processes and increasingly automate their back-office processes, there is a significant opportunity for more back-office automation tools to further expedite the process.

However, in practice, business support tools were really low in adoption overall among advisors. Conga and Benjamin were the two providers that at least had some advisors report using them. While both generally scored well in terms of satisfaction, particular caution should be given to reviewing these results, given the low response rates.

More generally, the low adoption in this category suggests that in the end, advisory firms are looking to their existing platform providers to improve *their* systems and processes, rather than paying to implement third-party solutions to make that happen. In other words, advisors are expecting their broker-dealers, RIA custodians, and TAMPs to improve their systems – likely along with CRM providers also refining their own workflow capabilities – rather than looking to fill any voids at the advisory firm level.

Companies To Watch

- Pessimistic: Proprietary solutions
- Optimistic: Conga, Benjamin
- Neutral: Existing broker-dealer and RIA custodial platforms

Business Support Systems Market Share And Satisfaction

Vendor	Market Share	Satisfaction
Conga	47.8%	6.7
Firm Proprietary	17.4%	N/A
Custodian/B-D	13.0%	N/A
Benjamin	8.7%	N/A
Other	8.7%	N/A
Not Sure	4.3%	N/A

Category	
Importance	6.8
Satisfaction	6.6
Adoption	2.0%

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