The Kitces Report
Volume 1, 2023

The Technology That Independent Financial Advisors Actually Use And Like

2023 AdvisorTech Study

Table Of Contents

List Of Figures

Introduction

AdvisorTech Overview

AdvisorTech Category Profiles

Financial Planning

Tax Planning

Social Security Analysis

Retirement Distribution Planning

Client Data Gathering

Estate Planning

Advice Engagement

Stock Option Planning

Student Loan Analysis

Performance Reporting

Portfolio Management, Trading And Rebalancing

Account Aggregation

Investment Research And Analytics

Risk Tolerance/Behavioral Assessment

Website Platform

Social Media Archiving

Meeting Notes Support

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For more than two decades, Dan has directed a broad spectrum of industry executives toward a better understanding of how to succeed in the financial advisory marketplace. He has worked with broker-dealers, asset managers, leading RIAs, and every major industry custodian, helping to identify emerging trends in the distribution and demand for financial advice as well as best practices in firm management.

Once part of the Moss Adams consulting team that pioneered the field of advisor "practice management" in the mid-2000's, Dan later co-founded his own boutique industry research and consulting firm, FA Insight. After just seven years he successfully sold the firm to TD Ameritrade, one of the country's leading providers of brokerage and custody services.

His research and consulting experience covers a broad range of issues affecting financial advisors, including strategic planning, organizational design, compensation, operations, and M&A. For over a decade Dan led the production of the FA Insight Annual Study of Advisory Firms, a leading resource of critical intelligence for financial advisory firms as well as the institutions that serve them.

Dan began his career as a government economist, including several years leading the Bureau of Economic Research in the U.S. Virgin Islands, before overseeing the marketing research function for Russell Investments. Dan holds bachelor's and master's degrees in economics from the University of Washington and is a CFA Institute charter holder.

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Meghaan is a past President and current board member for the Financial Therapy Association and Financial Psychology Institute Europe.

Featured In:

Key Findings

- While the business of financial advice centers on people as a primary input for service delivery, AdvisorTech is increasingly important for advisory firms to better leverage their precious and finite human capital. Further, with the right application of technology, advisors can keep 'ahead of the curve' in meeting the ever-more demanding needs of their clients, as while AdvisorTech doesn't replace advisors, it can both enrich the delivery of advice, and systematize or fully automate 'non-advisor' back-office tasks.

- Outside of labor costs, the biggest spend for an advisory business is likely technology, with expenditures typically ranging from 4% to 6% of revenue. Across 27 key functions common to day-to-day business operations, the typical practice performs more than half of these (15) with the support of technology; however, adoption of individual functions (i.e., the share of all advisors using technology) varies widely across categories, ranging from 11% for student loan analysis to 94% for client relationship management (CRM).

- Advisory firms typically build their technology around a core of 4 main functions: CRM, financial planning software, investment management (including the portfolio management and performance reporting functions), and document management. Adoption rates for all of these functions are over 80%. From this core, other technology applications fill out narrower functional roles, from specialized planning tools (from 11% adoption for student loans to 68% for tax planning) to compliance functions (54% for dedicated compliance software) to marketing or business development technology tools (which are some of the least popular to be addressed via technology, used by just 12% of advisors).

- Further signifying the importance of CRM technology, nearly half of all advisors (47%) reported that their CRM application is the hub for their tech stack, with general purpose financial planning software and portfolio management systems as hubs also mentioned frequently (notably, though, portfolio management systems ranked 3rd of the 3). And despite the focus among platforms such as RIA custodians, broker-dealers, and TAMPS on providing technology integrations for advisors to build their business around, only 8% of advisors stated that their 'partner platform' was the technology hub of their practice.

- As firms grow, they are generally more inclined to embrace AdvisorTech. Reasons for this include a greater ability to spend on (and manage) technology, but also a more compelling need: Larger practices tend to have more back-office and support staff, where there is a greater return on investment in using technology to improve efficiency or fully automate repetitive tasks and reduce staff costs. There are exceptions to this rule, though. As a practice adds advisors, technology use declines when conducting client data gathering, retirement distribution planning, ongoing advice engagement, and meeting scheduling. Except for retirement distribution planning, these are all functions where a larger firm, often serving more affluent clients, may want to have a more hands-on and personalized touch that cannot be replicated with technology.

- Not surprisingly, technology adoption is heavily correlated with how important advisors think a particular application is to the success of their business. On a 1–10 scale, with 10 representing the highest importance, the average rating was 8.0 across all functions. CRM, the category with the highest technology use, was also highest rated in importance, scoring 9.2 on average. In contrast, student loan analysis, lowest in adoption, scored lowest in importance at just 5.7. Simply put, when advisors deem technology important to their business, they tend to implement it accordingly.

- In addition to importance, technology usage is also swayed by the quality of, or satisfaction with, the current technology solutions in the category. As satisfaction with the technology increases, word spreads throughout the profession, motivating non-using advisors to become technology users. In turn, with more widespread use, perceptions of the technology's importance improve as well, such that in practice, there is a strong correlation between a technology category's deemed importance to advisory firms and its advisor satisfaction levels.

- On a 1–10 scale (with 10 again representing the high), advisors on average rate satisfaction with their overall tech stack at 7.3. In comparison, the average satisfaction rating for individual applications used across all 27 functions surveyed was notably higher, at 7.6, which means that advisors actually rate their tech stack as a whole as worth less than the sum of the parts! The lower satisfaction with the tech stack in total is likely a result of advisor dissatisfaction with the level of integrations across advisor technology; in fact, the average advisor satisfaction rating regarding the integration of their tech stack is just 5.9. In turn, less than 1/3 of respondents reported that their level of integration went beyond just "some automated data flow", with integration limited between some, but not all, key applications.

- By function, the highest satisfaction scores were reported in tax planning, meeting scheduling, and general purpose financial planning software, all of which received average marks of 8.3 or more. Advisors were least pleased with lead generation technology, averaging a 6.5 satisfaction score. Satisfaction was nearly as weak for technology related to account aggregation and options (i.e., equity compensation) planning.

- A handful of 'standout' individual providers (with 5% or more market share) received satisfaction scores that averaged above 8.5. These included third-party specialists Holistiplan in tax planning, Income Lab in retirement distribution planning, iRebal in portfolio management, RightCapital for financial planning software, Advyzon for performance reporting, and AdvicePay for non-AUM advisory fee billing. In addition, advisors also gave "Standout" ratings to several of their document management systems, including Box, Dropbox, and Google Drive.

- Advisors acquire their technology in several ways, including from platform partners or utilizing firm proprietary or self-built solutions. Most typical, however, is to purchase applications through third-party vendors, particularly vendors that specialize in supporting a specific advisory firm function. Across all functions, typically 68% of those advisors who are applying a technology solution, are applying one acquired through a third-party specialist, as the depth and breadth of third-party vendors has largely overtaken the ability of even the largest platforms to fully build their own proprietary/platform advisor technology.

- Most often, at least 5–10 third-party specialists have some material market share as a provider serving a category, and a few categories—including investment research, digital marketing, document management, tax planning, and portfolio management—all had 15 or more third-party specialists that received multiple mentions from respondents.

- That said, most categories (including some with numerous active vendors) are dominated by just 1–3 third-party providers that serve much of the market. Most dominant is Holistiplan, supplying 59% of all advisors that use some form of technology for tax planning. Calendly (meeting scheduling) and AdvicePay (non-AUM fee billing) also account for half of the supply in their respective markets. Nitrogen/Riskalyze (risk assessment), eMoney (financial planning), and Morningstar (investment research) are nearly as dominant, each serving about 1/3 of advisors using technology in their respective markets.

- For certain functions, advisors prefer more general purpose software over specialists. More advisors, for example, use their financial planning software to handle retirement distribution planning and student loan analyses than use third-party specialists as technology solutions for these functions. Social Security analyses and client data gathering are other functions frequently handled through financial planning software. For technology related to AUM fee billing, advisors more typically use their portfolio management software or a platform-provided tool. Rather than relying on a specialist provider, technology for supporting meeting note-taking is most frequently accessed through an advisor's CRM application.

- Despite technology adoption averaging 55% across all functions surveyed and products tending to be rated reasonably well on satisfaction, advisors continue to demand more and better technology for fueling their businesses. Over the last 12 months, 39% of respondents made at least one change in their approach to supporting advisory functions with technology; a greater share, 46%, intend a change in the 12 months ahead. However, there is a relatively lower "intent to change" rate within any one functional category: By category, an average of less than 5% of advisors intend to change their technology approach in the coming year, indicating an average tenure of individual components of the advisor tech stack as high as 20 years!

- Of those advisors who recently made a change to an existing technology solution, most were motivated not by dissatisfaction with their current product, but by a desire to have something even better. Nearly half of respondents (47%) switched solutions after becoming aware of a superior alternative, implying that vendors would do far better to market superior functions and their use cases than to focus on advisors' current dissatisfaction. Notably, this also implies that advisors considering new technology are not likely to be persuaded by incremental price savings; competing on price appears to be a more effective tactic for winning "first-time" advisors to a category than winning market share of existing advisors away from a competitor.

- Overall, advisor adoption of technology is on the rise; based on advisor responses, technology adoption is projected to increase over the next 12 months in each of the 27 business functions surveyed. Adoption is projected to grow fastest for estate planning, with a 16% increase in usage expected in the year ahead. Ongoing advice engagement follows, with a projected 11% increase. Tax planning, social media archiving, and meeting scheduling, respectively, round out the top five advisor functions where adoption is projected to increase most rapidly.

- In addition to forecasting adoption directly from stated advisor intentions, Kitces Research also developed a more multi-faceted framework for evaluating vendor opportunities within each functional group, one which considers the relationships between technology adoption, perceived importance and satisfaction, as well as intent to change within each category. A key outcome was the determination of a group of "Beachhead" categories, where newcomers could more readily enter the AdvisorTech marketplace due to not only growing demand but also relative dissatisfaction with current providers and a greater degree of advisor openness to change. CRM and workflow support, along with risk tolerance and digital marketing, were the most noteworthy categories in this domain; advisors also indicated relative dissatisfaction with their compliance technology, but a limited intent to change providers.

- "Waxing" was another group of categories with growth potential, but in contrast to Beachhead categories, advisors were more satisfied with provider offerings rather than being eager to switch vendors, signaling a growth pattern that chiefly favors incumbent market leaders. Among the most attractive Waxing categories are tax planning and meeting note-taking, where advisors are signaling a higher intent to change. Others (where advisors showed less intent to change, but incumbents are well positioned to gain market share from new entrants) include billing software (for both AUM and non-AUM fees), proposal generation, document management, and advice engagement. By contrast, account aggregation was the category where advisors showed the greatest levels of dissatisfaction relative to the deemed importance of the category, signaling a high potential for disruption if a new provider can enter the market with a superior solution (i.e., more accurate data and fewer breaks in account linking).

Introduction

Study Objectives And Coverage

Survey Participants And Methodology

1

Study Objectives And Coverage

In the spirit of transparency, our 2023 technology study, *"The Technology That Independent Financial Advisors Actually Use and Like"*, focuses on just that—advisor technology use and perceptions. It is the second of an in-depth series highlighting AdvisorTech that began with the release of our inaugural study conducted in late 2021.

Other industry technology studies are available for advisors; this was true in 2021 and it remains true today. However, other surveys typically operate on an "open-link" basis with few restrictions on who can participate. Without any such controls in place, vendors included in the study can encourage participation, targeting not only advisors who use their products, but more narrowly those who are likely to rate their products favorably. As a result, vendors that do more to promote the survey can end up with an overstated market share in the data, simply by more successfully turning out their users to participate than other companies that did less to promote the survey link. Which ultimately means that, without the proper controls in place, vendors can have a strong influence over a study and its results, influencing the positioning of their offering in a more favorable light.

Kitces Research aims to improve the impartiality of industry surveys by more tightly controlling its sampling methodology to protect against such survey bias. Our 2021 study was restricted only to advisors on a pre-curated Kitces email list, with each advisor on the list being sent a unique URL that could only be used by that invitee. This year, the controls were tightened even further: We added a mandatory login/account creation process to ensure that each invitee participated only once, and that no one outside of the invite list (comprising the approximately 54,000 advisors on the Kitces email list prior to the survey's launch) could participate. This latest enhancement further limited the ability of technology vendors to selectively encourage their advisor customers to participate in the Kitces Research AdvisorTech survey following its launch. Lastly, lack of any third-party sponsorship (meaning there are no sponsors, paid or otherwise, supporting this effort) further protects the impartiality of our current technology study—a hallmark of all Kitces Research studies of any type.

This 2023 Kitces AdvisorTech report, like the 2021 version, highlights trends in how advisors use various technologies within their firms. This includes a general overview of the major software categories, with each category representing 1 of 27 different functions that advisors have reported using technology to support. Additionally, we include specific profiles of vendors within each category, summarizing how advisors reported on their use of the technology to support the functions of their firm, along with their impressions of that technology in terms of its importance, value, and satisfaction.

[1]Disclosure: The owner of Kitces Research, Michael Kitces, is also a co-founder of XY Planning Network, AdvicePay, and fpPathfinder, all of which provide software solutions to advisors for which there was reported feedback in this study. However, the Kitces Research team is entirely independent from, and has no interaction with, other Kitces-related businesses outside of Kitces.com. Kitces-related businesses have no ability to influence which advisors received the Kitces Research survey (nor does any other technology vendor), have no access to advisor research data or ability to control what results are reported, and are not privy to any results outside of those reported in this study.

The findings presented here should prove particularly useful for practicing advisors, as they strive to optimize their investments in technology and plot the most cost-effective path for applying technology to improve business efficiency and elevate the client experience. However, the report may also be of value for other industry participants—including direct providers of technology, those who coordinate technology for advisors, those involved in setting technology strategy, and those who invest in or are looking to merge with or acquire technology providers—as it provides insights into what advisors do and don't like about their current technology solutions, and what they may want to see in technology that isn't yet on the market.

Survey Participants And Methodology

This report utilized data collected online from March 20 through April 20, 2023, via the Kitces.com platform. While the Kitces Research survey was promoted in articles on the Nerd's Eye View blog as well as via email and social media, only those approximately 54,000 email addresses already identified as subscribers on the Kitces platform prior to survey launch were eligible for participation.

Beyond the requirement to be a Kitces subscriber, we further limited eligibility for inclusion in the final study results in 2 ways. First, respondents were required to represent a U.S. business that provided financial advice or implemented investment products, with the practice established in 2021 or earlier (such that it served clients and earned revenue in 2022).

Second, study participants were limited to individuals with a role in managing or supporting the delivery of financial advice within an advisory practice or firm; additionally, those in financial planning specialist roles, as well as primary firm owners or key executives (CEO, President, etc.), were also included, regardless of any direct client-facing responsibilities. However, individuals in other non-advice or non-leadership roles were ineligible to participate (as they would not be able to give constructive feedback on advisor perceptions of and satisfaction with technology vendors).

While the survey was open to advisors of any channel, the results compiled for the study report included only responses from individuals representing 'independent' practices, in the sense that they could only be affiliated with an independent RIA, independent broker-dealer, or insurance agency. As practically speaking, advisors who are employees of larger bank, broker-dealer, or similar enterprises (i.e., 'non-independent' advisors) have little to no control over the selection of their technology, and our research focus is specifically on what technology advisors like and "vote with their feet" by choosing to use (which we believe gives the best long-term indicator of product quality and growth potential).

Nearly 1,400 participants at least partially completed the survey, which took roughly 30 minutes to complete. Of these, 783 were usable responses that met our stringent qualification and completeness criteria, which allows us to report most results within a +/- 3% margin of error. Participants reported in terms of their own individual work with clients either as unsupported solo advisors or as part of a bigger client service team.

A central component of our survey provided respondents with the opportunity to rate over 300 different technology providers, and based on the responses we were able to derive usable rating averages for nearly 200 of these providers. While the survey focused on all facets of advisor technology use, the questions also covered the general demographics of respondents and the characteristics of their practices.

Given that the survey drew from Kitces.com readers, it is important to also recognize that this group is somewhat distinctive as a sample of the broader financial advisor community. The readership is generally more advice-centric and planning-centric in their service model relative to the broader industry, which still has more of a product-sales tilt. This matters because the results of this study—by the very nature of those sampled—may not be fully generalizable and representative of all those who call themselves "financial advisors". Conversely, the results should be especially meaningful to "financial advicers"—those who are in the business of delivering financial advice (not selling products) to clients and getting paid for financial (planning) advice itself—of whom the study respondents can likely be considered a representative sample.

Across respondents, the median age of the practices they were affiliated with was 12 years, with years in business ranging from 1 to well over 20. In terms of service team size, the typical respondent represented 3 full-time advisors and support team members (including the respondent). The teams surveyed produced a median of about $500,000 in annual revenue. Their business channel was overwhelmingly RIA (74%), with most revenue coming from AUM fees (76%), and the median client size for respondents was $1.0 million in investable assets. For most practices represented in the study (68%), the typical client served was 55 or older in age, and the median age of the respondents themselves was 48. (See Figure 1.1 for further detail.)

Figure 1.1 Summarizing Survey Respondents

Ranges represent 25th–75th percentiles unless noted otherwise.

Respondent Age	39–58 Years
Age of Respondent's Practice	5–23 Years
Primary Business Channel	74% RIAs
Service Team Size (including all advisors)	1–5 FTEs
Service Team Revenue	$184,000–$1.3M
Share of Revenue Dependent Upon AUM Fee	70%–100%
Clients Served by Team	50–245
Typical Investable Assets Per Client	$500,000–$1.5M
Share of Clients 55 Years or Older	50%–80%

2

AdvisorTech Overview

Application Integration

Where And How Technology Gets Applied

Interpreting Advisor Ratings

The Link Between Satisfaction, Importance, And Advisor Adoption

Assessing Demand Potential

Incumbent Momentum Vs New Entrants Opportunities

Product Development Or Just Better Marketing?

Doing It Yourself

Technology Transitions

Changing Course: Direction Unknown

Opportunities (Or Not) In The AdvisorTech Landscape

Vendor Recognition: Market Leaders, Rising Stars, And Standouts

Delivering financial advice is first and foremost a people-based business. But as the industry struggles to replenish its talent pipeline and more generally seeks to continue to scale the efficiency of an otherwise staff-intensive service, technology has grown increasingly important to the functions of advisory firms of all sizes. With the support of technology, firms are better able to maximize the output of their service teams and keep up with the ever-increasing need to provide more and better services and advice to their clients to justify their advisory fees.

In 2023, technology spending typically represented between 4%–6% of a service team's revenue (Figure 2.1), which likely makes it an advisory team's biggest line-item expense outside of people costs. Advisors are now applying technology to most of their key business functions: Of the 27 functions included in our Kitces survey, the typical advisor is using some form of technology to support 15 of them (and for most of the rest, it wasn't that advisors didn't use technology for that function, but simply that the function represented a service that advisors didn't offer in the first place!).

Figure 2.1. Technology Use Summary

Typical Revenue Share Devoted to Technology	4.0%–6.0%
Median # of Functions with Applied Technology	15
Average Ratings	
Satisfaction with Tech Stack	7.3
Satisfaction with Tech Integration	5.9

Note: Ratings are on a scale of 1–10, with "10" representing the highest possible score.

At a high level, advisors are mostly satisfied with their current mix of applications, or 'tech stack'. On a 1–10 scale, with 10 representing the highest possible score, the average advisor satisfaction rating with their technology stack is 7.3. Which is striking, given that the average rating of the individual tools in the advisor's tech stack is 7.6... which means the integrated whole is actually rated *lower* than the sum of its parts!

In that context, it's not surprising that satisfaction with the tech stack tends to further decline as practices increase in size. Solo practitioners report an average satisfaction rating of 7.4, compared to 7.1 for practices of 10 or more. This suggests that the typically more demanding needs of bigger practices are placing even more demands on their technology tools' ability to integrate with each other, and that those demands are not being completely met.

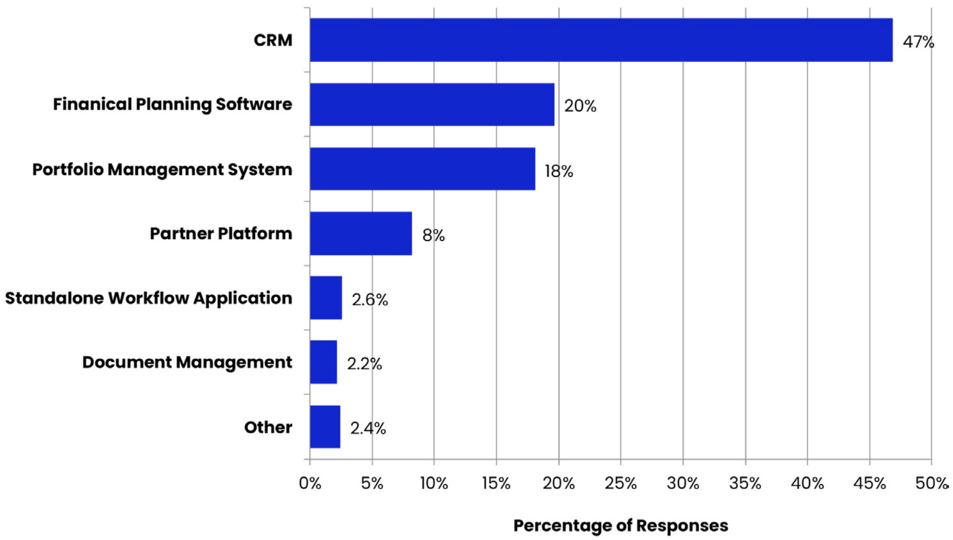
In turn, a bigger satisfaction gap exists by business channel. RIA advisors, with more freedom to choose their own technology, average a 7.4 rating for satisfaction, compared to just 7.0 for IBD/Insurance advisors. Which, indirectly, may also be a byproduct of the size effect, as even 'small' independent broker-dealers are typically still much larger enterprises than even mid-to-large-sized RIAs. In other words, across the advisor landscape at large, it appears that the larger the advisory firm or platform, the less satisfied the advisors at that firm or platform are with their technology.

Application Integration

When it comes to tying applications together, a CRM application is by far the most commonly used hub for an advisor's technology stack (as shown in Figure 2.2 below), with nearly half of advisors claiming their CRM system is a focal point. Financial planning software and portfolio management systems were other frequently mentioned hubs, each cited by about 1/5 of survey respondents. Notably, despite many broker-dealers and RIA custodians developing their own integration hubs and encouraging advisors to build their firms around such platforms, in practice only 8% of advisors actually reported that their "partner platform" was the hub for their business.

While CRM software serves as hub for most advisors across virtually all advisor segments, certain advisor groups tend to be less likely to report a CRM hub. Smaller practices, for example, have a greater tendency to focus centrally on their financial planning software: while 26% of solo practitioners see planning software as their hub, just 11% of practices with 10 or more advisors do. Portfolio management systems are also used as a hub by a number of firms, particularly in the RIA channel: 23% of RIA advisors claim their portfolio management system is a hub, a share 4 times greater than in the IBD/Insurance channel.

Figure 2.2 Practice Technology Hub



Dissatisfaction with how well individual applications integrate with each other (just a 5.9 average rating) looks to be dragging down overall tech stack satisfaction. Regardless of the hub, advisors are much less satisfied with how their various applications tie together. This is equally true regardless of the size of the advisory practice or the channel where the advisors work.

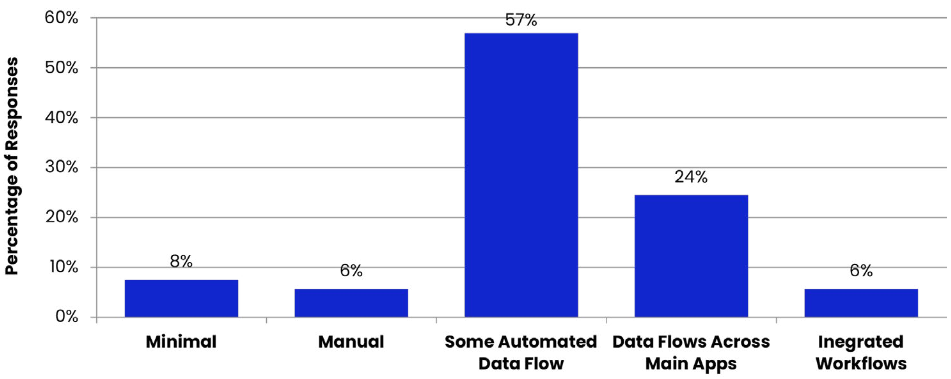
Notably, however, there is a positive correlation between the number of applications used and advisor satisfaction with integration. Advisors applying technology to 12 or fewer functions rate their satisfaction with integration at 5.6 on average, compared to a 6.4 rating from advisors using 18 or more applications. (This relationship also extends to overall tech stack satisfaction.)

This is somewhat counterintuitive, as when it comes to integrations (or lack thereof), one would ostensibly expect that more applications to integrate would lead to more integration woes. One explanation for satisfaction rising with a greater number of applications used may be an advisor's general comfort level with technology. Advisors who employ many applications are more likely to embrace technology, understand how to benefit from it, and consequently, derive positive experiences from technology that motivate the advisor to use even more of it.

In other words, at least some of the issues that advisors have with a 'lack of integration' amongst their technology tools may not be a problem with the technology tools themselves, but rather, some advisors' ability to easily facilitate and implement those integrations. (Though at the same time, even amongst the apparently more tech-savvy high-adopting advisors, integration satisfaction was still 'only' at a 6.4 out of 10 rating, suggesting there is still ample room for improvement for software tools' integration capabilities.)

Across all respondents, less than 1/3 report that their level of integration includes, at minimum, the ability for key data to flow automatically across main applications. The majority of respondents (57%) report they have just some automated data flow, with integration limited between some, but not all, key applications (Figure 2.3).

Figure 2.3 Level Of Technology Integration



Where And How Technology Gets Applied

As noted, our 2023 Kitces Research AdvisorTech survey extended across 27 different typical functions conducted by advisors and their teams during day-to-day business operations. These functions can be grouped according to 5 main activities:

1. General financial planning;
2. Specialized financial planning;
3. Investments;
4. Marketing or business development; and
5. Administration or operations.

Figure 2.4 right summarizes these groups and the functions within them according to "adoption rate"—the share of advisors that are applying technology in support of a particular function. Additionally, Figure 2.4 shows 3 different advisor ratings for each function. "Importance" reflects how important technology for that function is to the success of the advisor's business, "Value" measures whether the technology applied provides good value relative to cost, and "Satisfaction" is based on the advisor's willingness to recommend their technology solution to others.

Figure 2.4 Technology Adoption And Ratings By Function

Function	Adoption Rate	Importance	Value	Satisfaction
Financial Planning - General	93%	8.8	8.5	8.3
Financial Planning - Specialized				
Tax Planning	68%	8.5	8.6	8.5
Social Security	61%	7.2	8.0	7.7
Retirement Distribution	50%	7.8	8.0	7.6
Data Gathering	48%	7.6	8.0	7.4
Estate Planning	35%	7.2	7.6	7.3
Advice Engagement	23%	7.4	7.9	7.5
Options Planning	23%	6.3	7.4	6.8
Student Loans	11%	5.7	8.0	7.3
Investments				
Performance Reporting	88%	8.7	7.9	7.6
Portfolio Management	82%	9.0	8.2	7.8
Aggregation	75%	7.7	7.2	6.9
Investment Research	71%	8.4	8.0	7.7
Risk Tolerance	48%	7.8	7.6	7.3
Marketing or Business Development				
Web Platform	76%	8.3	8.0	7.6
Social Archiving	57%	7.5	7.7	7.4
Digital Marketing	37%	7.5	7.6	7.3
Proposal Generation	22%	8.0	7.9	7.5
Lead Generation	12%	6.9	6.2	6.5
Administration or Operations				
CRM	94%	9.2	8.1	7.6
Document Management	79%	9.2	8.5	8.1
Scheduling	71%	8.2	8.7	8.5
Billing AUM Fees	64%	9.2	8.3	8.0
Workflow Support	55%	8.6	8.0	7.6
Compliance	54%	8.3	7.8	7.5
Note-Taking	45%	8.7	8.5	8.1
Billing Other Fees	37%	8.4	8.3	8.0

Note: Adoption rate is the share of all respondents that apply technology in support of the function. Ratings are on a scale of 1–10, with "10" representing the highest possible score.

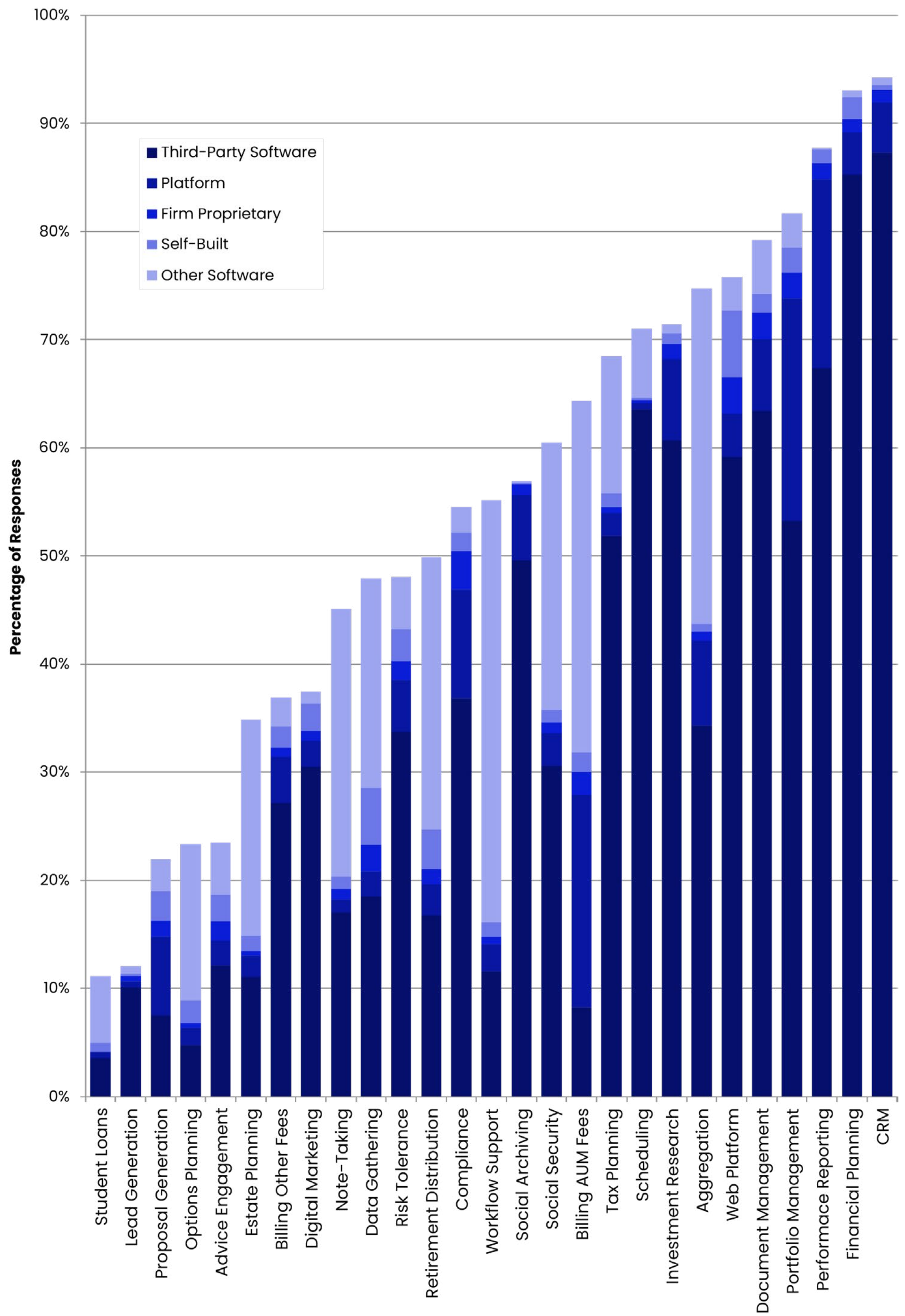
While there is variance within each of the 27 different functions, rough trends do emerge regarding adoption rates. On one hand, technology adoption is very strong in general financial planning and mostly strong across investment-related and administrative functions. On the other hand, for most marketing-related and specialized planning functions, adoption rates tend to be lower. But regardless of the function, a strong positive correlation exists between advisors' perceptions of the importance of, and satisfaction with, the technology supporting a certain function, and the rate at which they adopt technology to use for that function (as discussed in more detail ahead).

Figure 2.5 right provides additional perspective on adoption rates, ranking each function according to the share of advisors applying technology to perform it. Also included is the allocation of technology solutions across different types of providers, which can include standalone third-party software, the advisor's partner platform (e.g., their broker-dealer, RIA custodian, or TAMP), the firm's own proprietary software (e.g., their insurance company or a custom-built solution), a self-built solution (e.g., 'homegrown' software that some advisors build for themselves), or, alternatively, where advisors solve for the function using some other software in their tech stack rather than buying/implementing a standalone solution to solve for the function.

As shown on the right, CRM ranks highest in terms of technology adoption, followed closely by general financial planning. For both functions, standalone third-party software serves as the technology solution for more than 90% of advisors. Lead generation and student loan analysis are functions least likely to be supported by technology, both with adoption rates of just over 10%.

For most functions, the dominant provider type for advisor technology tends to be a standalone third-party solution that performs only one or, at most, a narrow range of functions. For functions where

Figure 2.5 Technology Adoption By Function And Provider Type



third-party software is less typical, advisors are usually accessing technology through a more general purpose application. For example, for specialized planning functions like estate planning, stock option planning, and student loan analyses, many respondents reported simply using their general financial planning software. Likewise, for workflow support and advisor note-taking, the advisor's CRM application was a common response, while billing AUM fees frequently occurs through performance reporting or portfolio management software, as does account aggregation (though the latter is also commonly accomplished via financial planning software).

Overall, the fact that many 'secondary' functions in an advisory business are often covered by a handful of centralized applications—in particular, CRM, financial planning software, and performance reporting/portfolio management software—helps to further reinforce how those 'big 3' tend to form the center of an advisor's technology stack, around which the rest of their technology is added.

Interpreting Advisor Ratings

The advisor ratings collected in our research provide important insights for both advisors and their technology providers. For individual advisors, the ratings help to make more informed decisions about where, how, and whom to invest with when it comes to technology. They are also revealing for current or prospective advisor technology providers, who are trying to identify the most fruitful market opportunities for making their own investments (either as a new startup competing within a category, as an existing incumbent trying to figure out where and how to invest resources, or as an acquirer or investor deciding where to allocate capital).

For example, reviewing adoption rates in combination with where a functional category scores relative to satisfaction and importance can potentially answer key questions for guiding a vendor's business strategy. These include which categories should focus more on product development versus marketing, which are most (or least) likely to experience demand-driven growth, and which are tilted in favor of incumbents or are most prone to disruption (and thereby most accessible to new providers).

The Link Between Satisfaction, Importance, And Advisor Adoption

As Kitces Research first noted in its inaugural 2021 AdvisorTech study, there is a remarkably strong positive correlation in AdvisorTech between a technology's adoption rate, advisor satisfaction, and its deemed importance by advisors.

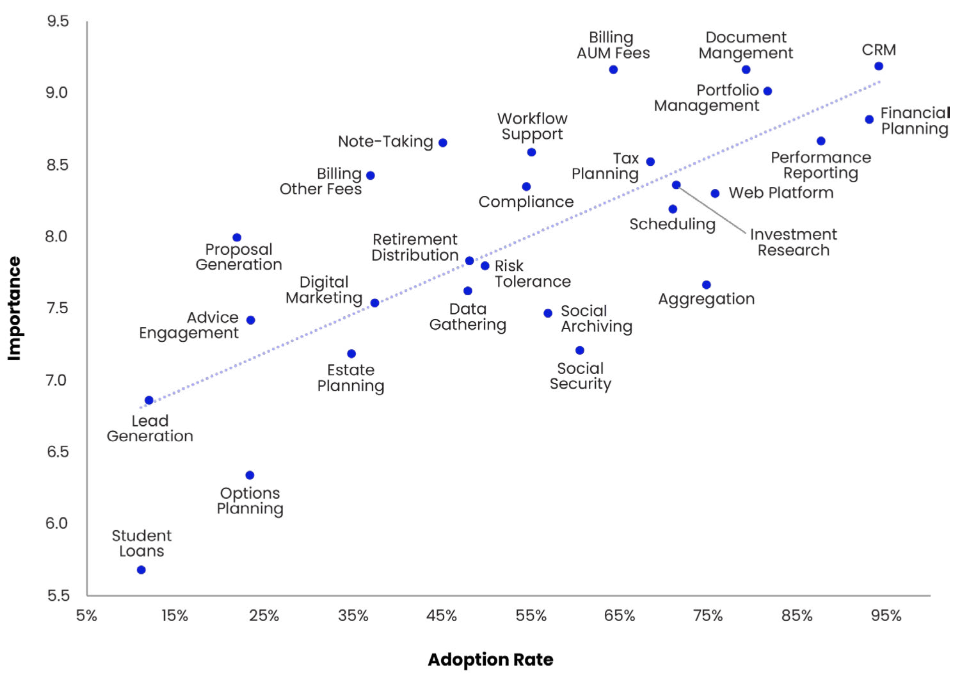
In practice, this appears to play out across 2 vectors. In the first, advisors' perceived importance likely drives market demand. This demand attracts new market entrants competing to provide advisors with the best technology solutions. Product quality improves as competition intensifies, resulting in advisors becoming increasingly satisfied with their preferred solution in a category they deem important, and adoption rate continues to climb with increasingly high-quality solutions that advisors (who still perceive the technology to be important for their business) want to seek out. Financial planning software is a good example of how this trend has played out, as the category with both the highest adoption rate *and* the 2nd-highest average satisfaction rating across all 27 categories surveyed.

Alternatively, causality can flow in the reverse direction—improving quality (e.g., a new vendor with a breakthrough innovation) increases advisors' perception of value and satisfaction with the software, which then encourages incremental adoption. Eventually, by virtue of widespread use as adoption rises, the product becomes viewed as essential, and thereby is deemed of high importance for advisors. Meeting scheduling software, and more recently tax planning software, are 2 examples of categories that have followed this fast-growth trajectory.

Assessing Demand Potential

As we look at the latest 2023 results, the adoption/importance dynamic (shown in Figure 2.6 below) once again reflects a linear relationship—adoption increases with perceived importance. This is consistent with rising demand (and increasing perception of importance) frequently leading to rising satisfaction as more providers commit to the space and iterate better and better products, proving the use case and further supporting additional demand.

Figure 2.6 Advisor Software Ratings By Function, Importance Vs Adoption



Most noteworthy are those categories in the northwest quadrant of Figure 2.6: high importance, yet (relatively) low adoption. These represent areas where the use of technology is low, but advisors using technology to support these functions rate it as more critical than implied by its current adoption alone, signaling a high likelihood that other advisors will soon realize its importance and adopt as well. The functions most clearly meeting these criteria of high demand potential include:

- Proposal Generation
- Billing (Both AUM & Non-AUM Fees)
- Workflow Support
- Note-Taking
- Document Management

Apart from proposal generation, it's striking to note that all of these are administrative functions, signaling broad demand potential and likely some latent advisor demand for back-office systems, workflows, and business process automation. In this case, early adopters are recognizing the important role that technology plays in supporting these functions, but this appreciation is yet to spread widely across all advisors (though it is likely to do so as more advisors catch on). In turn, as technology adoption in the category grows overall, it creates a situation where multiple providers can all grow rapidly, as the serviceable market expands and vendors can grow among new adopters (without any need to win market share away from existing/early-stage competitors).

Alternatively, however, low adoption in combination with high importance may simply indicate that the function just isn't as relevant to a high share of advisors (while for the small share who do perform the function in their practice, the technology is very important for doing so). Billing non-AUM fees is a good example of such a case—just 20% of survey respondents relied on non-AUM fees for most of their revenue, but for that 20% it makes sense that a good non-AUM billing solution would prove invaluable. For many others, however (including the over 50% of respondents who derived at least 90% of their revenue from an AUM fee), billing outside of an AUM-linked fee just isn't a high priority.

At the same time, to the extent that technology unlocks a new function that advisory firms didn't previously have, sometimes narrow-use or specialized tools become more general-use (with rising adoption) over time; the rapid growth of tax planning software—previously a narrow and specialized domain but now becoming a more mainstream advisor technology function—is a good example of this.

For categories below the trend line, or within the southeast quadrant of Figure 2.6 above, technology adoption rates are high relative to advisors' perception of the importance of this technology. This signals the categories do not have a lot of untapped demand potential (i.e., their adoption rate for technology is already outpacing their perceived importance), so new entrants (or existing incumbents who wish to grow) will likely have to do so almost entirely at the cost of winning market share from existing competitors rather than capturing new advisors adopting the category over time.

In this case, categories with limited demand potential include:

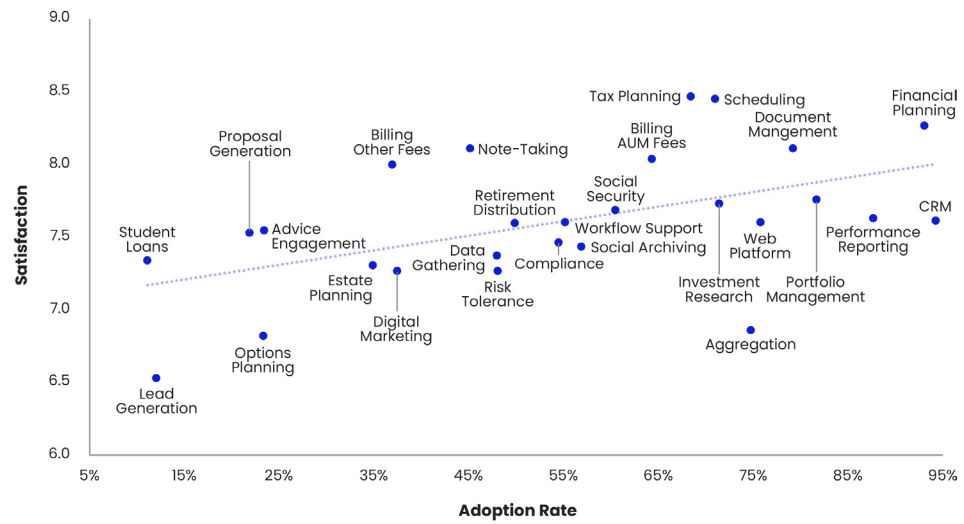
- Student Loans
- Options Planning
- Social Security
- Social Media Archiving
- Account Aggregation

Incumbent Momentum Vs New Entrants Opportunities

Even if advisors feel software is important for carrying out a function and there is high demand potential, existing providers will struggle to increase adoption in the category if they don't offer satisfactory solutions. Otherwise, the category's incumbents are at risk of losing market share to new entrants. Alternatively, when satisfaction is high, new entrants tend to struggle, as incumbents have growth momentum and tend to win the bulk of the new market share as the category expands (or tend to hold their existing market share in a category with limited demand potential).

In Figure 2.7, we isolate the relationship between adoption and satisfaction. Again, like the previous chart relating adoption and importance, there is largely a linear relationship between the 2 variables, reinforcing the notion that adoption is not just a function of high perceived importance, but perceived satisfaction is critical as well.

Figure 2.7 Advisor Software Ratings By Function, Satisfaction Vs Adoption



Above the line, another group of potentially fast-growing technology categories emerges from functions with especially high technology satisfaction, yet low adoption (at least relative to how satisfied advisors are with the solution). Here there is strong momentum for existing providers—advisors like what they are buying, and chances are good that new adopters will migrate to those same solutions. The theory here is that the only obstacle restricting widespread demand in these categories is a lack of widespread awareness of the quality of technology solutions available. Functions that most clearly fit this description include the following:

- Advice Engagement
- Proposal Generation
- Billing (AUM & Non-AUM Fees)
- Note-Taking
- Document Management
- Tax Planning
- Scheduling

Notably, here again are several administrative categories—including scheduling, document management, and billing—signaling broad growth opportunities for many of the existing technology providers that are facilitating a more efficient advisor back-office. Though again, we caution that while billing non-AUM fees is clearly a functional out-lier in terms of both high satisfaction and low adoption, opportunities for new providers may be limited until more advisors trend away from AUM fees (in fact, the billing AUM fees category actually has a larger gap between the adoption rate of the software, and the adoption rate of the fee model it's meant to facilitate, as many more firms reported billing on AUM fees than did using technology to help with AUM billing).

The relationship between adoption and satisfaction also offers further indication of disruption-prone categories. These are 'below-the-line' functions where advisors have high demand for technology, yet there is low satisfaction for the solutions that are available. That is, advisors would be eager to abandon their existing tools, if only better options were available. Or, from the provider's perspective, building a better product is not only necessary to have a chance at significantly expanding market share, but may also be necessary for 'defense' to prevent their existing share from being co-opted by new entrants. Functions meeting these criteria include:

- Lead Generation
- Options Planning
- Performance Reporting
- Portfolio Management
- Risk Tolerance
- Account Aggregation
- Web Platform
- CRM

Notably, the list includes several marketing-related functions (lead generation and websites), along with CRM systems (which is profound in its disruptive implications, given the increasing use of CRM as a hub, and the overall demand for back-office technology).

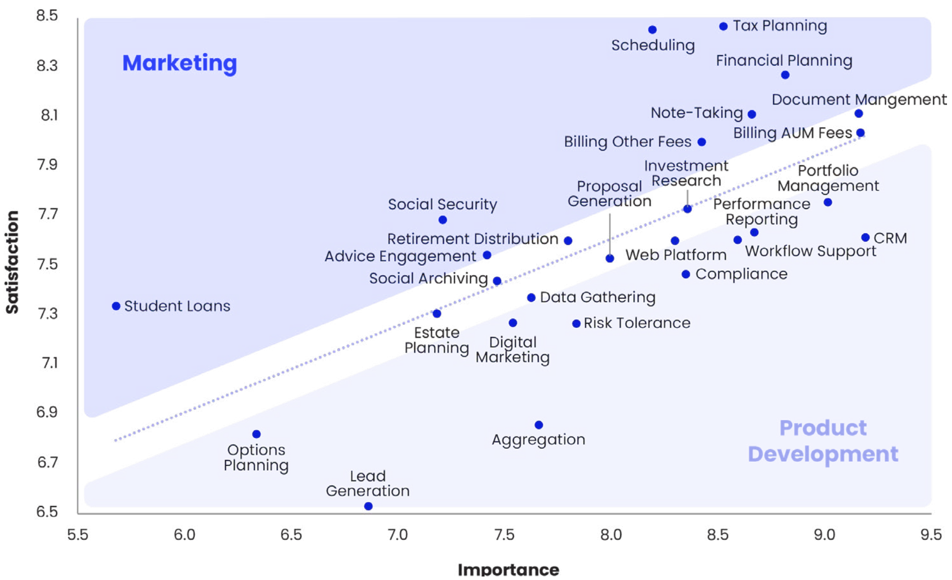
However, it's also notable that the list of categories most at risk to new entrants is dominated by investment-related functions, with account aggregation showing a particular imbalance between its high rates of adoption and low satisfaction ratings. High adoption for account aggregation, despite frustration with quality, was also noted in the 2021 AdvisorTech study. Significant reward awaits any new entrant into this category that can solve the long-standing challenges of developing aggregation infrastructure that reliably and consistently delivers accurate client data from multiple sources.

Product Development Or Just Better Marketing?

While advisor adoption relative to perceived importance is a signal for (new) demand potential, and adoption versus satisfaction highlights which categories are most at risk for new entrants versus incumbents, examining advisor satisfaction and importance relative to each other also provides a helpful perspective on the landscape.

As once again, Figure 2.8 below displays a clear linear relationship between technology satisfaction and importance ratings across most all advisory functions—the most direct representation of the positive feedback loop between advisor satisfaction and importance (where rising importance stokes more product competition leading to higher satisfaction, and rising satisfaction better proves out the technology use case and leads to advisors deeming it more important going forward).

Figure 2.8 Advisor Software Ratings By Function, Satisfaction Vs Importance



One important takeaway for technology providers on the satisfaction/importance dynamic is in terms of how it can guide them in allocating their resources across product development and marketing activity—in essence, using the relationship as an indicator of how to capitalize on (or create more) demand in a given product area.

Enhancing marketing is likely a more effective emphasis for providers looking to grow market share in categories where advisor satisfaction with the technology is high, but its importance is comparatively low (above the trend line and, especially, within the upper left quadrant of Figure 2.8). Social Security and student loan analysis, and especially scheduling and tax planning, are both good examples of where better marketing (rather than product improvements) can likely lead to greater market share, whereas investments into product will likely yield more limited results (as advisors are already disproportionately satisfied with the current product, relative to their importance expectations… so the vendors just need to get the word out!).

On the other hand, reinvesting into product improvements will likely reap greater return for providers in categories where advisor satisfaction with the technology is low but its importance is comparatively high (below the trend line and, especially, within the lower right quadrant of Figure 2.8). Providers supporting account aggregation and lead generation, for example, would be well-served to focus on product improvements as opposed to more marketing; other notable gaps in this satisfaction-relative-to-importance dimension include options planning tools, risk tolerance software, compliance tools, and CRM systems.

Doing It Yourself

Lastly, trends in "self-built" proprietary software can also foretell areas of opportunity for new developments in technology. Throughout the short history of software development for the advisory industry, key innovations have often started with 'homegrown' tools built by advisors who couldn't find suitable third-party solutions. In many cases, these solutions were so successful that their entrepreneurial-minded developers then offered them commercially to their advisor peers. This was the initial developmental path of many of today's leading advisor technology solutions, including Redtail, Junxure, and Protracker CRM applications; Orion and Tamarac for performance reporting; iRebal, TradeWarrior, tRx, and RedBlack rebalancing software; Tolerisk and RiskPro for risk tolerance software; and eMoney and Advizr for financial planning software (among many others).

As a result, focusing on today's self-built tools can be telling about where commercial providers may be able to develop new or improved products tomorrow. Figure 2.9 highlights, by function, where advisors are most likely to be using self-built technology.

For the great majority of functions, fewer than 3% of advisors are using self-built technology. Respectively by adoption share, web platforms (6.1%), client data gathering (5.3%), and retirement distribution planning (3.6%), however, are notable exceptions. For prospective new vendors, though, offering commercial web technology to replace these self-built solutions may not be quite the opportunity it appears.

Figure 2.9 Adoption Of Self-Built Technology By Function

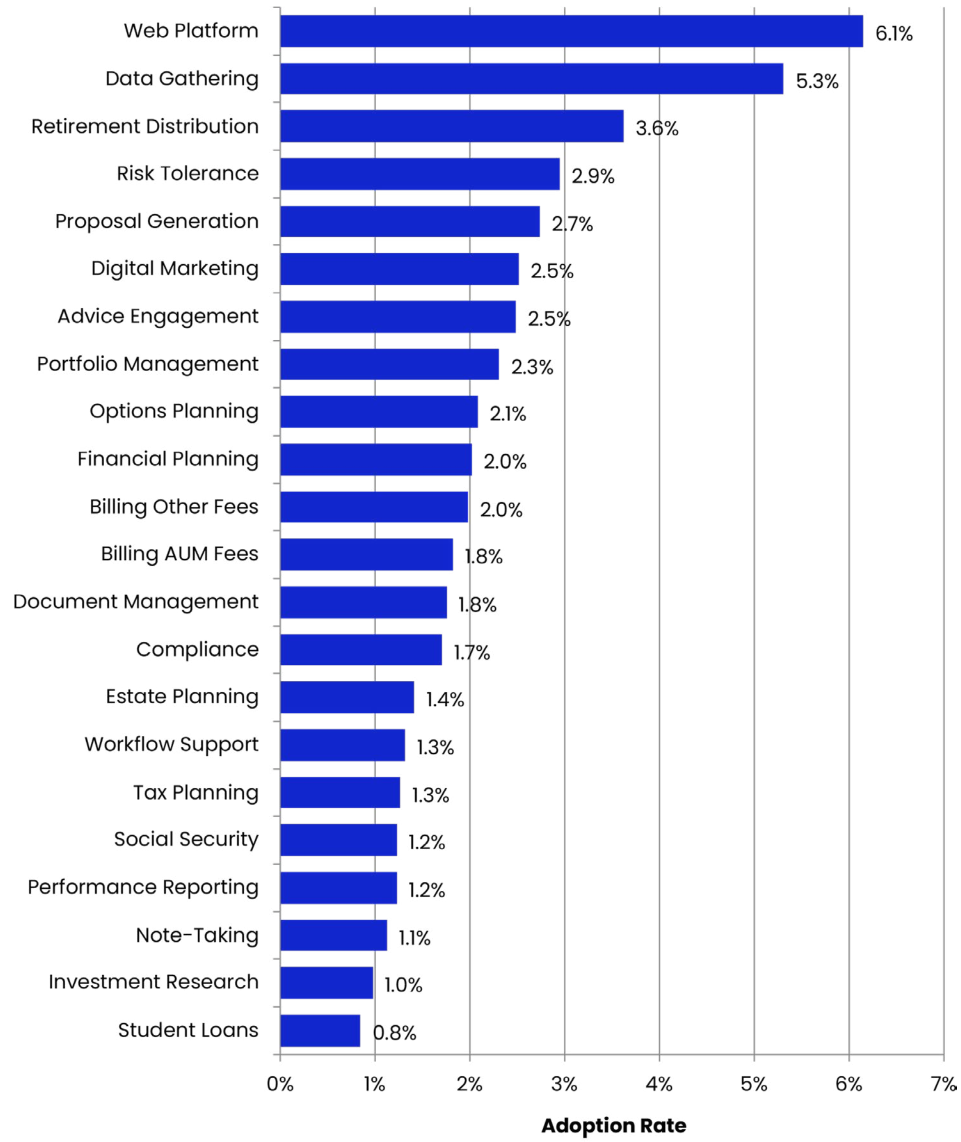
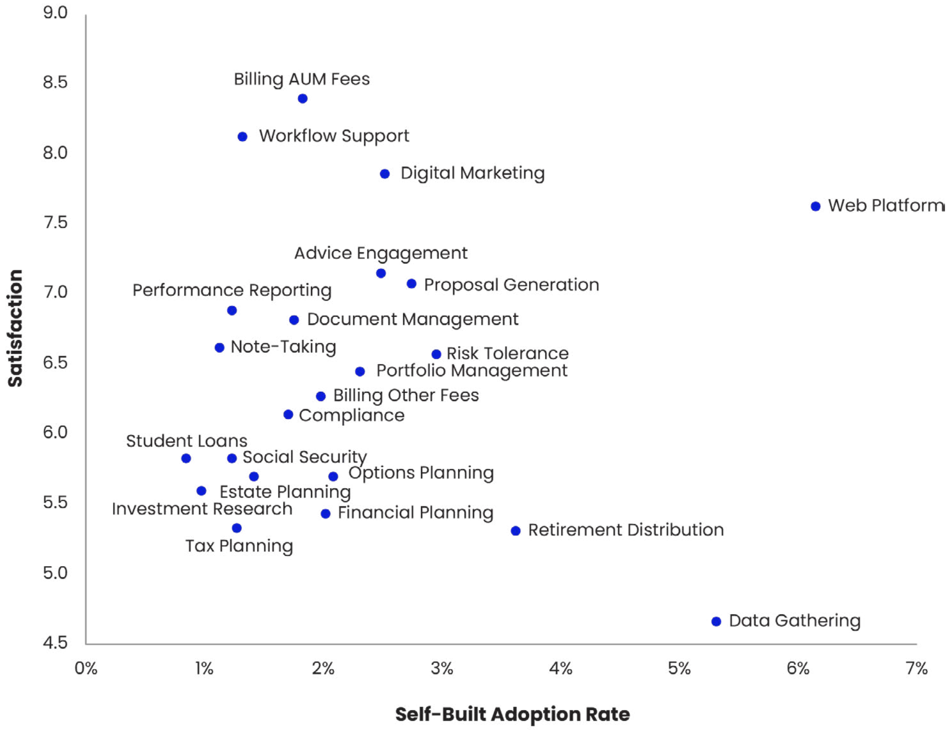


Figure 2.10 compares the use of self-built solutions with how satisfied advisors are with them. Advisor satisfaction with self-built web platforms in particular rates higher than almost all other self-built advisor technology; in fact, advisors with a self-built web platform have roughly the same level of satisfaction as those using third-party solutions (7.6 average rating versus 7.7 for third-party). Given the relative satisfaction with homegrown web platforms, vendors may be challenged to convince these advisors to seek a commercial solution, given the ready availability of 'generalist' platforms (e.g., Wordpress and the like that aren't specific to the advisory industry) that advisors can implement themselves. Digital marketing (which also has a high availability of 'DIY' generalist solutions like MailChimp, Hubspot, Constant Contact, and ActiveCampaign) shows a similar trend.

Figure 2.10 Advisor Software Ratings By Function, Self-Built Solutions, Satisfaction Vs Adoption



In contrast, Figure 2.10 reinforces the potential for new commercial providers that can better solve advisor challenges with client data gathering and retirement distribution planning. Both functions have relatively high shares of advisors deploying self-built software, yet advisor satisfaction with these self-built solutions ranks among the lowest of all categories. This is especially true for data gathering, where satisfaction ratings are extremely low among the significant share of advisors applying homegrown solutions.

Technology Transitions

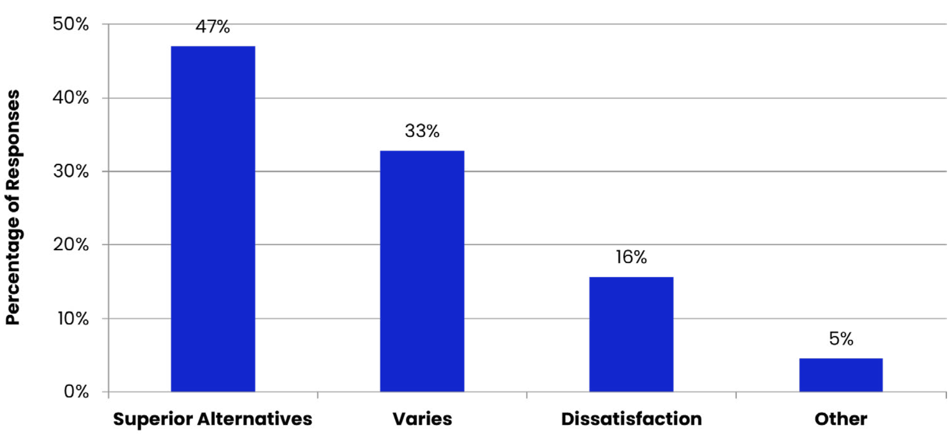
In the last 12 months, 39% of advisors made at least one change in how they deploy technology to support a particular function. Depending upon the function, between 1%–8% of all advisors made a change specific to an individual function, with the highest rates of change being reported for general financial planning and specialized tax planning. For both functions, 8.3% of advisors switched their approach to technology use (either by changing providers, ceasing the use of any technology provider in the category, or most commonly, by adopting technology in the category for the first time).

More advisors expect to make future changes. Over the next 12 months, 46% intend to change their technology approach for at least 1 function. Within a specific function, however, the range of advisors anticipating a future change (about 1% to 8%) is similar to the range of those that made a past one. Looking ahead, the most advisors will be changing their approach to either estate planning or risk tolerance/behavioral assessment. For each of these, 7.6% of advisors expect a change in the next 12 months.

What prompts an advisor to acquire technology or switch to a different type of technology solution? As it turns out, chances are far greater that an advisor will change course to pursue better technology, than on account of wanting to leave bad technology. This holds true regardless of the size of an advisor's practice or the channel in which they do business.

As shown in Figure 2.11 below, for nearly half of advisors (47%), the motivation to drop their current technology solution and adopt a new one stems from an awareness of emerging alternatives that are superior to what they have currently, while only about 1 in 6 advisors is motivated by dissatisfaction. In other words, it's a desire for something better, rather than dissatisfaction with what the advisor has already, that most often prompts a switch. For technology vendors, this data holds an important marketing lesson: highlight your product in terms of what it does *better*, and not what the competition does *worse!*

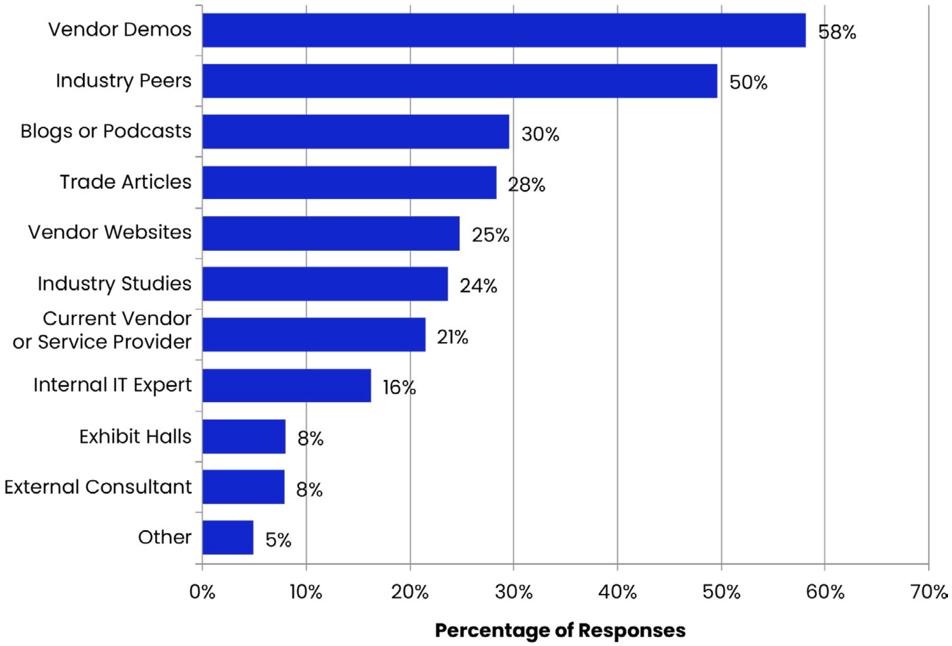
Figure 2.11. What Prompts A Technology Switch



Viewed another way, because the switching costs of advisor technology are typically so high (given limited migrations or data portability for many key components of the advisor tech stack), inertia is common amongst dissatisfied advisors. It takes the hopes and prospects of a substantially better alternative solution to induce advisors to go through the hassle of a switch.

When a decision to procure a new technology solution is initiated, most advisors rely on vendor demonstrations (58% of responses) or discussions with industry peers (50%) as their key sources of input about the technology (as shown in Figure 2.12 below). Blogs and podcasts, industry trade articles, and industry studies also rate relatively high, as does the vendor's own website. Or stated more simply, when it comes to advisor technology, most advisors take a strong "don't call on us, we'll call on you when we've done our own research and we're ready to engage" approach, with vendor exhibits and other unsolicited outbound marketing methods ranking low on the list.

Figure 2.12. Key Input Sources For Technology Procurement

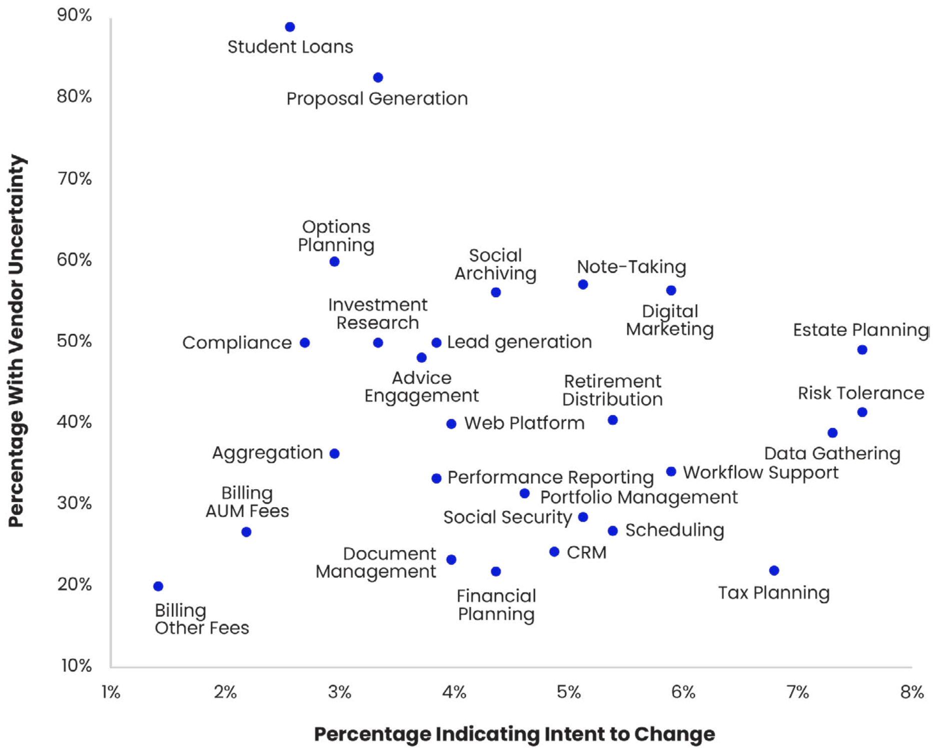


Notably, conference exhibit halls (along with external consultants) are the least likely sources to be relied upon, each cited by fewer than 10% of advisors, which bodes poorly for conference organizers and their ability to command sponsorships from technology vendors going forward.

Changing Course: Direction Unknown

If a desire for something better motivates most advisors to try a new technology solution, a surprising share of those intending to change aren't entirely clear about which alternative provider they would prefer. Intentions and uncertainty form another combination that further helps to gauge the level of opportunity for prospective vendors within a specific technology category. In particular, the revealing question is whether advisors have a good awareness of the available vendors in a category (and thus already know what vendors they're likely to seek out) or are still trying to evaluate or even identify their options (and thus have little idea of the alternatives they could pursue when they do make a change).

Figure 2.13. Vendor Uncertainty Vs Intent To Change



In Figure 2.13 (left), we compare, by function, the share of advisors intending to change their approach to technology against the share of those intending a change who are uncertain about the type of provider they would like to switch to. A high share with intention to change, combined with a high share who are undecided about which other provider they would prefer, indicates a favorable market opportunity for vendors (including startups as entirely new entrants) who can capably raise awareness of their product and the superiority of their features.

Those functions generally in upper-right quadrant within Figure 2.13 suggest the areas of greatest opportunity for startups (or domains where existing well-rated providers should consider marketing more proactively, or risk losing new market share even with a superior solution). As, ultimately, these are the categories likely to have the greatest 'money in motion' to be captured, brought about by a comparatively high number of transitioning advisors who are open to a new provider. They include the following:

- Client Data Gathering
- Retirement Distribution Planning
- Estate Planning
- Risk Tolerance/Behavioral Assessment
- Social Media Archiving
- Digital Marketing
- Note-Taking

All of these categories are attractive opportunities for prospective vendors in terms of the projected addressable markets in play. All have at least 5% of advisors expecting a change and, of these advisors, at least 40% or more don't have a clear idea of what exactly their switch will look like. By contrast, tax planning also has a relatively high intent to change, but a low vendor uncertainty—signaling that most advisors who plan to change or adopt tax planning technology already have identified the provider/incumbent that they will use.

Note that no categories have nearly as great a share of awareness uncertainty among transitioning advisors than student loan analysis and proposal generation. But while the uncertainty share for each is over 80%, the resulting money in motion is less noteworthy for these categories, given the comparatively low share of advisors that intend to change their technology approach.

On the other hand, billing-related functions (AUM and non-AUM) are firmly in the lower left quadrant of Figure 2.13. For both, particularly billing for non-AUM fees, relatively few advisors expect to change their technology approach, and of those expecting a change, more than 70% are already certain of their new provider. This implies that current providers in these market spaces are extremely well-positioned, although there are advantages for any existing provider in a category with low vendor uncertainty. These categories also include general financial planning, tax planning, CRM, and document management—all of which tend to be categories where incumbents just gain greater market share as they absorb the majority of advisors who are looking to make a change.

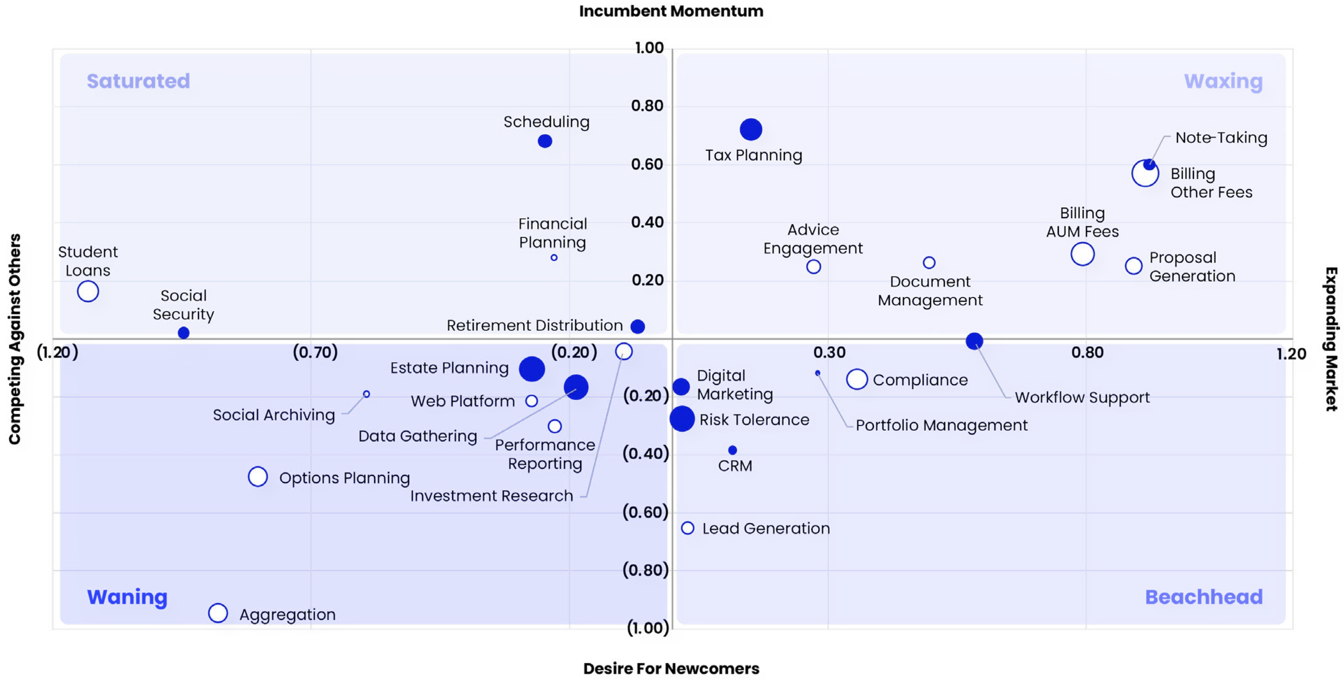
Opportunities (Or Not) In The AdvisorTech Landscape

AdvisorTech market trends are driven by cycles of high-quality innovation leading to satisfaction that drives demand, and high demand that amplifies the competitive marketplace and leads to more rapid product iteration and innovation—as well as the reverse, where poor product quality can 'destroy' demand and shrink the serviceable market opportunity. These cycles foster an environment in which newcomers try to find 'beachheads' to take market share from incumbents (or where incumbents iterate their product or marketing to fend off new competitors).

At the same time, one of the unique challenges in AdvisorTech is that advisors by and large are *not* fast adopters. The average advisor technology category has a turnover rate of less than 5%—implying that the average advisor only swaps out their technology once every decade or two! As a result, even great new innovations rarely go 'viral' in the advisor marketplace; instead, growth tends to be incremental from a small number of advisors who switch, or (at least for newer categories with lower adoption) from advisors who are implementing a technology solution for the first time.

Bringing it all together, Figure 2.14 below synthesizes the 3 driving domains: the importance/adoption scale that reflects whether vendors are 'creating demand' and expanding the market with new advisor adoption or mostly competing with existing incumbents; the satisfaction/adoption scale that reflects whether advisors are mostly satisfied with (and show favor to) existing incumbents, or have a willingness (or outright desire) for newcomers with a different and better product; and advisors' intent to change, which reflects the level of 'money in motion' (i.e., advisor buying power in motion) that vendors can capitalize upon.

Figure 2.14 Demand Potential, Disruption Potential, And Advisor Intent To Change



strong preferences for certain types of note-taking applications over others). While most other 'waxing' categories are likely to experience a tailwind of incremental advisor growth and new adoption, but are doing so in an environment where advisors are slow to change or adopt for the first time, including in billing software (which advisors are notoriously loath to change due to the risk of disrupting business cash flow), proposal generation, document management, and advice engagement.

In this context, the upper right quadrant signifies an AdvisorTech market that is 'waxing' (cycling towards a full moon) for existing incumbent market leaders—a positive importance/adoption and satisfaction/adoption signals that more advisors are looking to adopt, and the incumbents are well-liked and thus well-positioned to gain market share. Though at the same time, not all categories experience switching at a similar rate—circles shaded blue have above-average advisor intent to change (the larger the circle, the more change intent), while those shaded white have below-average change intent (the larger the circle, the *less* the change intent).

Which means the best-positioned category for growth is tax planning, with strong momentum, rising demand, and a high willingness to change (or adopt for the first time), followed by advisor note-taking tools (though as discussed in the sections that follow, advisors have

By contrast, the upper left quadrant is one where the marketplace is largely saturated; advisors are relatively satisfied with incumbents, and most decisions are simply a matter of which vendor to choose from the existing solutions, as the software is not deemed 'important' enough to create its own additional demand beyond the market share that has already been captured.

The lower left quadrant represents categories that may be 'waning'—where advisors are dissatisfied with their solutions relative to their existing adoption, and there is limited demand beyond existing adoption. In this domain, the only solution is substantive innovation: Vendors must do something materially new and different to improve their products and find better product-market fit to (re-)ignite the satisfaction-importance demand cycle. In this context, account aggregation is especially notable as a category of remarkably high discontent—notwithstanding the promise and potential of account aggregation, advisors appear to have become highly disillusioned by the reality of the current solutions in the marketplace. On the other hand, some categories that are relatively close to equilibrium and show high advisor willingness to change—e.g., data gathering and estate planning, along with digital marketing and risk tolerance, which are also right on the line—represent domains where incremental product improvements may be able to spark the demand cycle again.

The lower right quadrant represents potential "beachheads"—domains where newcomers could potentially gain entry to the advisor marketplace, in areas where advisors have growing demand for solutions, relative discontent with existing providers, and (at least in some cases) a real willingness to make a change for something better. Of particular note in this domain are CRM systems and workflow support, where advisors are showing an above-average intent to change and are not fully satisfied by the providers in the marketplace today given the importance of these functions for growing and scaling advisory firms.

Vendor Recognition: Market Leaders, Rising Stars, And Standouts

While entire categories of AdvisorTech may wax or wane (or become saturated or provide beachheads for newcomers), the reality is that any individual function is served by multiple vendors—typically at least half a dozen competitors with some level of market share, and occasionally more than a dozen. Which makes it difficult for advisors to wade through the options, and for vendors to stand out from the competition.

Yet notwithstanding all the marketing efforts that vendors may engage in, as our own results show, advisors tend to look first and foremost to the experiences of their peers to determine which vendors are worthy of a further look (which then leads to advisors reaching out to vendors for the next steps with their standard 'Don't call us, we'll call you' approach). For which this Kitces AdvisorTech study is well positioned to share aggregate advisor feedback about the nearly 200 vendors that were rated, and which stand out amongst the various categories.

Accordingly, we highlight here vendors that are particularly well-rated across 3 domains of recognition:

- Market Leaders, which already have a commanding market share of at least 10% of advisors, and an average satisfaction rating of 8.0 or higher;
- Rising Stars, which are on the rise with an average satisfaction rating of at least 8.2 and a market share of less than 10% (not enough to be a Market Leader… yet?), but more than 1.3% (below which ratings become less reliable due to limited sample size); and
- Standouts, an exceptional category for vendors that have reached 'critical mass' (at least 5% market share) and have a stellar advisor average satisfaction rating of at least 8.5. (Note, this means a vendor can be both a Standout *and* a Rising Star or Market Leader if its ratings and adoption are high enough!)

Figure 2.15. Market Leaders, Rising Stars, And Standouts

	Market Leader	Rising Star	Standout
Financial Planning	eMoney, RightCapital	MoneyTree	Right Capital
Data Gathering	PreciseFP	JotForm, CRM Application	
Retirement Distribution	Financial Planning Software	Income Lab	Income Lab
Student Loans			
Social Security	SS Analyzer	Savvy Social Security	
Tax Planning	Holistiplan	BNA Income Tax, FP Alpha	Holistiplan
Estate Planning		FP Alpha, EncorEstate	
Options Planning			
Advice Engagement		fpPathfinder, Elements	
Portfolio Management	iRebal	Orion TOM, Altruist	iRebal
Aggregation			
Investment Research	YCharts	Kwanti, Bloomberg Terminal, Portfolio Visualizer, DFA Returns	
Risk Tolerance		DataPoints	
Performance Reporting	Envestnet Tamarac	Advyzon	Advyzon
Web Platform	Wordpress	Squarespace, GoDaddy, HubSpot	
Social Archiving	XY Archive	MessageWatcher	
Digital Marketing		MailChimp, Hubspot	
Lead Generation		Zoe Financial*	
Proposal Generation		Nitrogen/Riskalyze	
CRM	Wealthbox	Advyzon	
Document Management	OneDrive	Box, Dropbox, Google Drive NetDocuments, CRM Application, Acuity, MS Bookings	Box, Dropbox, Google Drive
Scheduling	Calendly	Acuity, MS Bookings	
Compliance			
Billing AUM Fees		BillFin	
Billing Other Fees	AdvicePay		AdvicePay
Workflow Support		Hubly, Asana	
Note-Taking	CRM Application	Mobile Assistant, CopyTalk*	

** Vendor included due to category-specific considerations despite just barely missing pre-set criteria.*

Notably, while all the 'core' advisor systems (CRM, financial planning, performance reporting/portfolio management, and document management) have at least 1 Market Leader, most (with the exception of financial planning software) have only 1, while 7 of the 27 categories have a Standout vendor. On the other hand, nearly every category has at least 1– and usually 2– Rising Stars aspiring to become Market Leaders. Which is not to say that there isn't active competition in the AdvisorTech marketplace—indeed, the Kitces AdvisorTech Landscape Map now tracks nearly 400 vendors all competing for advisor market share. But because the AdvisorTech marketplace is limited (with even the most established categories typically supporting no more than 3 players with at least 10% market share), and historically capital was scarce for AdvisorTech startups, there are typically only a handful of up-and-comers viably positioned to win new business in any given category.

For which this AdvisorTech study will hopefully cast a new light, as further detailed in the category-specific sections that follow →

AdvisorTech Category Profiles

Financial Planning
Tax Planning
Social Security Analysis
Retirement Distribution Planning
Client Data Gathering
Estate Planning
Advice Engagement
Stock Option Planning
Student Loan Analysis
Performance Reporting
Portfolio Management, Trading And Rebalancing
Account Aggregation
Investment Research And Analytics
Risk Tolerance/Behavioral Assessment

Website Platform
Social Media Archiving
Digital Marketing
Proposal Generation
Lead Generation
Client Relationship Management
Document Management
Meeting Scheduling
Billing AUM Fees
Non-AUM Billing
Workflow Support
Compliance
Meeting Notes Support

3

Having provided a perspective on advisor technology across advisory firms and the industry as a whole, the remainder of our report now shifts to in-depth profiles of how technology is applied within a specific advisory function. Each section features 1 of 27 different functions typically performed during the day-to-day operation of a financial advisory business. Functions are grouped according to 5 main activities: general financial planning; specialized financial planning; investments; marketing or business development; and administration or operations. Coverage includes trends in adoption, advisors' use and satisfaction of different providers, and projections for the future.

Financial Planning

Financial planning technology encompasses the general, and typically comprehensive, applications that advisors would use to support the bulk of their financial planning work with clients. Financial planning software in this context is distinct from specialized financial planning applications, which are more narrowly focused on supporting a specific financial planning activity (e.g., client data gathering or tax planning).

Figure 3.1. Financial Planning Technology, Overall Summary

	2023
Adoption Rate	93.1%
Respondents With 2 or More Providers	18.7%
Average Ratings	
Importance	8.8
Value	8.5
Satisfaction	8.3

Notes: See Appendix-Glossary for definitions of terms. Ratings include the primary and (if applicable) secondary provider for respondents.

Adoption

For no function other than CRM was technology more widely used than for financial planning. More than 9 out of 10 respondents (93.1%) relied on planning software in 2023 (Figure 3.1). Nearly 1 in 5 advisors (18.7%) reported using at least 2 different planning applications. (Financial planning was one of 9 categories in our survey where respondents could cite a secondary provider.)

Financial planning software is growing increasingly critical for managing the growing complexity and comprehensiveness of clients' financial plans. Despite the already high degree of technology adoption in this category, the small share of advisors going without continues to shrink. While 12 months ago 7.8% of advisors did not use any financial planning software, 12 months from now this share is projected to drop to 5.9%.

General Impressions

In alignment with financial planning's high technology adoption rate, advisor ratings for importance (ranking 5th), value (3rd), and satisfaction (3rd) all rank in the top 5 or better across the 27 functions tested. Advisors' impressions suggest a marketplace for financial planning software that is mature, yet competitive. The combination of both high importance and high satisfaction rankings constitutes an environment that is challenging for new providers to break into. Technology is needed for this function, but advisors are clearly satisfied with their existing tools.

As result, there are many established providers in the financial planning market, with competition driving providers to offer high-quality products at cost-effective price points. Though notably, as discussed further in this report, the relatively high rate of 'secondary providers', along with the growing use of more specialized planning tools that go beyond generalist planning software, suggests that a lot of advisors still see gaps in the capabilities of their primary financial planning software.

Provider Market Share And Ratings

Standalone third-party solutions dominate as providers of financial planning software, as the sheer complexity of the analyses makes it difficult for most advisors (or even all-in-one platforms) to create and then maintain the effectiveness of their tools. Third-party provider market share is 85.3% among advisors that have at least one technology solution for financial planning (Figure 3.2). This jumps to just over 100% when use of secondary applications is considered, as respondents with multiple providers were counted twice. In other words, there are more financial planning software licenses being sold today than there are advisors doing financial planning!

The widespread use of third-party software is consistent with its popularity. The average satisfaction rating across all third-party providers, at 8.4, is notably higher than other provider types. In fact, given a value rating of 8.5 as the average for the category, arguably financial planning software providers may be under-charging (and would have room to raise prices) relative to the value they are providing for advisory firms.

3 other provider types—platform, self-built, and firm proprietary—also have relatively high perceived value, as advisors do show an appreciation for the benefits of lower-cost or 'free-included-in-platform' providers. Yet the value of receiving platform-included technology does not appear to be enough to offset the relatively low ratings of self-built and proprietary tools, which even when including secondary providers reflects a market share in the range of just 2%–4%.

Figure 3.2. Financial Planning, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	85.3%	100.8%	-	8.4	8.5
eMoney	31.8%	34.1%	8.4	8.4	8.3
MoneyGuide	22.0%	23.1%	8.2	7.7	8.1
RightCapital	21.0%	22.3%	8.6	9.1	9.1
MoneyTree	2.3%	2.4%	8.0	8.3	9.2
Orion Planning	1.5%	2.4%	7.7	6.7	8.3
Elements	0.8%	2.2%	-	8.1	7.6
Asset-Map	0.4%	2.2%	-	7.6	8.0
NaviPlan	1.8%	1.9%	7.7	6.7	7.6
ESPlanner/Maxifi	0.5%	0.7%	7.7	7.4	9.6
Advisys	<0.5%	<0.5%	-	-	-
Other Third-Party	3.1%	9.3%	-	-	-
Platform	3.9%	4.0%	5.8	8.0	8.6
Self-Built	2.0%	2.8%	3.8	5.4	9.0
Firm Proprietary	1.2%	2.0%	6.7	7.4	8.1
Other Tools	0.7%	2.0%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

Among the third-party solutions are 3 clearly leading providers. In order of market share, these are eMoney, MoneyGuide and RightCapital; collectively, they enjoy a combined market share of nearly 80% when including secondary providers.

Notably, though, the relative rankings of third-party providers is in flux. In our prior Kitces Research study on How Financial Planners Actually Market Their Services (2022)—and most other industry studies as well—MoneyGuide has historically shown top rankings in market adoption, but with our current 2023 study, eMoney has pulled ahead with a clear lead. At the same time, eMoney's differentiating factor—its depth of planning for more sophisticated clients—may also be its hindrance, as eMoney is also the software most likely to be used as a secondary tool (implying that advisors often feel the need to use an alternative for clients that don't fit well with eMoney or have needs that rise to the level of its planning capabilities).

At the same time, RightCapital continues to be on a rapid growth streak. The fact that the vendor still generates both the highest satisfaction and value ratings of these 3 suggests that it will continue to rise, likely surpassing MoneyGuide's market share among independents in the coming year (especially when coupled with what is now a materially below-category average satisfaction rating for MoneyGuide).

On the other hand, it is also notable that Orion Planning—the result of Orion's 2019 purchase of Advizr to bundle into its portfolio management offering as an increasingly "All-In-One" platform—shows remarkably little adoption after nearly 5 years, with a tied-for-lowest satisfaction rating amongst third-party providers, despite being offered for 'free' to all advisors on Orion's platform.

Third-Party Provider Ratings Detail

Given its central role in the financial advice process, survey respondents provided additional details with respect to their satisfaction with 'general purpose' financial planning software in particular.

In addition to reporting on overall satisfaction, advisors were asked to report their satisfaction with 13 different attributes of their financial planning software. Figure 3.3 below highlights these results for each of the 8 leading third-party vendors in terms of market share.

Figure 3.3. Financial Planning, Third-Party Ratings Detail

	All Responses	Asset-Map	Elements	eMoney	Money Guide	Money Tree	NaviPlan	Orion Planning	Right Capital
Overall Satisfaction	8.3	7.6	8.1	8.4	7.7	8.3	6.7	6.7	9.1
Ease of Use	7.9	8.2	8.4	7.6	7.7	8.7	6.4	7.6	8.6
Simplicity	7.7	8.3	8.9	7.0	7.6	8.2	6.3	8.2	8.6
Comprehensive	8.2	6.1	6.4	8.7	7.5	8.6	8.6	6.4	8.4
Depth of Analysis	7.8	5.3	5.6	8.5	7.0	8.4	8.1	4.9	7.9
Plan Methodology	8.2	5.6	6.1	8.6	7.4	8.2	8.4	7.0	8.9
Monte Carlo	8.5	4.0	3.1	8.7	8.3	9.1	6.9	7.9	8.8
Interactive	8.5	5.9	5.5	8.8	8.4	8.2	5.6	7.8	8.5
Ongoing Engagement	7.2	5.2	8.9	7.5	6.2	4.7	4.1	8.1	8.2
Visuals	7.9	8.9	9.3	7.9	7.5	6.9	5.4	8.0	8.8
Reporting Output	7.3	8.5	8.9	7.2	6.9	8.3	5.5	5.3	8.0
Customer Support	8.3	7.7	8.7	8.2	8.0	8.4	5.7	7.2	9.0
Technical Accuracy	8.5	7.6	7.9	8.6	8.2	9.2	8.1	7.4	8.7
Tax Accuracy	7.7	5.9	4.9	7.9	7.0	8.6	8.1	6.5	8.2

As shown, RightCapital, which ranked highest in overall satisfaction, received average or above average satisfaction ratings in all 13 attributes. No other financial planning software vendor rated so consistently high across every attribute. RightCapital received top rankings on 4 attributes: plan methodology (RightCapital can model both goals-based or cash-flow-based plans), Monte Carlo simulations, ongoing advice engagement (highlighted by RightCapital's recent Blueprint and Snapshot tools), and customer support.

eMoney, second to RightCapital in overall satisfaction, received top ratings on 3 other specific attributes: comprehensiveness, depth of analysis, and interactivity, speaking to its overall reputation for being incredibly in-depth (albeit at a 'cost' of simplicity, where eMoney ranked second-to-last behind only NaviPlan).

MoneyTree, ranking just behind eMoney in overall satisfaction, also received top scores for 3 specific attributes: ease of use, technical accuracy, and tax accuracy, owing to its deep roots in detailed cash-flow-based analyses with an audit trail that advisors can use to determine where each number in the output came from.

Elements led all other vendors in terms of simplicity and reporting output, while Asset-Map received the top satisfaction score for visuals.

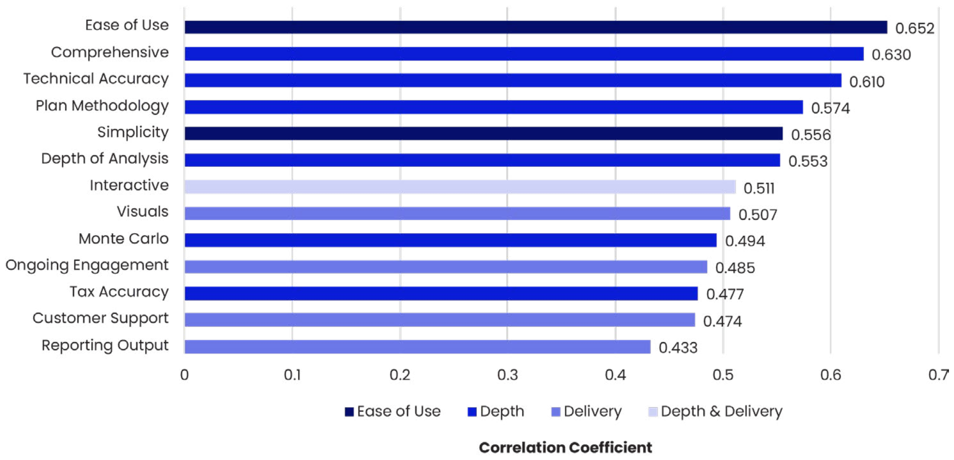
MoneyGuide, rating below average in overall satisfaction, was also the only leading third-party vendor to receive below average scores on every one of the 13 specific attributes surveyed. This signals remarkably broad-based dissatisfaction by MoneyGuide's users with its overall product iteration in recent years, particularly in the areas of comprehensiveness, depth of analysis, and ongoing engagement, where it most lags its market-leading peers.

Trailing the pack in advisor satisfaction were NaviPlan and Orion, though each was dragged down by different factors. NaviPlan, which was one of the original deep cash-flow-based financial planning software tools, still scores near the top for comprehensiveness, but scored lowest for simplicity, and lags its competitors greatly when it comes to visuals, output, and ongoing engagement after the initial planning process. Whereas Orion Planning scored well for visuals and ongoing engagement, but was last in depth-of-analysis and comprehensiveness. Simply put: today's financial advisors expect financial planning software to do complex analyses, but present it in 'simpler' and more compelling terms to clients—and those that cannot do both find themselves scoring below their peers.

Attributes Of Third-Party Provider Software And Overall Satisfaction

Across third-party financial planning software, users' overall satisfaction was highly correlated with their satisfaction with all 13 of the specific software attributes also rated (see Figure 3.4). In particular, satisfaction with the program's "Ease of use", "Comprehensiveness", "Technical accuracy", and "Plan methodology" were most correlated with overall satisfaction (the 1st 2 were the most statistically significant within our sample), while reporting output and customer support ranked lowest in impact to an advisor's overall satisfaction (but still important). Simply put, while all the software attributes 'mattered', some have a much greater impact than others on whether the advisor is overall satisfied with the software or not.

Figure 3.4 Correlation Between Satisfaction With Software Attributes With Overall Satisfaction



Additionally, many of these attributes were correlated with one another. This is not surprising, as all these measures revolve around the general concept of satisfaction. For example, it makes intuitive sense that satisfaction with “Ease of use” and “Simplicity” often moved together, as both connect to the software’s overall usability.

Given these interdependent relationships, additional analysis revealed 3 distinct groups (factors) that drove satisfaction: “Ease of use” (including the Ease of use and Simplicity attributes), “Depth” (Comprehensiveness, Technical accuracy, Plan methodology, and Depth of analysis), and “Delivery” (Visuals, Reporting output, Ongoing engagement, and Customer support). Variations in the “Interactive” attribute related to both “Depth” and “Delivery” factors.

Notably, when we examined satisfaction with the 13 software attributes, “Ease of use” and “Comprehensiveness” were equally significant and had the same effect on overall satisfaction. However, when we examined the effect of the factors (see the color groupings in Figure 3.4), both the “Depth” and “Ease of use” factors were important drivers of overall satisfaction, but “Depth” had a greater effect on satisfaction than “Ease of use” factor. In turn, the impact of “Depth” and “Ease of use” was so substantial that once those factors were considered, the vendors’ “Delivery” scores actually had no further predictive impact on advisor satisfaction. Or stated another way, vendors that were strong on “Depth” or “Ease of use” were already so well-rated that low “Delivery” scores didn’t drag their satisfaction scores down, and vendors with poor “Depth” or “Ease of use” scores were already rated so poorly that strong “Delivery” couldn’t lift their satisfaction scores up.

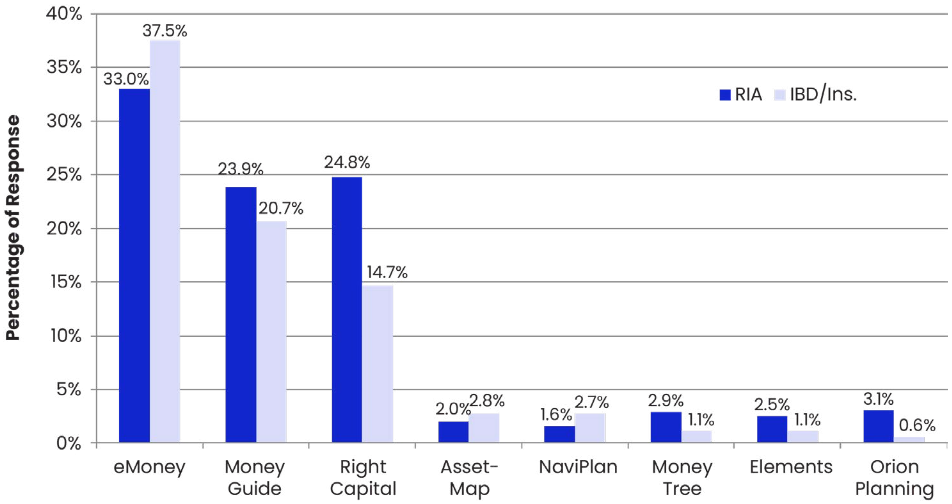
Ultimately, this has significant ramifications for financial planning software vendors, as it suggests that vendors overhauling their visuals and deliverables may be ‘wasting effort’ if they are not first and foremost strong in their “Depth” while also demonstrating “Ease of use” for advisors interfacing with their software

Third-Party Market Share By Channel

By channel, RIA respondents (94.0% adoption) were more likely than IBD/Insurance respondents (90.5% adoption) to use financial planning applications. Greater usage among RIA advisors is likely due to 2 factors: 1) they typically do more planning work, with business models more often built around holistic advice either to charge planning fees or to attract and retain a client’s household assets; and 2) free from any imposed broker-dealer restrictions on software, they also appear to have more provider options. For example, proportionately far fewer IBD/Insurance advisors are accessing third-party providers, and a much greater share are utilizing those provided by their platform.

Isolating third-party providers in Figure 3.5, we see roughly similar market share rankings across the top providers regardless of channel. The biggest exception, however, is with RightCapital, which has significantly greater share in the RIA channel compared to IBD/Insurance. Its 24.8% share with RIAs makes it the second-leading third-party provider in that channel. The relatively lower share for RightCapital among broker-dealers is more likely a result of it being a relative newcomer (being less than a decade old) in a space where enterprise contracts only come up for renewal every few years (which means RightCapital has likely only in recent years even been able to compete on broker-dealer RFPs).

Figure 3.5. Financial Planning, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

Financial planning technology adoption is roughly the same regardless of practice size. This is not the case, however, when it comes to which third-party specialists are used. As shown in Figure 3.6 below, eMoney becomes an increasingly dominant provider as practices grow, with its market share rising by nearly 20 percentage points (from 27.6% to 45.5%) as a practice expands from solo to 10 or more servicing advisors. This is likely a reflection of eMoney's deep capabilities for comprehensive planning with the most complex and sophisticated clients, who also tend to skew towards larger practice sizes (i.e., larger firms tend to attract larger and therefore more complex clients).

In contrast, RightCapital is the leading provider among solo advisors, with a 30.3% share, while its share decreases to just 7.5% among the largest practices.

Figure 3.6. Financial Planning, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
eMoney	27.6%	33.4%	43.7%	45.5%
MoneyGuide	21.0%	22.6%	26.2%	27.0%
RightCapital	30.3%	21.8%	11.1%	7.5%
Orion Planning	1.1%	7.0%	2.3%	1.5%
MoneyTree	2.7%	3.9%	1.2%	1.5%
NaviPlan	0.5%	2.3%	4.7%	1.5%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

This doesn't necessarily suggest that eMoney is a better application for large practices and that RightCapital is better for small. RightCapital, newer to the market, has had fewer chances of being adopted by larger firms who have a history of doing business with a more established provider (or who simply may not have gone through a process of even considering new technology for more than a decade, given the very low turnover for financial planning software). Smaller practices, often selecting their first financial planning application, don't have to consider the 'switching cost' of transitioning to a new application. Consequently, these are the practices where newer providers often build their initial market share. The driving question will be whether RightCapital can effectively win business as it moves 'upmarket' to larger firms and advisor enterprises over time (though its existing traction in a relatively few years suggests that may well be the case).

Trends In Adoption And Market Share

As noted, adoption of financial planning applications continues to inch up, despite well over 90% of advisors already using this technology. Given past and projected momentum, combined with the lowest churn rates of any provider type, most if not all this modest market share growth will be captured by standalone third-party software.

Momentum and market share growth is weak for all provider types, simply given the relative maturity of the segment with few advisors who have not already adopted a solution. As a result, growth is increasingly likely to come at the 'cost' of competitors' churn rates. In that context, it is notable that self-built and firm proprietary platforms have had relatively high churn rates in the past year and are projected for the same in the coming year, which suggests that third-party provider adoption will only continue to grow.

Among specific third-party solutions, eMoney looks to be holding steady in maintaining its leading position in market share. Its ratings are respectable, for both satisfaction and value, and its churn rates, past and projected, are among the lowest of all providers. RightCapital is particularly well-positioned for continued market share expansion, though. The vendor enjoys the lowest churn rates (both past and expected) of any provider, fueled by rising satisfaction ratings that now exceed all other providers and better-than-average ratings on value offered.

In the meantime, MoneyGuide may struggle to maintain its currently sizable market share. Consistent with its falling satisfaction ratings, the vendor is now showing a net negative momentum among independent advisors on both a trailing-year and projected-coming-year basis. Additionally, long-standing providers NaviPlan and MoneyTree also show above-average churn rates, though MoneyTree's improving satisfaction scores (given recent software updates) and relatively high current value score (as it is priced lower than most competitors) may help to stem its outflow. Though given its substantially larger market share to begin with, more growth for competitors is likely to come at the expense of MoneyGuide than the other solutions that have lower adoption in the first place.

Figure 3.7. Financial Planning, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	83.1%	6.1%	2.6%	85.3%	2.1%	1.3%	86.3%
eMoney	31.5%	5.0%	1.0%	31.8%	0.0%	0.3%	31.9%
MoneyGuide	22.8%	8.6%	-3.5%	22.0%	3.7%	-1.5%	21.6%
RightCapital	18.7%	2.8%	12.2%	21.0%	1.3%	2.9%	21.6%
MoneyTree	2.6%	15.0%	-11.9%	2.3%	11.8%	-12.6%	2.0%
Orion Planning	1.4%	9.1%	3.6%	1.5%	0.0%	8.1%	1.6%
NaviPlan	1.9%	13.3%	-10.2%	1.8%	15.4%	-16.2%	1.5%
Elements	0.5%	25.0%	55.4%	0.8%	0.0%	-1.0%	0.8%
Platform	4.3%	12.1%	-8.9%	3.9%	3.4%	-4.3%	3.7%
Self-Built	2.3%	16.7%	-13.7%	2.0%	13.3%	5.7%	2.1%
Firm Proprietary	1.7%	30.8%	-28.3%	1.2%	11.1%	-0.9%	1.2%
Other Tools	0.8%	-	-	0.7%	-	-	0.7%
Unsure	-	-	-	-	-	-	0.8%
Don't Use Technology	7.8%	-	-11.5%	6.9%	-	-14.6%	5.9%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - MoneyGuide, Orion Planning, NaviPlan, self-built, firm proprietary and platform solutions | **Neutral** - MoneyTree | **Optimistic** - RightCapital, eMoney

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BACK TO TOP

Tax Planning

Tax planning technology, in the realm of specialized financial planning tools, facilitates advanced tax analyses done by advisors, and the tax-related deliverables they provide clients. This could include the ability to read and summarize tax returns, conduct scenario analyses to model the tax implications of various financial planning strategies, and ensure regulatory compliance more efficiently.

Figure 3.8. Tax Planning Technology, Overall Summary

	2023
Adoption Rate	68.5%
Respondents With 2 or More Providers	15.4%
Average Ratings	
Importance	8.5
Value	8.6
Satisfaction	8.5

Notes: See Appendix-Glossary for definitions of terms. Ratings include the primary and (if applicable) secondary provider for respondents.

Adoption

With a 68.5% adoption rate in 2023, specialized tax planning software is the most-used specialized planning software category, and among the most widely used across all advisor technology categories, ranking above average. Applying technology to tax planning is becoming increasingly popular as advisors look for new ways to add value for their clients and provide ever more comprehensive planning, especially given the particularly concrete nature of showing value through tax savings (since many strategies allow the advisor to calculate a hard-dollar amount of 'taxes saved'). Advisor adoption, at 63.2% 1 year ago, is expected to be 73.3% 1 year from now, making specialized tax software the fastest-growing category of any measured.

About 1 in 6 advisors (15.4%) use multiple tax planning applications. Advisors are more likely to use standalone third-party software as their primary solution, while general financial planning software or a self-built tool is likelier to be a secondary solution than a primary one. In other words, not only are many advisors pairing third-party tools with their existing planning software or self-built solutions, but to the extent that 2 providers are used, the specialized tools are increasingly taking the lead.

General Impressions

The adoption rate for tax planning technology ranks 10th among our 27 advisory firm functions, nearly identical to tax planning's 9th rank in importance, with an average advisor rating of 8.5. Where tax planning technology really stands out, however, is in terms of its reputation for value and satisfaction. The only technology category receiving a higher value rating was meeting scheduling, while no other category received a higher satisfaction rating. Given this leading satisfaction score, combined with comparatively low adoption and perceptions of importance, tax planning represents a technology category with very strong potential growth momentum (as indicated by a category-leading rate of advisors indicating they planned to start using technology in the category for the first time in the coming year).

Provider Market Share And Ratings

With a 61.7% share of the market (51.8% when considering the advisor's primary provider only), third-party solutions are the most typical provider type for tax planning technology (Figure 3.9). Using the tax component of a general financial planning application ranks a distant second, a solution deployed by 14.6% of advisors (including secondary providers).

The leadership of third-party software in advisor satisfaction and value ratings helps to explain their popularity. Only self-built solutions, at 8.1, were remotely close to the 8.9 average value rating given to third-party specialists. The satisfaction rating for third-party solutions, also 8.9, was more than a full-scale point higher than any other provider type. In other words, when it comes to specialized tax software, third-party solutions built to the task are substantially outpacing the capabilities of multi-function tools that may 'also' support tax planning for advisors.

Driving these stellar ratings is 1 dominant specialist vendor: Holistiplan, a vendor with less than a 5-year history in the advisor marketplace, yet already enjoying an astonishing 41.9% overall market share (secondary providers included). Its next-closest competitors, BNA Income Tax and FP Alpha, each maintain just 2.8% market share. Consistent with this lead, Holistiplan received the highest satisfaction score of any provider or provider type across this entire study, with its 2023 average rating of 9.3 up significantly from an already-incredibly-strong 8.9 in 2021. Only BNA Income Tax, moving from 7.7 to 8.4, achieved a greater improvement in satisfaction during this period.

More broadly, though, the tax planning category is one defined by strong leaders that are built specifically for prospective tax planning—including Holistiplan, BNA Income Tax, and FP Alpha—and a long tail of providers that are largely tax *preparation* tools that advisors appear

Figure 3.9. Tax Planning, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	51.8%	61.7%	-	8.9	8.9
HolistiPlan	40.3%	41.9%	8.9	9.3	9.1
BNA Income Tax	2.3%	2.8%	7.7	8.4	8.5
FP Alpha	2.3%	2.8%	-	8.7	8.8
Excel	0.7%	1.7%	-	6.8	9.0
CFS Tax Software	0.4%	1.4%	8.0	7.9	9.2
Lacerte	0.9%	1.4%	-	6.4	7.4
ProSeries	1.0%	1.4%	-	6.8	7.7
Drake	<0.5%	1.1%	-	8.5	9.0
Covisum	<0.5%	0.7%	-	6.0	6.4
IncomeSolver	<0.5%	0.6%	-	-	-
ProConnect	<0.5%	0.6%	-	-	-
Ultra Tax	0.6%	0.6%	-	-	-
Tax Clarity	<0.5%	<0.5%	7.3	-	-
TaxAct	<0.5%	<0.5%	-	-	-
TurboTax by Intuit	<0.5%	<0.5%	-	-	-
Planner CS	<0.5%	<0.5%	9.4	-	-
CCH Planning	<0.5%	<0.5%	-	-	-
Other Third-Party	0.6%	3.0%	-	-	-
Financial Planning Software	11.3%	14.6%	-	7.6	7.9
Platform	2.1%	2.5%	7.2	6.9	7.6
Self-Built	1.3%	2.2%	6.5	5.9	8.1
Firm Proprietary	0.6%	0.6%	6.5	-	-
Other Tools	1.4%	2.2%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

to be also using to do forward-looking tax planning (e.g., Lacerte, ProSeries, Drake, TaxAct, etc.). However, to the extent that relatively few financial advisors actually do in-firm tax *preparation* and more commonly focus 'just' on tax planning, the non-tax-preparation tools that are built more directly for prospective planning continue to dominate in both market share and average satisfaction and value ratings.

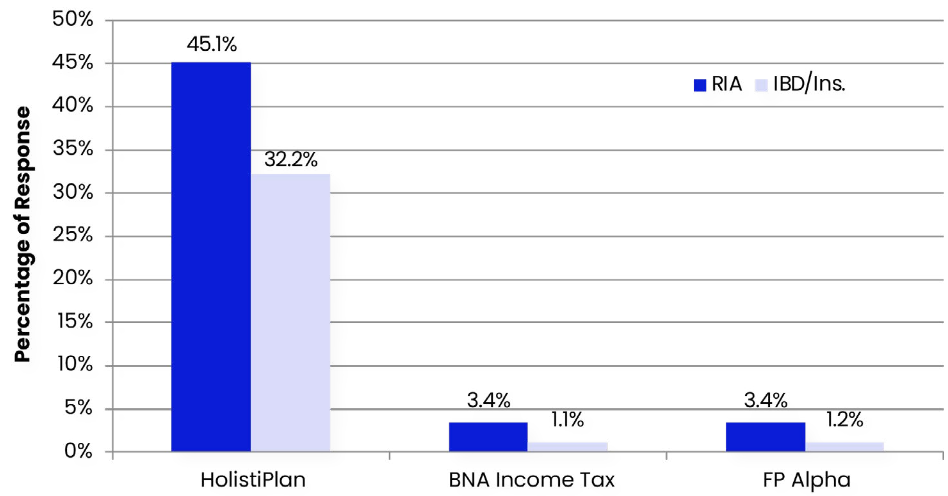
Third-Party Market Share By Channel

By channel, RIA respondents, with 63.7% adoption, demonstrate a slightly greater tendency to use tax planning technology than IBD/Insurance advisors, with 61.8% adoption. The greatest usage difference between the 2 advisor segments relates to types of providers. While about 2/3 of RIA advisors use third-party software for tax planning, only about half of all IBD/Insurance advisors do. Instead, those in the IBD/Insurance channel have a far greater tendency to use technology offered through their general financial planning software or through the platforms they affiliate with.

In practice, this is likely because independent broker-dealers and insurance companies have historically limited their advisors from engaging in detailed tax planning for clients (a domain that has traditionally been difficult for compliance departments to oversee for large advisor enterprises operating at scale). Instead, their advisors have relied on the 'simpler' out-of-the-box tax planning capabilities of traditional planning software. Conversely, typically smaller RIA firms may be more comfortable providing detailed tax planning advice and, as a result, more inclined to engage in deeper tax planning (using increasingly sophisticated third-party tools).

Thus, while overall usage for the *function* is similar regardless of channel, each of the 3 leading third-party specialist providers has significantly more market share within the RIA channel relative to IBD/Insurance, consistent with the overall higher use of third-party tools in the RIA channel (as shown in Figure 3.10 below).

Figure 3.10. Tax Planning, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

Tax planning technology adoption tends to increase with the size of the practice. There is an especially notable jump in adoption when a practice grows beyond 3 advisors. While 2/3 of practices with 3 or fewer advisors use software for tax planning, 3/4 of larger practices do. This is likely attributable to the fact that larger advisory firms tend to attract more affluent clientele, and in general more affluent clientele tend to have greater financial complexity (including more opportunities to engage in proactive tax planning to demonstrate value).

To some extent, the positive relationship between size-of-team and adoption-of-tax-software holds among leading third-party specialist providers of tax planning software, as shown in Figure 3.11 below. Relative to Holistiplan, however, large practice market shares for BNA Income Tax, Lacerte, and especially FP Alpha are notably greater than their small practice market shares. Still, Holistiplan is the clear market leader, even among the largest practices.

Figure 3.11. Tax Planning, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
HolistiPlan	39.7%	42.1%	46.6%	45.9%
BNA Income Tax	1.4%	2.4%	5.6%	4.8%
FP Alpha	1.9%	2.5%	2.5%	10.6%
Lacerte	1.7%	0.0%	1.2%	3.1%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Trends In Adoption And Market Share

Tax planning represents the most rapidly growing technology categories for advisors. In 2021, the category rated high in terms of satisfaction and importance but relatively low in adoption. Together, these rating results suggested a strong signal for potential growth, which clearly became reality. Today, the differences between adoption, importance, and satisfaction are not quite as stark, but the combination of the 3 ratings continues to suggest further growth for the category—which in turn is promising for the category leaders, especially Holistiplan.

In fact, Holistiplan's market share, at 36.3% 12 months ago, is expected to hit 43.6% in the next 12 months (Figure 3.12). The growth trend is especially noteworthy given that the market shares of all other providers are projected to remain virtually unchanged. Holistiplan holds the strongest expected momentum of any other provider, aided by the lowest expected churn rate.

The relatively low rate of "unsure" advisors, who know they will use tax planning software in the year ahead but haven't decided on a vendor, speaks to Holistiplan's strong brand and positioning—advisors planning to use tax planning tools in the future have largely decided where to go, and Holistiplan overwhelmingly appears to the answer.

Figure 3.12. Tax Planning, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	47.9%	4.4%	8.3%	51.8%	0.8%	8.9%	56.5%
HolistiPlan	36.3%	2.9%	11.0%	40.3%	0.7%	8.3%	43.6%
BNA Income Tax	2.4%	11.1%	-4.5%	2.3%	<1.0%	-2.2%	2.2%
FP Alpha	2.1%	12.5%	7.4%	2.3%	6.3%	4.0%	2.4%
Excel	0.9%	<1.0%	7.4%	1.0%	<1.0%	-2.1%	1.0%
CFS Tax Software	0.9%	<1.0%	-7.9%	0.9%	<1.0%	-2.2%	0.8%
Lacerte	0.7%	14.3%	7.4%	0.7%	<1.0%	-2.1%	0.7%
ProSeries	0.5%	<1.0%	7.4%	0.6%	<1.0%	-2.2%	0.6%
Financial Planning Software	10.1%	2.6%	11.6%	11.3%	1.3%	-0.8%	11.2%
Platform	2.0%	<1.0%	7.4%	2.1%	<1.0%	-2.0%	2.1%
Self-Built	1.2%	<1.0%	7.4%	1.3%	11.1%	-2.0%	1.2%
Firm Proprietary	0.7%	20.0%	-14.0%	0.6%	<1.0%	-2.0%	0.6%
Other Tools	1.4%	-	-	1.4%	-	-	1.4%
Unsure	-	-	-	-	-	-	1.5%
Don't Use Technology	36.8%	-	-14.3%	31.5%	-	-15.3%	26.7%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends are not nearly as favorable for other providers. With an expected churn rate of 11.1%, the outlook may be especially dire for self-built tools. The 'tax-preparation-software-that-also-does-tax-planning' grouping all shows negative momentum to solve advisors' tax planning needs. In fact, other than Holistiplan, only FP Alpha is projected to have positive future momentum, though FP Alpha's strong satisfaction (8.7) and value (8.8) ratings would be enough to win significant market share in virtually any other category. Which raises the question of whether, in practice, FP Alpha's slower adoption in the category has been more a result of its 'bundled' offering (with other non-tax-planning capabilities) and the lack of an easy-to-purchase standalone solution for tax planning to compete against Holistiplan head-to-head.

Providers To Watch

Pessimistic - Self-built, firm proprietary, platform solutions, and tax preparation software | **Neutral** - BNA Income Tax, FP Alpha, Drake, CFS Tax Software | **Optimistic** - Holistiplan

^
BACK TO TOP

Social Security Analysis

Social Security software assists advisors in analyzing optimal Social Security claiming strategies, developing client proposals, and supporting visualizations based on these strategies. In addition, the technology often helps keep advisors up to date on current issues that could impact Social Security income.

Figure 3.13. Social Security Analysis Technology, Overall Summary

	2023
Adoption Rate	60.5%
Average Ratings	
Importance	7.2
Value	8.0
Satisfaction	7.7

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

The current adoption rate for social security analysis technology is 60.5% (ranking 12th out of 27 categories surveyed) and appears to be climbing at an accelerating pace (up from 59.6% 12 months ago and projected to increase further to 63.8% in the coming year). Which isn't surprising, as the ongoing shift of financial advisors to the AUM model has increasingly focused advisors on 'where the money is'—in the hands of Baby Boomer retirees and pre-retirees. This shift has created an increased focus on retirement-specific planning issues, including Social Security analysis.

General Impressions

As an "entitlement" program that virtually every American participates in, Social Security is arguably a nearly universal consideration of financial planning. However, software to support Social Security analyses struggles to stand out among the varied technology needed to do financial planning. With just a 7.2 rating, the technology is well below average in terms of importance relative to other categories.

To some extent, this may simply be because financial advisors tend to work with more affluent clientele, for whom the impact of Social Security timing decisions is only 'so much' when they may already have hundreds of thousands or millions of dollars of net worth. Consumer perceptions that Social Security is 'going broke'—such that they need to claim as much as they can, as quickly as they can—also likely undermine the opportunity for Social Security planning (such that the majority of Americans take Social Security by their full retirement age, and fewer than 1 in 10 actually delay until age 70, according to the Social Security Administration's own data). Simply put, if many/most consumers aren't willing to delay Social Security in the first place, is there limited value for advisors illustrating delayed-Social-Security strategies?

Provider Market Share And Ratings

Third-party specialists are the leading provider of Social Security software, serving 30.6% of all advisors (Figure 3.14). Following closely behind, general purpose financial planning software meets the social security analysis needs of another 23.4% of advisors. Like many other specialized planning tools, higher value and satisfaction ratings are likely contributing to the higher adoption share for third-party specialists over generalist financial planning software. In other words, to the extent that advisors *do* care about engaging in more sophisticated Social Security analyses, they appear to be showing an increasing preference towards third-party software beyond their financial planning software to implement it.

Figure 3.14. Social Security Analysis, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	30.6%	-	8.0	8.2
SS Analyzer	12.4%	7.8	8.2	8.4
Maximize My Social Security	6.5%	7.6	7.8	8.0
Savvy Social Security Analysis (Horsesmouth)	3.7%	8.3	8.4	8.4
BlackRock Social Security Benefits Estimator	1.7%	-	8.1	8.3
Income Solver	1.1%	7.7	6.9	6.6
Social Security Timing	1.0%	7.7	8.2	8.3
Open Social Security	0.7%	-	7.6	-
SS Pro	0.7%	-	7.8	7.6
Plan Facts	0.6%	-	-	-
SSA.Tools Website	<0.5%	-	-	-
Other Third-Party	1.7%	-	-	-
Financial Planning Software	23.4%	-	7.4	7.8
Platform	3.0%	7.3	7.9	8.1
Self-Built	1.2%	-	5.8	8.3
Firm Proprietary	1.0%	6.1	7.6	7.2
Other Tools	1.4%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the only the primary provider for respondents. "-" denotes not available or not applicable.

The leading third-party specialist is SS Analyzer, which has well over 1/3 of the third-party market (especially when coupled with their sister product, Income Solver, which covers a wider range of retirement distribution planning scenarios but also includes SS Analyzer's Social Security analysis tool). Though notably, a wide array of third-party solutions, including SS Analyzer, Maximize My Social Security, Social Security Timing, and Blackrock's Social Security tool, all have strong satisfaction ratings, with a slight edge for Horsesmouth's Savvy Social Security Analysis tool (which also includes some client-facing educational and presentation materials that are popular amongst advisors).

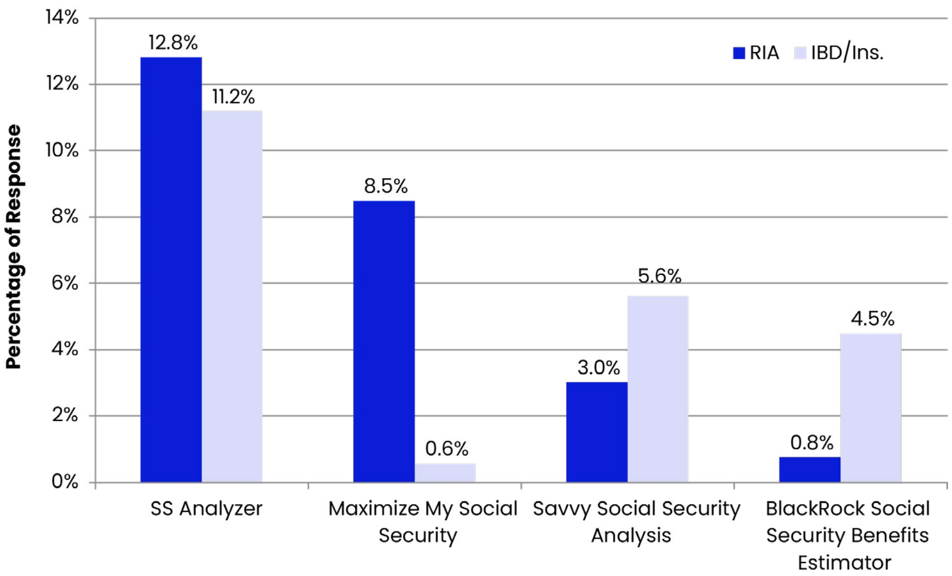
The breadth of high satisfaction ratings is especially remarkable given the wide range of underlying pricing, from SS Analyzer (which is the most expensive, with licenses as high as $2,000 per advisor), to Maximize My Social Security (at $299 per advisor), to Blackrock's tools (which are free to advisors in the Blackrock Advisor Center). Suggesting that even within the Social Security category, advisors have varying preferences for depth, and varying price points that they are willing to engage based on those preferences. Though given SS Analyzer's dominance, the implication is that when it comes to Social Security analysis, advisors prefer the most robust tools that may cost more, but also provide the most depth to help advisors show their value.

Third-Party Market Share By Channel

By channel, IBD/Insurance advisors report higher use of Social Security software (67.3%) than RIA advisors (58.2%). Greater IBD/Insurance use is entirely due to their platform affiliates, where advisors are 6 times more likely than RIA advisors to access Social Security applications. There is virtually no difference across the channels in the rates at which advisors conduct Social Security analysis through their financial planning software or with third-party software.

Even though RIA and IBD/Insurance advisors tend to have an equal preference for third-party specialists overall, there are some clear preferences for different vendors (Figure 3.15). SS Analyzer and, especially, Maximize My Social Security have more RIA users. Conversely, Savvy Social Security Analysis, and BlackRock's Social Security Benefits Estimator, are more popular choices for IBD/Insurance advisors.

Figure 3.15. Social Security Analysis, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Technology for social security analysis becomes more common as the size of the practice grows—54.4% of solos apply technology, compared to 75% of practices with 10+ advisors. Adoption of third-party specialist tools for Social Security also grows as practice size increases. Which is notable, as larger advisory firms tend to work with more affluent clientele for whom Social Security is not as large of a financial contributor… though on the other hand, more affluent clientele are also the ones most financially able to choose to delay Social Security benefits (and fund their retirement in their 60s from other assets). As a result, larger practices may be best positioned to leverage the results of a more robust Social Security analysis.

Narrowing in on third-party specialist adoption trends by practice size, SS Analyzer has the largest share across all size ranges except for solos (Figure 3.16). Maximize My Social Security is the leading social security software provider for solos, and can be found at a consistent share across other practice sizes. A similarly consistent adoption pattern is also true of Savvy Social Security Analysis—a small share exists within practice ranges of all sizes.

Figure 3.16. Social Security Analysis, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
SS Analyzer	6.1%	11.7%	17.9%	35.9%
Maximize My Social Security	7.2%	6.7%	5.1%	6.2%
Savvy Social Security Analysis	4.2%	3.3%	2.6%	3.1%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

Figure 3.17. Social Security Analysis, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	30.6%	4.3%	-0.2%	30.6%	0.9%	8.7%	33.2%
SS Analyzer	12.8%	6.5%	-2.9%	12.4%	<1.0%	6.1%	13.2%
Maximize My Social Security	6.3%	2.2%	2.6%	6.5%	2.2%	0.4%	6.5%
Savvy Social Security Analysis (Horsesmouth)	3.6%	<1.0%	2.6%	3.7%	<1.0%	2.0%	3.7%
BlackRock Social Security Benefits Estimator	1.6%	<1.0%	2.6%	1.7%	<1.0%	22.8%	2.1%
Income Solver	1.1%	<1.0%	2.6%	1.1%	<1.0%	-1.8%	1.1%
Social Security Timing	1.0%	<1.0%	2.6%	1.0%	<1.0%	-1.8%	1.0%
Open Social Security	0.7%	<1.0%	2.6%	0.7%	<1.0%	17.9%	0.8%
SS Pro	0.8%	16.7%	-14.5%	0.7%	<1.0%	17.9%	0.8%
Plan Facts	0.5%	<1.0%	2.6%	0.6%	<1.0%-	-1.7%	0.6%
SSA.Tools Website	<0.5%	-	-	<0.5%		-	<0.5%
Financial Planning Software	22.2%	0.6%	5.4%	23.4%	1.2%	0.3%	23.4%
Platform	3.2%	8.3%	-5.6%	3.0%	<1.0%	3.0%	3.1%
Self-Built	1.2%	<1.0%	3.0%	1.2%	<1.0%	9.5%	1.3%
Firm Proprietary	0.9%	<1.0%	3.0%	1.0%	<1.0%	-1.4%	0.9%
Other Tools	1.3%	-	-	1.4%	-	-	1.5%
Unsure	-	-	-	-	-	-	1.4%
Don't Use Technology	40.4%	-	-2.3%	39.5%	-	8.3%	36.2%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

Adoption of Social Security software of some kind is projected to increase over the next 12 months as the number of non-users drops and more advisors engage with some kind of Social Security analysis.

In practice, virtually all this growth is expected to be captured by third-party specialists (Figure 3.17). SS Analyzer, the current third-party specialist market share leader, is expected to grow its lead, though BlackRock's Social Security Benefits Estimator has the highest positive momentum projected for the next 12 months (likely driven in no small part by its no-cost pricing to advisors who register with the Blackrock Advisor Center). 2 other small firms, Open Social Security and SS Pro, also have large projected momentum, albeit from a smaller base of adoption.

Providers To Watch

Pessimistic - Financial planning software | **Neutral** - Maximize My Social Security, Social Security Timing, and platform solutions | **Optimistic** - SS Analyzer, BlackRock Social Security Benefits Estimator, Savvy Social Security Analysis

^ BACK TO TOP

Retirement Distribution Planning

Retirement distribution planning technology, one of several specialized financial planning tools, assists advisors in modeling potential retirement income and distribution streams for clients, with a particular focus on clients who are no longer in the accumulation phase but instead have reached (or imminently transitioning into) the retirement phase itself. The technology often focuses on optimizing a retirement strategy in the most tax-efficient manner possible by incorporating multiple different types of income streams (e.g., portfolio income, Social Security income, annuities or pensions or other guaranteed income sources).

Figure 3.18. Retirement Distribution Planning Technology, Overall Summary

	2023
Adoption Rate	49.9%
Average Ratings	
Importance	7.8
Value	8.0
Satisfaction	7.6

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

With about half of advisors making use of specialized retirement distribution planning applications, technology adoption is slightly below average relative to other advisory functions. Use is picking up, however, as advisors aspire to conduct ever more comprehensive retirement planning for increasingly demanding clients that goes beyond 'just' what (typically accumulation-centric) traditional financial planning software can accomplish. Within the next 12 months, adoption is expected to increase to 53.6%, up from 47.4% just 12 months ago, with growth concentrated almost entirely on specialized third-party software that extends beyond the retirement functionality of existing financial planning software.

General Impressions

Advisor views on the importance of specialized retirement distribution planning applications and their satisfaction with them are right in line with the level of adoption of this technology. Retirement planning technology ranks 16th across the 27 tested functions in terms of adoption. By importance, its average advisor rating of 7.8 ranked 17th, and its 7.6 satisfaction ranked 15th. Notably, though, this 7.6 satisfaction rating is above average for the given level of importance, suggesting a likelihood of growing interest in the category as its value is demonstrated to a wider base of prospective advisor users.

Furthermore, within the category, a relative 'rotation' of adoption is emerging, where advisors appear to be increasingly looking for solutions that go above and beyond their core financial planning software and into third-party standalone solutions that are built more directly to address the function of retirement distribution planning.

Provider Market Share And Ratings

For the advisors that do have a technology solution for their clients' retirement planning needs, this solution is currently most likely accessed through their financial planning software. About 1/4 of all respondents (24.5%) are doing their retirement distribution modeling via their more general purpose planning software (Figure 3.19). And by and large, advisors show they are relatively satisfied, with a healthy 8.0 average satisfaction rating for this approach.

Figure 3.19. Retirement Distribution Planning, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	16.7%	-	7.7	7.9
Income Lab	5.1%	8.8	9.0	8.9
Nitrogen/Riskalyze	3.4%	-	7.5	7.6
Excel	2.9%	-	4.6	7.3
Income Solver	1.7%	7.0	7.2	7.0
Retirement Analyzer	0.9%	-	8.3	8.8
Bucket Bliss	0.6%	-	-	-
Wealth2k	<0.5%	-	-	-
Other Third-Party	1.8%	-	-	-
Financial Planning Software	24.5%	-	8.0	8.1
Self-Built	3.6%	7.4	5.3	8.6
Firm Proprietary	1.4%	7.4	6.5	7.1
Platform	2.9%	7.4	7.2	7.9
Other Tools	0.7%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary provider for respondents. "-" denotes not available or not applicable.

By contrast, third-party specialists, with weaker ratings overall, are providing the primary retirement distribution planning solution for just 16.7% of advisors. However, third-party software includes several standout vendors with higher ratings relative to other provider types. These include Retirement Analyzer, and more substantively the recent newcomer Income Lab. In addition, as discussed below, the bulk of forward-looking adoption interest for advisors is now concentrated on the emerging adoption of third-party software.

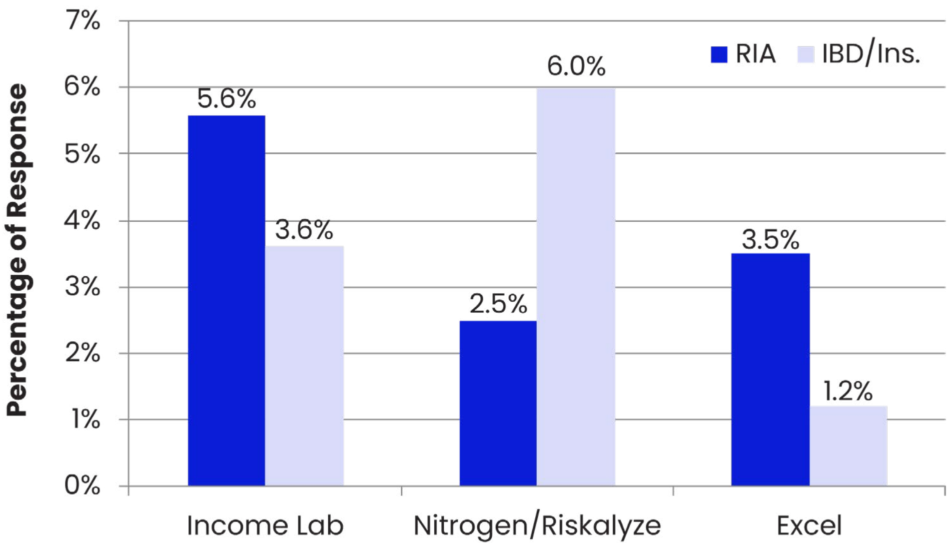
As further emphasis of an emerging solutions gap in this category that goes beyond existing financial planning software, the 3.6% share devoted to self-built tools is among the highest of any of our functional categories (again signifying a non-trivial number of advisors would rather spend substantial time and effort to build their own solution over using what they already get from their financial planning software). At the same time, though, such self-built solutions (along with the use of Excel, which is also largely 'self-built') rank lowest in satisfaction, suggesting that advisors are struggling to self-implement this category in practice.

Third-Party Market Share By Channel

With 54.3% adoption, IBD/Insurance advisors are much more likely to use retirement planning applications compared to just 45.0% of RIA advisors who do. Much of the difference is attributable to the 3 times greater share of IBD/Insurance advisors who access retirement planning tools through a platform affiliate (e.g., solutions offered directly by the broker-dealer platform).

At the same time, IBD/Insurance advisors are also more apt to use third-party specialist software for retirement planning, with 20% doing so compared to 14.6% of all RIA advisors. This is particularly true for their use of Nitrogen/Riskalyze, a third-party specialist with 6.0% of the IBD/Insurance market but just 2.5% of the RIA market (Figure 3.20). In contrast, RIA advisors tend to make greater use of Income Lab or develop their own retirement distribution models in Excel.

Figure 3.20. Retirement Distribution Planning, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

Third-Party Market Share by By Practice Size

Retirement distribution planning technology adoption, at 50.4% for practices under 10 advisors, drops to just 44.4% for practices with 10 or more advisors. Though these large practices are significantly more prone to use their general -purpose financial planning software for retirement planning, but are far less apt to use a third-party specialist provider for that purpose (likely due to the complexities of retraining so many advisors into a new more specialized tool).

As a result, Figure 3.21 does not show third-party specialist use among 10+ advisor practices, for lack of a sufficient sample size in various third-party retirement distribution planning tools. Results that can be made available, however, show advisors' use of Income Lab clearly declining with practice size (again likely due to the complexities of integrating a more specialized tool, on top of existing financial planning software, across an increasingly large base of advisors). In contrast, larger practices tend to be more reliant on Excel and Nitrogen/Riskalyze (where it may be used for other functions and cross-applied for retirement distribution planning here).

Figure 3.21. Retirement Distribution Planning, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors		
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**
Income Lab	7.2%	3.7%	2.9%
Nitrogen/Riskalyze	2.9%	2.8%	5.8%
Excel	2.3%	3.7%	5.0%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

Trends In Adoption And Market Share

Going forward, virtually all of the projected growth in the adoption of retirement distribution planning technology is being captured by third-party specialists, whose market share is expected to jump from 16.7% currently to 20.0% within the next 12 months (Figure 3.22). With virtually no expected churn, most third-party vendors are projected to gain market share, with Income Lab arguably best-positioned for growth as an emerging category leader by third-party market share, coupled with category-leading ratings in both advisor satisfaction and perceived value. Self-built tools, generally on the decline across other categories, are also projected to show positive expected momentum and market share growth.

Figure 3.22. Retirement Distribution Planning, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	16.0%	5.8%	4.7%	16.7%	<1.0%	19.4%	20.0%
Income Lab	4.4%	3.3%	16.2%	5.1%	<1.0%	10.2%	5.6%
Nitrogen/Riskalyze	3.2%	<1.0%	5.7%	3.4%	<1.0%	8.7%	3.7%
Excel	2.8%	<1.0%	5.7%	2.9%	<1.0%	0.7%	2.9%
Income Solver	1.7%	8.3%	-3.1%	1.7%	<1.0%	13.1%	1.9%
Retirement Analyzer	0.9%	<1.0%	5.7%	0.9%	<1.0%	-4.3%	0.9%
Bucket Bliss	<0.5%	-	-	0.6%	-	-	0.6%
Wealth2k	<0.5%	-	-	<0.5%	-	-	<0.5%
Financial Planning Software	22.9%	<1.0%	7.1%	24.5%	<1.0%	-0.8%	24.3%
Self-Built	3.5%	<1.0%	4.7%	3.6%	<1.0%	5.7%	3.8%
Firm Proprietary	3.2%	<1.0%	-8.4%	2.9%	<1.0%	-6.5%	2.7%
Platform	1.2%	12.5%	16.3%	1.4%	9.5%	-1.9%	1.4%
Other Tools	0.7%	-	-	0.7%	-	-	0.7%
Unsure	-	-	-	-	-	-	2.2%
Don't Use Technology	52.6%	-	-4.8%	50.1%	-	-7.4%	46.4%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Despite advisors showing greater satisfaction with using their financial planning software for retirement planning needs, little change is expected in market share for planning software as a retirement distribution planning tool. Which suggests that advisors already using such tools aren't necessarily looking to change, but that advisors who don't use any technology for the function now are increasingly eschewing their financial planning software and looking for other third-party tools when they *do* begin to implement such tools.

While just 2.2% of advisors remain uncertain about what type of retirement planning technology they will be using in the next 12 months, the fact that another 3.7% of advisors don't use technology for this function now but plan to adopt retirement distribution planning tools for the first time indicates a moderate opportunity for providers to capture additional market share (even as existing platforms all have near-zero anticipated churn).

Providers To Watch

Pessimistic - Excel, firm proprietary, and platform solutions | **Neutral** - Nitrogen/Riskalyze, Income Solver, Retirement Analyzer, financial planning software, and self-built tools | **Optimistic** - Income Lab

^ BACK TO TOP

Client Data Gathering

Client data gathering technology minimizes the need for advisors to administer paper questionnaires or manually key data by providing tools that allow clients to electronically enter their data. In turn, the technology automatically directs the data to appropriate destinations like CRM or financial planning software, more seamlessly integrating client data into practice workflows.

Figure 3.23. Client Data Gathering Technology, Overall Summary

	2023
Adoption Rate	47.9%
Average Ratings	
Importance	7.6
Value	8.0
Satisfaction	7.4

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

In 2023, nearly half of all advisory teams (47.9%) used some type of technology to assist with client data gathering (Figure 3.23). Technology adoption for this function is relatively low (ranking 18th across the 27 functions surveyed), which notably means that most advisors still manually gather and key data (themselves or via their staff) into key systems.

That said, usage is on the rise as consumers increasingly show a willingness to fill out forms electronically and enter their own details via technology. 1 year ago, 46.4% of respondents used technology for client data gathering; this share is expected to increase to 52.2% 1 year from now.

General Impressions

Notwithstanding the general desire of advisory firms to automate and reduce manual work, the somewhat low rate of current technology adoption in this category is consistent with how advisors view the importance of data gathering technology as a critical component of their business success. At 7.6, the average importance rating for data gathering technology was well below the average of 8.0 across all functions.

This likely stems from both the fact that most advisory firms have relatively low organic growth, which means the frequency of new client data entry is actually not a significant amount of time as a whole (if an advisor is adding 1 new client every month and a team member has to spend 30 minutes manually keying data, it's still only 6 hours per year of potential time savings), and also the fact that some advisory firms actually define 'good service' as *not* burdening clients with such tasks and instead doing it for them.

Impressions regarding the value of data gathering technology are about average relative to technology used for other functions, suggesting that to the extent solutions are available, advisors who purchase them are reasonably comfortable with how they're priced. Average satisfaction with using technology for data gathering, however, rates slightly below other functions, which appears to be because advisors are not satisfied with their ability to port client data to the various systems (e.g., CRM, and financial planning software, and account creation wizards for new client accounts, etc.) that the data may need to be sent to.

Provider Market Share And Ratings

Third-party specialist software is the most popular provider type for advisors utilizing technology for data gathering (Figure 3.24), used by nearly 1 in 5 respondents (18.5%).

Notably, though, a very significant market share (another 13.8% of respondents) for gathering data is accomplished through the advisor's general financial planning software… for which satisfaction ratings are materially lower (as data gathering modules in financial planning software tend to gather the data *only* for planning purposes, while third-party tools are more commonly able to pipe the data to multiple destinations).

Self-built and firm proprietary data gathering solutions also had a relatively high market share in the data gathering category, which also appears to be an attempt by advisors to create their own tools to gather data that can be sent to their multiple destinations (e.g., via Zapier integrations), though such solutions also had an extremely low satisfaction rating amongst advisors, indicating that firms in practice are struggling to implement such self-built and proprietary data gathering tools effectively.

Advisors used a variety of different third-party specialists, but one was particularly dominant. PreciseFP, used by 12.1% of all advisors, enjoys a market share that is more than 6 times greater than its nearest competitor, JotForm. In addition, PreciseFP's satisfaction rating is up significantly since 2021, indicating positive enhancements to the product since the company's acquisition by Docupace in lately 2021, and providing a positive tailwind potential for further growth given rising interest in the category and its above-average rating.

Figure 3.24. Client Data Gathering, Provider Market Share And Ratings

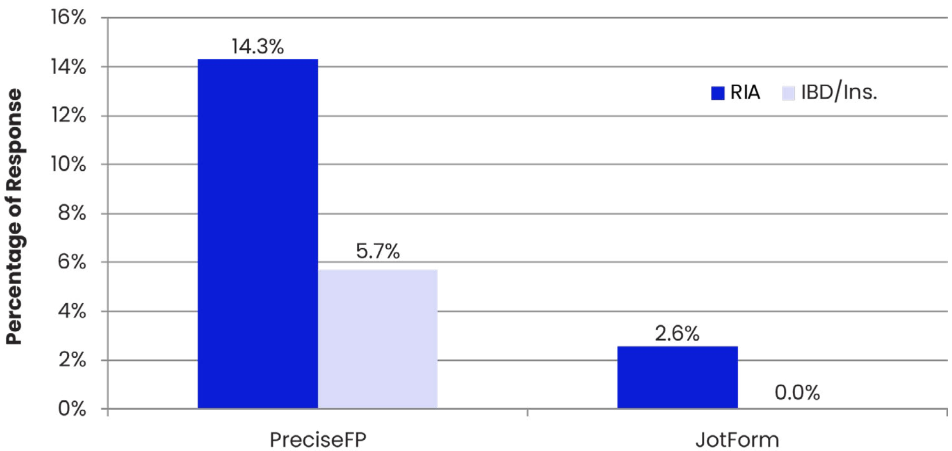
	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	18.5%	-	8.2	8.4
PreciseFP	12.1%	7.8	8.3	8.4
JotForm	1.9%	8.1	8.2	8.4
Excel	0.7%	-	-	-
Asset-Map	0.6%	-	-	-
Cognito Forms	0.6%	-	-	-
Google Forms	<0.5%	-	-	-
Red Capture	<0.5%	-	-	-
Survey Monkey	<0.5%	-	-	-
WuFoo	<0.5%	-	-	-
Other Third-Party	1.3%	-	-	-
Financial Planning Software	13.8%	7.6	7.7	7.9
Self-Built	5.3%	7.6	4.7	7.8
Client Portal	3.4%	-	7.1	8.0
Firm Proprietary	2.4%	6.3	5.9	7.5
Platform	2.3%	6.7	7.3	7.9
CRM Application	1.4%	-	8.1	8.1
Other Tools	0.7%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

By channel, IBD/Insurance respondents (50.3% adoption) were more like than RIA respondents (47.1%) to use data gathering technology, though notably buying behavior was substantially different; independent-broker-dealers are substantially more likely to procure or build their own data gathering tools, while adoption of third-party solutions is occurring primarily in the RIA channel (where advisors are largely buying solutions directly for themselves).

Figure 3.25. Client Data Gathering Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Possibly indicative of a more hands-on and hand-holding approach by larger practices, use of technology for client data gathering shows a tendency to decline with practice size. While 50.5% of solo practices use technology, just 43% of practices with 10 or more advisors do. This finding is also reflected in market share declines for PreciseFP and JotForm as practices increase size (Figure 3.26).

Figure 3.26. Client Data Gathering, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
PreciseFP	14.6%	7.9%	11.5%	10.8%
JotForm	2.7%	2.4%	0.7%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

Regardless of the provider, momentum, both past and present, appears to favor greater use of technology to better facilitate client data gathering in a more automated (or at least client-directed) manner. Within the next 12 months, the share of advisors with at least some kind of a technology solution for this function is expected to increase at an even greater rate than the previous 12 months (Figure 3.27).

Momentum and market share growth looks to be particularly strong for third-party specialist software. This is especially true considering there are more advisors looking to leave their financial planning software's data gathering tools than to begin adopting them and that 2.9% of advisors are unsure what tool they're going to pursue (which could further accelerate PreciseFP's growth if it can merely win its fair share). Which overall suggests that PreciseFP may still be suffering from a marketing awareness gap that it *is* a solution in the first place (particularly amongst the RIA channel that is most likely to adopt third-party solutions). Furthermore, there is also room for accelerated growth from competitors like Asset-Map given the number of 'unsure' advisors whose opportunity is in play.

Figure 3.27. Client Data Gathering, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	17.7%	6.9%	4.5%	18.5%	0.8%	18.8%	22.0%
PreciseFP	11.6%	7.1%	4.4%	12.1%	1.2%	6.6%	12.9%
JotForm	1.7%	<1.0%	15.9%	1.9%	<1.0%	8.4%	2.1%
Excel	0.7%	<1.0%	7.0%	0.7%	<1.0%	12.8%	0.8%
Asset-Map	0.7%	40.0%	-14.4%	0.6%	<1.0%	40.9%	0.8%
Cognito Forms	0.6%	-	7.0%	0.6%	-	-6.0%	0.6%
Financial Planning Software	13.0%	20.0%	6.1%	13.8%	<1.0%	-0.2%	13.7%
Self-Built	5.4%	7.5%	-1.9%	5.3%	5.4%	-1.6%	5.2%
Client Portal	3.4%	8.0%	1.9%	3.4%	<1.0%	-0.2%	3.4%
Firm Proprietary	2.3%	<1.0%	6.1%	2.4%	5.9%	1.4%	2.5%
Platform	2.7%	20.0%	-15.1%	2.3%	<1.0%	7.8%	2.5%
CRM Application	1.4%	<1.0%	6.1%	1.4%	<1.0%	-4.2%	1.4%
Other Tools	0.5%	-	-	0.7%	-	-	0.8%
Unsure	-	-	-	-	-	-	2.9%
Don't Use Technology	53.6%	-	-2.9%	52.1%	-	-8.3%	47.8%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

More broadly, it's also notable that client data gathering tools had the 3rd-highest overall intent to change amongst advisors of all categories. The 7.3% of all advisors considering a switch were behind only the estate planning and risk assessment categories (both at 7.6%). The bulk of churn emanating from self-built and firm proprietary solutions suggests particular opportunity for third-party providers to market their solutions as a more automated and ready-built replacement to advisors' unsatisfying homegrown technology.

Providers To Watch

Pessimistic - Self-built and firm proprietary solutions | **Neutral** - JotForm, financial planning software | **Optimistic** - PreciseFP

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BACK TO TOP

Estate Planning

Specialized estate planning software, delivered as a standalone tool or as part of a broader technology system, assists advisors with organizing, visualizing, strategizing, and delivering estate plans as part of a holistic financial planning process. In some cases, tools may also help to facilitate the actual execution of estate planning documents, as the domain of estate planning technology and technology-enabled estate planning services increasingly collide.

Figure 3.28. Estate Planning Technology, Overall Summary

	2023
Adoption Rate	34.9%
Average Ratings	
Importance	7.2
Value	7.6
Satisfaction	7.3

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Estate planning is a key component of financial planning. Despite this, advisor adoption of technology in support of estate planning is low compared to the use of other specialized planning applications, such as those supporting retirement distribution planning, tax planning, or Social Security analysis. The current technology adoption rate for estate planning is only 34.9% (Figure 3.28).

Notably, though, the limited adoption of estate planning technology by advisors is likely a result of a broader trend of financial advisors de-emphasizing estate planning, driven by what has been a more than 20-fold increase in the Federal estate tax exemption over the past 25 years (from just over $600,000 to nearly $13 million). This increase, by recent Heckerling Institute estimates, has dropped the number of families subject to Federal estate taxes to fewer than 3,000 per year across the nation.

As a result, estate planning software may become more important if future legislation (or simply the prospective 2025 sunset of the 2017 Tax Cuts and Jobs Act) causes the estate tax threshold to drop. Regardless, as pressure continues to grow on advisors to find more ways to add value, there does appear to be more advisors seeking out estate planning solutions.

Much of the growth in estate planning tools today has been focused on technology-enabled estate document preparation services, which have more relevance in the middle market that may not be subject to Federal estate taxes but still needs to get *some* estate planning documents in place. Nearly 6% of all advisors anticipate that within the next 12 months they will begin to use estate planning software for the first time—and almost all of those indicate a desire to utilize some third-party specialist solution.

General Impressions

Estate planning software struggles to find a secure foothold and appears to be bifurcating into 2 separate tracks—technology-enabled estate document preparation services for advisors serving the middle market and specialized estate planning software tools that focus on ultra-high-net-worth clients that are still subject to Federal estate tax.

Lacking importance in the eyes of advisors, estate planning software ranks 24th out of 27 functions surveyed, consistent with its low adoption rate. Further contributing to low adoption are relatively low value (7.6) and satisfaction (7.3) ratings compared to technology supporting other functions. Estate planning technology value and satisfaction ranks 23rd and 22nd respectively. In other words, advisors thus far don't view the tools as very necessary and, as a result, there has been relatively limited pressure among providers to improve these tools. This is especially true for specialized estate planning being handled within general purpose financial planning software, where satisfaction is substantively lower than third-party specialist software.

Provider Market Share And Ratings

The bulk of advisors, 19.6%, use their financial planning software for estate planning (Figure 3.29), but that product has much lower satisfaction (7.2) and value (7.5) ratings relative to third-party specialists. Overall, specialized third-party providers have higher satisfaction (8.0) and value (8.1) value ratings but, at 11.1%, a lower share of the market for estate planning software.

Among third-party providers (as well as compared to other provider types), EncorEstate has both the highest value and satisfaction ratings. Though notably, like Trust & Will, their solution is primarily about estate planning document preparation. Amongst the 'purer' estate planning software tools, FP Alpha ranks highest with a satisfaction rating of 8.4 for its recently unbundled estate planning and document scanning tools (which aims to do with estate planning documents what Holistiplan has done with tax planning software). NumberCruncher follows.

Platform and self-built tools are less common for this category, which may be a function of request and complexity. Advisors are likely not requesting additional estate planning support from their platform, nor are advisors building their own tools given how complex estate planning can be for even a 'simple' client, Further dampening demand, advisors typically refer out estate planning document preparation to attorneys, with whom they often share cross-referral relationships.

Figure 3.29. Estate Planning, Provider Market Share And Ratings

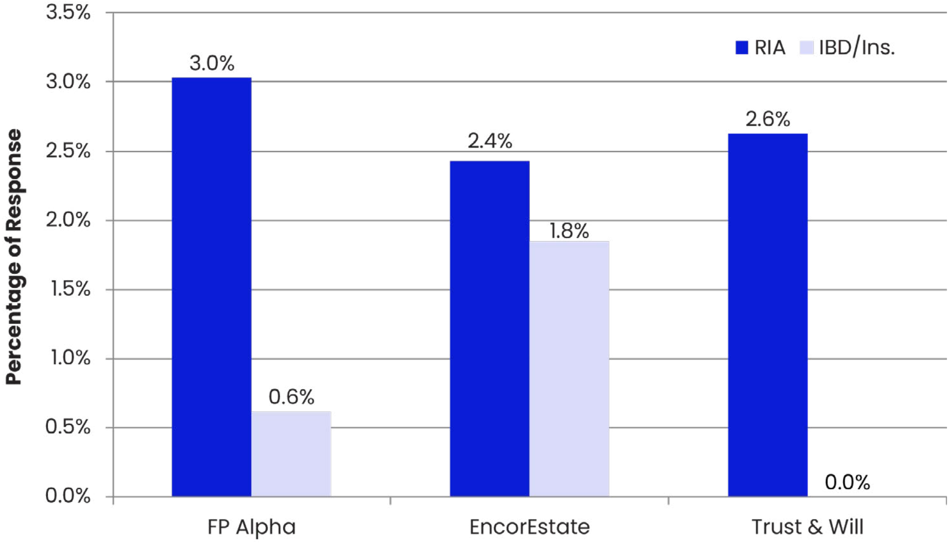
	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	11.1%	-	8.0	8.1
FP Alpha	2.4%	-	8.4	8.3
EncorEstate	2.3%	-	8.6	8.7
Trust & Will	2.0%	7.5	7.5	8.3
Estate Guru	1.2%	-	-	7.9
NumberCruncher	0.9%	-	8.0	7.8
Vanilla	0.8%	6.	6.6	6.4
Excel	0.5%	-	-	-
Wealth Studios	<0.5%	-	-	-
Other Third-Party	0.8%	-	-	-
Financial Planning Software	19.6%	-	7.2	7.5
Platform	2.0%	7.2	7.2	7.2
Self-Built	1.4%	5.6	5.3	7.7
Firm Proprietary	<0.5%	6.3	-	-
Other Tools	<0.5%	7.1	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

The overall adoption of estate planning software for RIAs is only 32.9%, compared to 40.7% for IBD/Insurance. Yet like many other specialized software tools, RIA advisors are more likely to use a third-party specialist, both in the domain of 'pure' estate planning technology tools (e.g., FP Alpha), and when it comes to partnering for third-party estate planning document preparation (e.g., Trust & Will, and EncorEstate). Only NumberCruncher, leading all third-party specialists in the IBD/Insurance channel, serves a proportionately greater share of advisors in that channel compared to the RIA channel (Figure 3.30).

Figure 3.30. Estate Planning, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

In turn, IBD/Insurance advisors were more likely to report using their financial planning software for estate planning (25.0% compared to 17.7% of RIAs), or their platform-provided technology (6.0% compared to 0.6% of RIAs).

Third-Party Market Share By Practice Size

Adoption rates for estate planning technology are fairly consistent across practice size, growing slightly as size increases. While just 33.4% of solos use an estate planning application, just 44.0% of 10+ advisor practices do. Larger firms are more likely to serve larger clients, though, and therefore may have more of a demand for estate planning technology, and specialized, third-party software in particular. However, as noted earlier, given how high the current estate tax exemption is, only those practices with a majority of very large clients are likely to need specialized third-party software.

Given this background, it is no wonder that FP Alpha, the leading third-party specialist provider, captures increasing market share as practice size grows. It is, relative to the survey respondents, the only software found in our survey sample of very large practices (Figure 3.31). Trust & Will, on the other hand, holds most of its market share in smaller firms—2.9% in solos compared to 0.7% in 4-9 person firms, which are more likely to serve the mass affluent clientele for whom Trust & Will creates estate planning documents.

Figure 3.31. Estate Planning, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Trust & Will	2.9%	1.6%	0.7%	0.0%
EncorEstate	2.1%	3.1%	2.7%	0.0%
FP Alpha	1.2%	1.6%	2.7%	11.6%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

Trends In Adoption And Market Share

Notwithstanding the headwinds of the high Federal estate tax exemption, and the conflict of also engaging in cross-referrals with attorneys for estate document preparation, estate planning software, and software provided by third-party specialists in particular, is gaining adoption. Advisors currently not using any solution, at 65.1%, is projected to drop to 59.6% over the next 12 months (Figure 3.32).

Figure 3.32. Estate Planning, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	10.5%	10.5%	5.4%	11.1%	1.3%	47.4%	16.3%
FP Alpha	2.1%	2.1%	13.8%	2.4%	<1.0%	58.1%	3.8%
EncorEstate	2.1%	2.1%	6.5%	2.3%	<1.0%	-6.2%	2.1%
Trust & Will	1.8%	1.8%	6.7%	2.0%	7.7%	29.6%	2.6%
Estate Guru	1.0%	1.0%	22.5%	1.2%	<1.0%	-6.8%	1.1%
NumberCruncher	0.9%	0.9%	6.5%	0.9%	<1.0%	-6.2%	0.9%
Vanilla	0.6%	0.6%	32.5%	0.8%	<1.0%	88.5%	1.4%
Excel	<0.5%	<0.5%	-	0.5%	-	-	<0.5%
Wealth Studios	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Financial Planning Software	18.3%	18.3%	6.9%	19.6%	2.2%	-3.4%	18.9%
Platform	2.2%	2.2%	-7.6%	2.0%	<1.0%	-3.5%	1.9%
Self-Built	1.3%	1.3%	6.3%	1.4%	<1.0%	-4.2%	1.4%
Firm Proprietary	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Other Tools	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	-
Don't Use Technology	66.9%	66.9%	-2.7%	65.1%	-	-8.5%	59.6%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

The surge in interest makes sense; the sun setting of the current estate planning exemption may be prompting advisors to take notice. Projected growth may be a sign that advisors are beginning to prepare for a potentially greater number of families that may be in need of specialized estate planning sooner rather than later. And as noted throughout this study, there is a growing pressure on advisors to do more and show more value across the board, which appears to be driving a tailwind of growth momentum for all specialized planning software tools to go beyond what traditional financial planning software can do.

All of which leads to a comparatively large share of advisors, 7.4%, that are expecting a change in their technology approach to estate planning over the next 12 months. What is more, 3.8% of all respondents are unsure about a new solution—they are looking but not sure where to go yet. Which signals a substantial amount of market share in play for the current 'leading' third-party providers (any of whom could nearly double their market share by simply capturing advisors already in motion).

At the same time, there is negative momentum projected for accessing estate planning support through financial planning, platform, self-built, and firm proprietary tools in the next 12 months. The contraction in market share growth among these provider types offers another indicator of the increasing advisor preference for third-party specialists.

Third-party leader, FP Alpha, has current market share of 2.4% and is well-liked, with above average satisfaction and value ratings relative to other third-party vendors. However, FP Alpha is also projected to have the highest projected churn rate at 7.7%. Still, its recent unbundling of its estate planning tools into a standalone solution appears to be paying dividends, as FP Alpha projects the largest market share growth in the coming year and the highest momentum (58.1%). Though with the recent announcement (after the fielding of this study) by competitor Vanilla to unbundle its tools and allow its own 'pure' estate planning software tools to be sold on a standalone basis, FP Alpha faces new competitor in the coming year.

At the same time, EncorEstate has the highest current satisfaction and value ratings, and low churn, but very low momentum compared to FP Alpha. This suggests (along with Trust & Will's slow momentum) that advisors are still slow to use technology-enabled service providers to solve their clients' estate planning document needs given the risk of undermining their existing attorney referral relationships.

On a forward-looking basis, it remains to be seen whether the category of estate modeling tools for higher net worth clientele grows more (given high estate tax exemptions), or if technology-enabled document preparation services grow more rapidly (which arguably have greater demand, but also face a 'channel conflict' for advisors that may rely on attorneys with whom they cross-refer business for their own growth opportunities).

Providers To Watch

Pessimistic - Platform and self-built tools | **Neutral** - Trust & Will, Vanilla, Financial planning software

Optimistic - FP Alpha and EncorEstate

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BACK TO TOP

Advice Engagement

To better assure that clients act upon and follow through on their recommendations over time, advice engagement technology assists advisors in follow up and ongoing engagement around the advice delivery process. Engagement tools can nudge, remind, organize, and create visuals for clients—all with the goal of having more productive conversations with clients around their advice recommendations or outright prompting clients to act on those recommendations.

Figure 3.33. Advice Engagement Technology, Overall Summary

	2023
Adoption Rate	23.5%
Respondents With 2 or More Providers	2.9%
Average Ratings	
Importance	7.4
Value	7.9
Satisfaction	7.5

Notes: See Appendix-Glossary for definitions of terms. Ratings include the primary and (if applicable) secondary provider for respondents.

Adoption

Traditional financial planning has focused on the CFP Board's 7-step EGADPIM process to create and deliver a financial plan, with relatively limited emphasis on the ongoing "Monitoring" stage. Yet as advisory firms increasingly adopt AUM, subscription, and other recurring-revenue business models, there is a growing pressure to demonstrate ongoing value to clients *after* the initial financial planning process.

Advice engagement technology represents an emerging opportunity for advisors to better do just that. About 1 in 4 advisors reported applying technology to facilitate advice engagement, which represents not only a win for advisors, but arguably is crucial for the financial success of clients as well (Figure 3.33). While the current rate of adoption ranks just 23rd out of 27 functions tested, adoption is expected to grow considerably in the months and years ahead.

General Impressions

While value and satisfaction ratings for advice engagement software are about average relative to all categories, advisors rate the technology relatively low in importance. Its average importance score, at 7.4, ranks 22nd out of 27 functions surveyed.

At first glance, lack of importance seems consistent with lack of adoption (at just 23.5% for the category). That said, as previously discussed, categories where satisfaction is viewed more favorably than importance, like advice engagement, are frequently poised for growth. By virtue of word spreading about the quality of the technology, a growing number of advisors place increasing importance on it, which thereby leads to an increase in demand.

Notably, "Advice Engagement" is also a new category—included for the first time in this year's study—and so there is also some potential that advisors are still forming their own understanding *of* the category, such that its relative importance ranking could change more rapidly in the coming years if adoption expands further.

Provider Market Share And Ratings

Third-party specialists have the bulk of market share for advice engagement applications, at 14.2% including secondary providers (Figure 3.34). Their domination highlights how financial planning software is built to deliver a plan upfront, but not necessarily built to facilitate its ongoing implementation and engagement with clients over time.

Not coincidentally, these third-party specialists also receive the highest value and satisfaction ratings of any provider type. The most dominant third-party specialist is fpPathfinder, whose market share is about equal to all other specialist providers combined. Its favorability ratings, though, do not exceed those of Elements or Knudge, 2 vendors that rank just behind in terms of market share (with the latter receiving the highest value and satisfaction rating of any provider).

However, because the category is new there is a remarkably wide range of capabilities amongst the providers listed. Like visiWealth, fpPathfinder is focused primarily on flowcharts and checklists that facilitate client conversations, Elements offers a financial assessment dashboard and client monitoring tool (similar to Lumiant and ROL Advisor), and Knudge supports “financial task management” for advisors to help ensure that their clients are following through on their recommendation action items. It remains to be seen whether the relative adoption of these different tool approaches will shift over time (and whether some could emerge into different categories unto themselves in the future).

Other provider types in the range of 1% to 3% market share include self-built solutions, financial planning software, advisor platforms, or the firm’s own proprietary solutions. Up from an average rating of 5.4 in 2021 to 7.7 in 2023, satisfaction with platform-provided engagement solutions has improved considerably.

Figure 3.34. Advice Engagement, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	12.1%	14.2%	–	8.4	8.4
fpPathfinder	5.6%	6.5%	7.2	8.4	8.4
Elements	1.2%	1.3%	–	8.6	8.6
Knudge	1.0%	1.1%	7.4	8.9	8.9
FP Alpha	0.8%	1.0%	7.8	7.3	7.3
asset+map	0.5%	0.5%	–	–	–
visiWealth	<0.5%	<0.5%	–	–	–
Lumiant	<0.5%	<0.5%	–	–	–
Blueleaf	<0.5%	<0.5%	–	–	–
FMG Suite	<0.5%	<0.5%	–	–	–
ROL Advisor	<0.5%	<0.5%	–	–	–
Other Third-Party	1.7%	2.1%	–	–	–
Self-Built	2.5%	2.8%	–	8.2	8.2
Financial Planning Software	2.6%	2.6%	–	–	–
Platform	2.3%	2.3%	5.4	7.8	7.8
Firm Proprietary	1.7%	1.9%	–	7.9	7.9
CRM Application	0.6%	0.6%	–	–	–
Other Tools	1.6%	1.8%	–	–	–

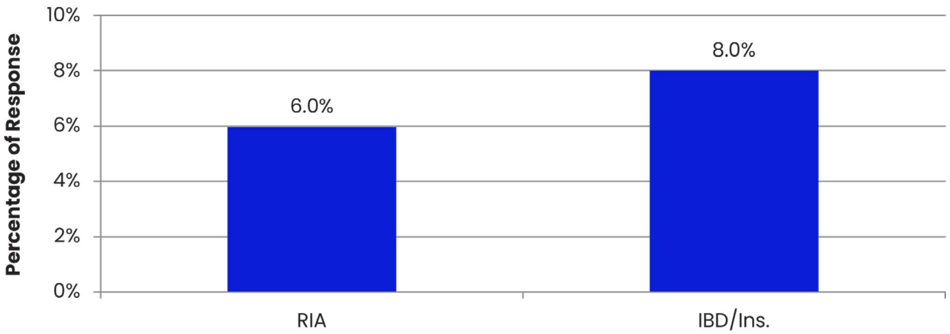
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. “-“ denotes not available or not applicable.

Third-Party Market Share By Channel

Overall, about 1/3 of IBD/Insurance advisors are using advice engagement software, compared to 1/5 of RIA advisors. Like other categories, RIA advisors are much less inclined to get their engagement support from platform or firm proprietary solutions but do have a slighter greater tendency to use third-party specialists.

Figure 3.35 compares market share by channel for fpPathfinder, the leading specialist provider for advice engagement. Despite RIA advisors favoring third-party specialists overall, fpPathfinder leans slightly toward catering to IBD/Insurance advisors. *(Note: Given the low market shares for other third-party specialists, sample sizes were insufficient for similarly distinguishing these other vendors by channel.)*

Figure 3.35. Advice Engagement, fpPathfinder Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

Advice engagement tools are more widely used among smaller practices. For example, 25.1% of solo advisors use the technology, compared to just 13.9% of practices with 10 or more advisors. This may be a result of larger practices, with more team members, having more flexibility to dedicate an individual to client follow-up. It may also be due to a preference for bigger practices to provide more personal service to their often-larger clients.

Alternatively, it may simply be a function of larger advisory firms tending to work with more affluent clients with larger portfolios. These clients may feel relatively content with the ongoing engagement they receive with their portfolio management services and not feel a desire to engage more deeply in ongoing financial planning services (especially since larger firms also tend to skew further towards the AUM model and away from other fee-for-service business models).

Whatever the reason, though, use of advice engagement tools, including third-party specialist tools, declines by practice size. Figure 3.36 shows how the market share for specialist fpPathfinder, which begins to decline beyond solo practices, before vanishing amongst practices of 10 or more advisors. *(Due again to the low market shares for other third-party specialists, sample sizes were insufficient for similarly distinguishing these other vendors by practice size.)*

Figure 3.36. Advice Engagement, fpPathfinder Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
fpPathfinder	7.6%	6.3%	6.3%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Trends in Adoption And Market Share

More advisors are consistently embracing advice engagement technology. 12 months from now, the rate of adoption is expected to reach 26.1%, compared to just 21.9% 12 months ago. Relative to overall adoption being so low, momentum is actually very high (albeit from a low initial base). Similarly, while the 2.0% portion of advisors who are unsure of their next provider is about average compared to other categories, considering advice engagement's low 23.5% technology adoption rate this uncertainty signals a relatively high growth potential in play for existing or new players to capture—and further reinforces the relative uncertainty that advisors appear to have around various providers in the emerging category.

Figure 3.37. Advice Engagement, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	11.7%	6.1%	3.1%	12.1%	-	18.4%	14.3%
fpPathfinder	5.3%	<1.0%	7.4%	5.6%	-	-7.1%	5.2%
Elements	0.9%	<1.0%	25.3%	1.2%	-	46.0%	1.7%
Knudge	0.9%	<1.0%	7.4%	1.0%	-	8.4%	1.1%
fp alpha	0.8%	<1.0%	7.4%	0.8%	-	30.1%	1.1%
asset+map	0.5%	<1.0%	7.4%	0.5%	-	116.8%	1.1%
Lumiant	<0.5%	-	-	<0.5%	-	-	<0.5%
Blueleaf	<0.5%	-	-	<0.5%	-	-	<0.5%
FMG Suite	<0.5%	-	-	<0.5%	-	-	<0.5%
ROL Advisor	<0.5%	-	-	<0.5%	-	-	<0.5%
Financial Planning Software	2.4%	<1.0%	8.4%	2.6%	-	-5.8%	2.5%
Self-Built	2.3%	<1.0%	8.4%	2.5%	-	6.0%	2.6%
Platform	2.1%	<1.0%	8.4%	2.3%	-	-5.8%	2.2%
Firm Proprietary	1.6%	<1.0%	8.4%	1.7%	-	-5.8%	1.6%
CRM Application	<0.5%	-	-	0.6%	-	-5.8%	0.6%
Other Tools	1.3%	-	-	1.6%	-	-	1.5%
Unsure	-	-	-	-	-	-	2.0%
Don't Use Technology	78.1%	-	-2.0%	76.5%	-	-3.4%	73.9%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Nonetheless, third-party specialists will likely be the nearly-exclusive beneficiaries of this expected growth (Figure 3.37), with positive momentum emerging amongst numerous providers with smaller market shares (though projected growth excludes market-leading fpPathfinder, which will have to pick up its fair share of the outsized group of 'unsure' advisors to continue its growth, even as it faces headwinds in trying to keep pace with matching the satisfaction ratings of its closest rivals, Knudge and Elements). This is especially true given a below-average share of advisors (3.7%) that expect to change their technology approach to advice engagement in the 12 months ahead. This signals low churn for the advice engagement technology overall and further tilts the growth engine for providers in the space toward capturing new advisors for the first time.

As noted earlier, though, each of those providers delivers relatively different capabilities within the advice engagement category, such that it's possible multiple providers in the category grow complementary to (rather than in competition with) one another.

Providers To Watch

Pessimistic - None | **Neutral** - fpPathfinder, financial planning software, firm proprietary, and platform

Optimistic - Knudge, Elements

^ BACK TO TOP

Stock Option Planning

Stock option planning applications are another specialized component of financial planning-related technology. With technology to support planning for options (or more broadly, for various forms of equity compensation, including stock options, restricted stock units, and the like), advisors can more effectively model and monitor strategies relating to options holdings of their clients. Advantages include an improved ability to value options, track vesting, and estimate the tax implications of potential sales.

Figure 3.38. Stock Option Planning Technology, Overall Summary

	2023
Adoption Rate	23.3%
Average Ratings	
Importance	6.3
Value	7.4
Satisfaction	6.8

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

Likely because most advisory clients do not work at companies that provide a material level of equity compensation (stock options, restricted stock, etc.), supporting technology for planning around such holdings is not widespread. The rate of technology adoption for options, at 23.3% in 2023, ranks among the lowest of our 27 tested functions. This aligns with a lack of perceived importance that advisors have toward stock option solutions—a 6.3 rating lags the average importance ratings of all but 1 other function, student loan analysis (Figure 3.38).

General Impressions

In addition to being deemed less important by advisors who use the technology, advisors also rate the performance of stock option applications poorly. In terms of its value rating, options technology ranks 25th; its overall satisfaction rating ranks 26th. The combination of ranking extremely low on both importance and satisfaction puts stock option planning squarely in the realm of 'waning' categories as discussed in our "Overview" section.

Provider Market Share And Ratings

For those advisors that do apply technology for stock options planning, they are 3 times as likely to use their general purpose financial planning application versus using specialist software from a third-party. Financial planning software serves 14.7% of all advisors, while only another 4.7% go through third-party specialists (Figure 3.39). There are just 2 specialist vendors with any signification market share—myStockOptions.com (2.5%) and StockOpter (2.1%). Self-built or platform-provided solutions account for the bulk of the small remaining market share.

Despite the greater market share held by financial planning software, advisors' ratings favor third-party specialists, with higher ratings for both value and satisfaction This signals some opportunity for specialized solutions to win away advisors from traditional financial planning software in this category (as has already happened in other specialized software categories like tax planning), albeit from a relatively limited adoption base. With an average 7.9 satisfaction rating, up from 7.2 in 2021, myStockOptions.com rates especially high within the category (albeit still lower than the highest-rated providers that lead most other categories).

Figure 3.39. Stock Option Planning, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	4.7%	-	7.5	8.0
myStockOptions.com	2.5%	7.1	7.9	8.0
StockOpter	2.1%	6.8	6.9	8.0
Other Third-Party	<0.5%	-	-	-
Financial Planning Software	14.2%	-	6.8	7.2
Self-Built	2.1%	7.2	5.7	8.2
Platform	1.7%	4.5	7.0	7.0
Firm Proprietary	<0.5%	-	-	-
Other Tools	<0.5%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

By channel, IBD/Insurance advisors are slightly more prone to use option planning technology. The channel has a 27.1% adoption rate, compared to 22.0% for RIA advisors. The difference is largely explained by the much greater share of IBD/Insurance advisors (5.1%) that access-platform provided technology to help solve in this area, relative to RIA advisors that receive little help from their platforms in this area (barely more than 0.5%).

In contrast, 5.7% of all RIA advisors use third-party specialist software for options, a share that is 3 times greater than within the IBD/Insurance channel. Due to advisors' low use of third-party specialist providers for options technology, particularly among IBD/Insurance advisors, our sample size is insufficient to reliably distinguish market share of specific specialist vendors within each channel.

Third-Party Market Share By Practice Size

Low adoption, and a resulting low sample size, also hampered our ability to look deeply into the use of options technology by the size of a practice. The limited data that is available suggests greater use of technology for the function as practices grow in terms of their number of advisors. There are no discernible trends in terms of the use of different provider types varying with practice growth. Among third-party specialists, however, there does appear to be a loose correlation between larger practices making greater use of StockOpter and less use of myStockOptions.com.

Trends In Adoption And Market Share

Despite advisors ranking stock options technology extremely low in both importance and satisfaction, adoption is expected to increase slightly, from 23.3% to 25.2% over the next 12 months. This compares to 22.6% just 12 months ago. Nearly all this growth is projected to come from advisors who don't currently use such tools but plan to adopt them in the coming year (as churn is limited amongst existing providers). This arguably makes third-party specialists well-positioned, with more advisors showing interest in StockOpter over myStockOptions thus far, and a small segment of advisors looking to leave their financial planning software for this function. Most advisors indicated that they will have a new estate planning technology provider in the coming year, however, are unsure of what they will pursue (1.6% of all advisors are unsure compared to 1.9% of advisors who will newly adopt the technology)—this means it's any provider's opportunity to win market share.

Figure 3.40. Stock Option Planning, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	4.8%	5.6%	-1.8%	4.7%	2.9%	32.5%	6.3%
myStockOptions.com	2.5%	5.3%	-1.5%	2.5%	<1.0%	3.4%	2.6%
StockOpter	2.0%	<1.0%	4.0%	2.1%	<1.0%	17.5%	2.4%
Financial Planning Software	13.4%	<1.0%	6.1%	14.2%	1.0%	-3.0%	13.7%
Self-Built	2.0%	<1.0%	4.0%	2.1%	<1.0%	4.4%	2.2%
Platform	1.6%	<1.0%	4.0%	1.7%	<1.0%	-2.1%	1.6%
Firm Proprietary	0.5%	<1.0%	-	<0.5%	-	-	<0.5%
Other Tools	<0.5%	-	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	1.6%
Don't Use Technology	77.4%	-	-1.0%	76.7%	-	-2.4%	74.8%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic—Self-built and firm proprietary solutions | **Neutral**—Financial planning software, platform, myStockOptions.com, StockOpter | **Optimistic**—None

^ BACK TO TOP

Student Loan Analysis

Technology supporting student loan analysis, a specialty segment of financial planning, centers on analyzing and optimizing around the complexity of repayment decisions. Loan analysis software enables advisors to more efficiently tailor student loan repayment plans for clients, including the consideration of various Federal repayment plan rules, tax implications, and coordinating with the repayment of other debt.

Figure 3.41. Student Loan Analysis Technology, Overall Summary

	2023
Adoption Rate	11.2%
Average Ratings	
Importance	5.7
Value	8.0
Satisfaction	7.3

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

With a rate of adoption at just 11.2%, fewer advisors use technology for student loan analysis than for any other function. The low use of technology, however, reveals more about the low priority advisors place on student loan analysis as an activity, than it does about the quality or importance of the technology itself.

For many advisors, and their often-aged clients, student loans aren't part of the routine financial planning picture. For example, a recent previous Kitces Research study on How Financial Planners Actually Do Financial Planning (2022) found that just 21% of advisors covered student loan analyses in their financial plans in the first place. In terms of frequency of inclusion, the topic ranked 17th of 20 different topics advisors typically included. With just 1 in 5 advisors routinely doing student loan analyses, it's not surprising that so few overall are using student loan technology.

General Impressions

Even amongst the minority of financial advisors who are using student loan technology, most do not view it as critically important to their business. The 5.7 average for student loan technology was the lowest importance rating received across our 27 categories polled. This is likely driven by the fact that advisors traditionally have worked with more 'affluent' clientele whose balance sheet has more in assets and little or no debts outside of their mortgage loan, and often are retired or at least near-retirees long past the college/student loan phase of life. Even amongst advisors who do provide some consulting to younger clientele on student loans (i.e., they have clients that hold such loans), it is rare for advisors to charge specifically for student loan analyses... and when there is no direct path to revenue for advisors, the category is deemed 'less important'.

Ratings for value were about average, with satisfaction ratings below average, though notably this was driven by well-above-average-rated third-party solutions being 'dragged down' by advisors that were dissatisfied with their financial planning software's student loan planning capabilities. Which suggests that amongst the small minority of advisors who do engage in student loan planning—and ostensibly those who actually charge for it—there is a niche opportunity for third-party software to support their analyses.

With overall category satisfaction ratings relatively low, and views on importance even lower, student loan analysis technology resides clearly in the realm of experimental categories—a function of not just the software itself, per se, but the limited manner in which advisors have incorporated student loan analyses into their business models (and the tendency for advisors to work with those who have already accumulated at least some wealth, which tends to put them past the student loan phase). As a result, successful vendors will need a two-pronged business strategy that emphasizes both better product quality, and greater awareness of the benefits of the product (and business model opportunities to provide advice using the product).

Provider Market Share And Ratings

Student loan analysis is 1 of just 5 categories where third-party specialists are not dominating market share. Most of these other categories, like student loan analysis, tend to be specialized financial planning functions that are more frequently managed by general purpose financial planning software.

Over half of advisors that do use technology for student loan analysis are using their financial planning software to do so, accounting for 6.1% of the overall market (Figure 3.42). Third-party specialists, the second-leading provider type, have just a 3.5% share; however, the most common provider in this category is simply "Microsoft Excel", where advisors are doing their own analyses 'by hand'.

Figure 3.42. Student Loan Analysis, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	3.5%	-	8.2	8.4
Excel	0.8%	-	-	8.2
College Aid Pro	<0.5%	8.5	-	-
MoneyGuide Blocks	<0.5%	-	-	-
VIN Foundation	<0.5%	-	-	-
CSLA Tech	<0.5%	6.0	-	-
PayForED	<0.5%	-	-	-
PayItOff	<0.5%	-	-	-
Other Third-Party	<0.5%	-	-	-
Financial Planning Software	6.1%	-	7.1	7.7
Self-Built	0.8%	5.0	-	8.5
Platform	0.6%	-	-	-
Other Tools	<0.5%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary provider for respondents. "-" denotes not available or not applicable.

Still, though, as with other specialized software categories, third-party providers are receiving much higher ratings on value and satisfaction (scoring 8.4 and 8.2, respectively) than the support for this function provided through financial planning software (at only 7.7 and 7.1).

In the context of a category that has low adoption overall, and where advisors are nearly twice as likely to use general purpose financial planning software over third-party specialists, this implies a very narrow niche segment of advisors who are going deep on student loan planning and value more specialized tools. At least thus far, though, most advisors are showing a willingness to 'settle' for what their financial planning software provides in what is still a 'non-core' area of financial planning for most.

Third-Party Market Share By Channel

By channel, IBD/Insurance advisors have a higher rate of technology adoption for student loan analysis (13.6%) than RIA advisors (10.3%). Both channels are most likely to access student loan support through their financial planning software, though to the extent other solutions are used, IBD/Insurance advisors are much likelier to use platform-provided tools, while RIA advisors are considerably more likely to use self-built tools and third-party specialist solutions. *(Note: Given the low market share for specific third-party specialists, sample sizes were insufficient for distinguishing any of these vendors by channel market share.)*

Third-Party Market Share By Practice Size

A proportionately greater share of advisors uses student loan analysis applications as their practices increase in size, with adoption rising from 9.8% to 12.5% as a practice grows from solo advisor to 10 or more advisors. This is somewhat surprising, in that larger advisory firms tend to skew towards higher net worth clientele with greater investable assets (who are less likely to have student loan needs); one possibility, though, is that larger firms working with such affluent clientele that they are more likely to take on children of their clients as 'accommodation clients', and then facilitate the student loan analyses they often need as a young adult.

This helps to explain why most of the growth in adoption among larger practices is due to greater use of self-built solutions, where advisory firms have the depth of resources to create their own internal tools and templates to handle relatively uncommon scenarios (rather than investing into third-party software). In turn, the tendency to use third-party specialist solutions remains fairly constant, regardless of practice size. *(Note: Here again, sample sizes are insufficient for further distinguishing the market share of specific third-party specialists by practice size.)*

Trends In Adoption And Market Share

Despite the lackluster ratings, use of technology for student loans is expected to pick up slightly, with adoption increasing from 11.2% currently to 13.1% over the next 12 months, driven by an incremental rise in the numbers of advisors looking to adopt technology in this category for the first time. With anticipated momentum outweighing churn, and higher ratings amongst third-party providers, there is an opportunity for specialist tools to pick up much of the new market share for advisors who do want to delve deeper. Vendors will need to emphasize in their marketing how their capabilities go beyond existing financial planning software (Figure 3.43).

Figure 3.43. Student Loan Analysis, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	3.8%	13.8%	-7.3%	3.5%	4.0%	32.8%	4.7%
Excel	0.8%	<1.0%	3.9%	0.8%	<1.0%	-2.3%	0.8%
College Aid Pro	0.5%	25.0%	-	<0.5%	-	-	<0.5%
MoneyGuide Blocks	0.5%	25.0%	-	<0.5%	-	-	<0.5%
VIN Foundation	<0.5%	-	-	<0.5%	-	-	<0.5%
CSLA Tech	<0.5%	-	-	<0.5%	-	-	<0.5%
PayForED	<0.5%	-	-	<0.5%	-	-	<0.5%
PayItOff	<0.5%	-	-	<0.5%	-	-	<0.5%
Financial Planning Software	5.5%	<1.0%	10.1%	6.1%	<1.0%	-2.3%	5.9%
Self-Built	0.8%	<1.0%	7.6%	0.8%	<1.0%	13.9%	1.0%
Platform	0.7%	20.0%	-13.9%	0.6%	<1.0%	-2.3%	0.6%
Other Tools	<0.5%	-	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	2.1%
Don't Use Technology	89.0%	-	-0.1%	88.8%	-	-2.2%	86.9%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - None | **Neutral** - Financial planning software | **Optimistic** - Third-party specialist tools

^
BACK TO TOP

Performance Reporting

Performance reporting technology tools calculate investment returns on client holdings and generate reports summarizing investment performance. Reporting often covers specific holdings and specific accounts, as well as more consolidated multi-account "household" reporting. The technology also typically supports custom branding and formatting for tailoring the distribution of client performance reports.

Figure 3.44. Performance Reporting Technology, Overall Summary

	2023
Adoption Rate	87.7%
Average Ratings	
Importance	8.7
Value	7.9
Satisfaction	7.6

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Advisors' use of performance reporting software is widespread, which isn't entirely surprising given the relative dominance of the Assets Under Management (AUM) model, with a current adoption rate of 87.7% (ranking 3rd out of 27 functions surveyed, behind only CRM applications and financial planning software). Slight growth in adoption is projected over the next 12 months, given a relatively limited number of advisors remaining who haven't already adopted some solution.

General Impressions

Advisor views on importance further support the critical role performance reporting plays, where related technology receives an average importance rating of 8.7, 6th highest of all categories surveyed. Impressions, however, are less favorable regarding satisfaction (7.6, about average), and value (7.9, which ranks 19th out of 27 technology categories). Which suggests that while advisors aren't likely to abandon the category anytime soon, there are opportunities for competitors with lower cost and newer more modern capabilities to disrupt the category incumbents… a trend that appears to be starting to play out with relative newcomers like Panoramix and especially Advyzon.

Provider Market Share And Ratings

Third-party specialists dominate as the main providers of performance reporting software, serving 67.3% of all advisors collectively. Virtually all remaining advisors who adopt a technology solution (the next 17.5% of advisors) simply rely on their platform (e.g., RIA custodian or broker-dealer) to provide typically more basic performance reporting at no cost.

Notably, though, third-party specialist tools on average do not rate any higher than platform tools, and score lower on value, suggesting that while the majority of advisors *are* willing to pay for more robust performance reporting than what their platforms provide, they are not very happy with what they're receiving relative to their expectations.

Figure 3.45. Performance Reporting, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	67.3%	-	7.7	7.8
Orion	19.9%	7.8	7.7	7.5
Envestnet Tamarac	11.3%	8.0	8.2	8.1
Black Diamond	8.9%	7.5	7.8	7.6
Advyzon	5.9%	8.3	8.8	8.8
Albridge	3.8%	7.1	6.9	7.5
Blueleaf	3.3%	7.0	7.8	8.4
Capitect	3.3%	-	6.5	7.4
Morningstar Office	3.3%	6.8	6.8	7.3
Portfolio Center	1.2%	7.1	6.2	8.3
AssetBook	1.1%	8.1	7.4	7.9
Schwab Advisor Portfolio Connect	1.1%	8.4	6.6	7.6
Addepar	0.8%	9.8	7.0	7.2
Panoramix	0.8%	-	8.5	9.0
BridgeFT	0.7%	5.3	-	7.4
Other Third-Party	1.9%	-	-	-
Platform	17.5%	7.2	7.8	8.2
Firm Proprietary	1.5%	7.5	6.6	8.1
Self-Built	1.2%	-	6.9	8.0
Other Tools	<0.5%	-	-	-

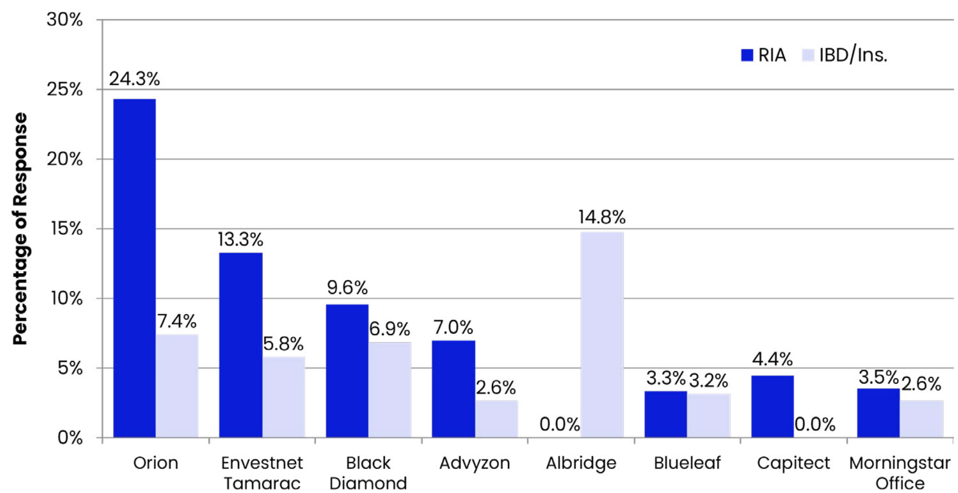
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

That said, several specific third-party providers are competitive in both value and satisfaction ratings. Amongst the larger and more established players, Envestnet's Tamarac leads in both satisfaction and value over Black Diamond and category-adoption-leading Orion, while Blueleaf and Panoramix show above-average ratings and relatively high value as newer lower-priced competitors to the incumbents. The rapid up-and-comer of the category is Advyzon, which shows category-leading (and overall very high) satisfaction and value ratings, and the strongest positive momentum.

Third-Party Market Share By Channel

Performance reporting software has nearly equally high adoption by both RIAs (88.5%) and IBD/Insurance advisors (85.4%). Differences appear, however, when breaking adoption down by provider as well as channel. 3/4 of RIA advisors go to third-party specialists, but just 11.2% use their RIA-custodian- or TAMP-provided tool. IBD/Insurance advisors have a more balanced use of third-party specialists (44.8%) and their own broker-dealer- or TAMP-provided platform tools (35.3%).

Figure 3.46. Performance Reporting, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Given the RIA preference for third-party reporting providers, it's not surprising that most of these vendors serve a large share of RIA advisors (Figure 3.46). One key exception is Albridge, however, who exclusively serves IBD/Insurance advisors based on our survey responses. Blueleaf proportionately serves RIA and IBD/Insurance advisors nearly equally.

Third-Party Market Share By Practice Size

Adoption of performance reporting software increases with practice size—while 94.9% of practices with 10 or more advisors use the technology, just 79.9% of solos do. The trend is similar for using third-party specialists for performance reporting. Which makes sense, as increasingly large firms tend to serve more affluent clientele, who are also more likely to engage with the AUM model, where advisors are then under pressure to show and explain their portfolio results.

Market-leading Orion is especially popular with any practice beyond 2 or more advisors, though Envestnet's Tamarac also has a strong presence with larger practices. In contrast, Morningstar Office, Black Diamond, and Albridge have moderate adoption (relative to their overall market share) across firms of all sizes, Capitect and Blueleaf are almost exclusively in solo practices, and Advyzon also skews heavily towards smaller practices.

Overall, this suggests that smaller practices have a greater variety of acceptable options for performance reporting, but that as practices grow and need more enterprise-level capabilities, fewer third-party specialists can support them.

Figure 3.47. Performance Reporting, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Orion	9.4%	28.7%	27.8%	40.1%
Envestnet Tamarac	3.9%	7.0%	22.4%	34.0%
Black Diamond	7.7%	9.3%	11.5%	7.7%
Advyzon	8.0%	9.3%	1.2%	0.0%
Albridge	3.3%	6.2%	4.2%	1.5%
Blueleaf	6.1%	0.8%	0.0%	1.5%
Capitect	6.3%	0.8%	0.0%	0.0%
Morningstar Office	4.1%	2.3%	3.0%	1.5%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

The share of advisors not using performance reporting software continues to gradually decline, and is expected to drop slightly from 12.3% currently to 11.9% 12 months from now (Figure 3.48). With limited market growth and limited churn across all provider types, no significant shifts are expected across providers, and growth amongst third-party specialists will likely only come at the expense of competitors with lower satisfaction and value ratings.

In general, this suggests that market share is most at risk for the larger incumbents—particularly Orion and Black Diamond, which have lower satisfaction ratings than many of their peers. However, the bigger standouts in satisfaction and value—Panoramix, Blueleaf, and Advyzon—have largely grown amongst smaller firms, and it remains

Figure 3.48. Performance Reporting, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	67.1%	4.4%	0.4%	67.3%	2.2%	2.2%	67.0%
Orion	19.3%	1.4%	3.5%	19.9%	<1.0%	<1.0%	19.8%
Envestnet Tamarac	11.2%	1.2%	1.6%	11.3%	<1.0%	<1.0%	11.3%
Black Diamond	9.3%	8.6%	-4.5%	8.9%	1.5%	1.5%	8.6%
Advyzon	5.4%	2.4%	7.8%	5.9%	<1.0%	<1.0%	6.6%
Albridge	3.6%	<1.0%	6.6%	3.8%	3.6%	3.6%	3.6%
Blueleaf	3.6%	11.1%	-8.6%	3.3%	<1.0%	<1.0%	3.2%
Capitect	3.6%	11.1%	-8.6%	3.3%	12.5%	12.5%	2.8%
Morningstar Office	3.3%	4.0%	-1.3%	3.3%	4.2%	4.2%	3.1%
Portfolio Center	1.2%	11.1%	2.8%	1.2%	22.2%	22.2%	0.9%
AssetBook	1.1%	<1.0%	2.8%	1.1%	12.5%	12.5%	0.9%
Schwab Advisor Portfolio Connect	1.1%	<1.0%	2.8%	1.1%	<1.0%	<1.0%	1.2%
Addepar	0.7%	<1.0%	23.4%	0.8%	<1.0%	<1.0%	0.9%
Panoramix	0.9%	14.3%	-11.9%	0.8%	<1.0%	<1.0%	0.8%
BridgeFT	0.8%	16.7%	-14.3%	0.7%	<1.0%	<1.0%	0.7%
Platform	17.4%	3.8%	0.5%	17.5%	0.8%	0.8%	17.7%
Firm Proprietary	1.5%	<1.0%	2.8%	1.5%	<1.0%	<1.0%	1.5%
Self-Built	1.2%	<1.0%	2.8%	1.2%	<1.0%	<1.0%	1.2%
Other Tools	<0.5%	-	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	1.2%
Don't Use Technology	12.7%	-	-3.2%	12.3%	-	-	11.9%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

to be seen whether they can build out the capabilities necessary to compete amongst the larger-firm clientele where the incumbents dominate. Though thus far, Advyzon does show the strongest positive momentum amongst those with material existing market share.

To the extent that the relative newcomers may struggle to move up-market and serve the needs of larger firm enterprises, a form of 2-tier marketplace appears to be emerging—where smaller firms are choosing newer vendors that tend to have more modern capabilities and sell at lower prices, while larger firms remain with the more established incumbents that appear to have built a healthy moat for themselves with their larger-firm enterprise capabilities. Though given relatively slow organic growth rates amongst independent advisory firms overall, this likely bodes poorly for incumbents that will have limited opportunities amongst the select number of firms that 'grow large' and need enterprise capabilities for the first time, while concurrently facing more risk of losing market share amongst smaller advisory firms that tend to be more price-sensitive and preferential toward alternative vendors at a more size-appealing price point.

On the other hand, it's notable that there are still a segment of advisors rotating off legacy provider Portfolio Center (which shows the strongest negative momentum). And that the emerging newcomer of our last AdvisorTech study—Schwab's new PortfolioConnect—slipped substantially in its satisfaction ratings, and no longer appears to be the competitive threat it was previously. Though it remains to be seen if Altruist, with its own custodial-platform performance reporting tools, may be able to capture market share in the coming years as its own platform offering expands.

Providers To Watch

Pessimistic - Albridge, Portfolio Center, Morningstar Office | **Neutral** - Orion, Envestnet Tamarac, Black Diamond
Optimistic - Advyzon, Blueleaf, Panoramix

^
BACK TO TOP

Portfolio Management, Trading And Rebalancing

Portfolio management, trading, and rebalancing (or more simply "portfolio management") technology includes any software application or technology system that assists advisors to perform the actual trading functions of managing client investment portfolios, and typically includes related functions of portfolio accounting, performance reporting, and AUM billing.

Figure 3.49. Portfolio Management Technology, Overall Summary

	2023
Adoption Rate	81.7%
Average Ratings	
Importance	9.0
Value	8.2
Satisfaction	7.8

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Advisor use of portfolio management technology is quite high. The current technology adoption rate is 81.7% (Figure 3.49) and ranks 4th highest of the 27 functions tested, just behind performance reporting, another investment-related function. The high adoption isn't surprising, given the ongoing dominance of the assets under management (AUM) model.

Despite its already widespread use, though, more advisors continue to adopt portfolio management technology. This is expected, as the AUM model is naturally accretive; advisors typically enjoy client retention rates of 95% or more and tend to add more clients than the 5% or so who attrition annually. This means that firms naturally progress over time to greater client volumes that inevitably necessitate technology to help facilitate portfolio management at increasing size and scale. Consequently, adoption, at 81.0% 12 months ago, is projected to increase to 83.3% within the next 12 months.

General Impressions

Consistent with high adoption, portfolio management applications are generally viewed to be key for an advisor's business success, with a very high (9.0) importance rating. Only 3 other categories received a higher average importance rating. One of them was performance reporting, which in practice is a function that is often bundled with the advisor's portfolio management software. In addition, nearly one in five advisors (18.1%) cites their portfolio management technology as the primary hub of their tech stack, a share that ranks third behind only core financial planning applications and CRM systems.

Advisors' impressions regarding the value of (8.2) and satisfaction with (7.8) their portfolio management technology are well above the averages across all functional categories. The category satisfaction rating is relatively low, though, given where portfolio management technology ranks on both adoption and importance, which suggests that providers in this space are disruption prone. That is, there appears to be room for a newcomer to develop a superior alternative solution (by features or by price). Notably, however, portfolio management is a category with notoriously high switching costs (due to the cost of migrations and retooling systems and retraining staff), and so any disruptive newcomers would need a strong migration solution to compete effectively for existing market share.

At the same time, though, RIA custodians providing robust portfolio management tools for free may already be pressuring third-party providers. These include newcomer Altruist, and more substantively iRebal which will soon become available to Schwab advisors through the TD Ameritrade merger. As a result, third-party specialists may be increasingly relegated to working with larger firms that are most likely to be multi-custodial and have the scale to invest in third-party tools 'just' to facilitate trading across multiple custodians.

Provider Market Share And Ratings

Collectively third-party specialists have just over a 50% share of the market for portfolio management applications, while the bulk of the remaining market share is covered not surprisingly by platform providers (e.g., broker-dealers and RIA custodians, through which such trades would be placed anyway), who have a 20.5% share (Figure 3.50). There is no other functional category where platforms have a greater market share. Platforms, however, fail to match third-party specialists in terms of advisor satisfaction and value impression. This is likely a result of the diversity of higher-quality choices among third-party specialists, combined with an intensity of competition that keeps costs low.

Few technology categories have more diversity of providers than portfolio management. 10 different third-party vendors hold market shares of 1% or more. 3 of these—Envestnet Tamarac, iRebal, and Orion Eclipse—serve a third of the market, with Envestnet's 12.0% share leading. Threatening closely behind at 11.5% is iRebal, with better value and satisfaction ratings (owing to its 'free' inclusion for TD Ameritrade and soon, Schwab advisors as well).

Figure 3.50. Portfolio Management, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	53.3%	-	8.0	8.2
Envestnet Tamarac	12.0%	8.1	7.9	8.0
iRebal	11.5%	8.6	9.1	9.5
Orion Eclipse	10.0%	7.6	7.6	7.8
Black Diamond	5.9%	7.8	8.0	8.0
Orion TOM	2.3%	7.6	8.3	8.2
Morningstar Office	2.2%	6.6	6.0	6.6
Altruist	1.5%	-	9.8	10.0
Betterment	1.2%	-	-	-
intelliflo redblack	1.1%	-	7.2	7.2
Riskalyze Trading	1.0%	-	5.9	6.7
Capitect	0.8%	-	8.8	9.5
Blueleaf	0.7%	-	-	9.6
AdvisorPeak	<0.5%	7.0	-	-
BlazePortfolio	<0.5%	-	-	-
Captools	<0.5%	-	-	-
Other Third-Party	2.0%	-	-	-
Platform	20.5%	6.8	7.4	8.0
Firm Proprietary	2.4%	7.7	7.0	8.3
Self-Built	2.3%	6.0	6.5	9.2
Other Tools	3.1%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

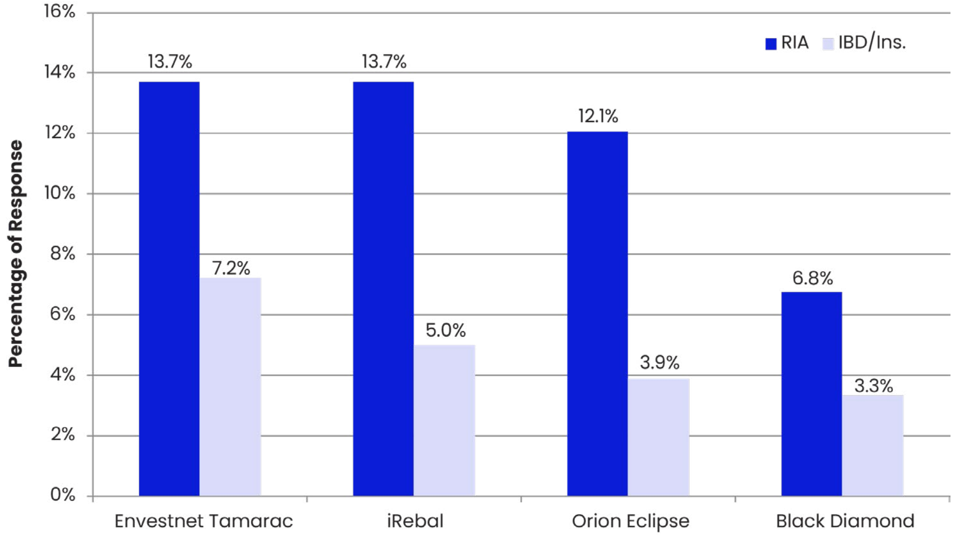
Notably, though, Altruist shows the best rated third-party product in terms of both very-high satisfaction and value (with its popular $1/account/month pricing, supported financially by advisors who ultimately decide to custody with Altruist as well). Considering the strong market share for iRebal as well—that will likely get stronger with the TD Ameritrade/Schwab merger expanding its accessibility—this suggests that platforms or platform-provided independent tools (like iRebal and Altruist) are well positioned to continue to take market share from traditional third-party providers.

Third-Party Market Share By Channel

RIA advisors, relative to those in the IBD/Insurance, are most apt to use portfolio management technology. Adoption for RIA advisors is 83.6%, compared to 75.9% for IBD/Insurance advisors, who appear to be somewhat more likely to simply use their platform's own in-house TAMP or other centralized investment platform.

The channel gap is more noteworthy in terms of third-party specialist use, where 62.4% of RIA advisors access portfolio management technology, more than twice the 27.2% share of IBD/Insurance advisors who use this source. IBD/Insurance advisors are much more likely to use platform-provided technology, with 40.8% relying on their broker-dealer's own platform. Consequently, third-party specialists typically have twice the market share with RIAs relative to IBD/Insurance advisors (Figure 3.51). The ranking of these vendors by market share, however, remains the same regardless of channel.

Figure 3.51. Portfolio Management, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Once a practice accumulates enough clients that it moves beyond the solo advisor stage, use of portfolio management technology grows more prevalent. Just 73.1% of solo advisors use the technology, compared to 90.6% for all larger practices.

There is also a steady increase in the use of third-party specialists for portfolio management as a practice increases in size, signaling that platforms may solve for individual advisors who need to trade but lack the tools to help their advisors execute across their practices at scale. Thus, solos compared to practices with 10 or more advisors are 3 times as likely to utilize platform-provided solutions but only a little more than half as likely to use third-party specialists.

With that background, it is understandable that market leading Envestnet captures significantly more market share as practices grow in size (Figure 3.52). This is also true for third-ranking Orion Eclipse. iRebal, however, bucks this trend. Its market share hovers around 12% for practices of 3 or less advisors, before dropping sharply to 7.8% among practices with 10 or more advisors. This is likely since iRebal is exclusively available to advisors who custody at TD Ameritrade. Larger firms are increasingly likely to be multi-custodial, such that they are willing to incur an additional cost for more specialized portfolio management software to trade across multiple platforms at once.

Figure 3.52. Portfolio Management, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Envestnet Tamarac	4.7%	7.4%	22.4%	35.8%
iRebal	11.9%	13.3%	10.3%	7.8%
Orion Eclipse	3.6%	16.3%	14.5%	20.3%
Black Diamond	5.6%	3.7%	8.5%	6.2%
Orion TOM	1.1%	3.0%	4.2%	3.1%
Morningstar Office	1.9%	3.0%	2.4%	1.6%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

Portfolio management is among the steadiest functional categories in terms of limited change in adoption, low churn rates, and consistent market shares of its various providers. In lieu of a provider introducing a better 'mouse trap', no dramatic new developments are expected, beyond the ongoing pressure of RIA custodians attempting to win

Figure 3.53. Portfolio Management, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	52.6%	3.8%	1.3%	53.3%	2.3%	2.8%	54.8%
Envestnet Tamarac	11.6%	<1.0%	3.8%	12.0%	<1.0%	-0.1%	12.0%
iRebal	10.9%	<1.0%	5.1%	11.5%	2.4%	3.5%	11.9%
Orion Eclipse	9.7%	2.7%	2.6%	10.0%	1.4%	1.5%	10.1%
Black Diamond	5.9%	6.8%	0.3%	5.9%	4.7%	-5.8%	5.5%
Orion TOM	2.4%	5.6%	-3.1%	2.3%	<1.0%	-1.2%	2.3%
Morningstar Office	2.3%	5.9%	-3.4%	2.2%	6.3%	-1.2%	2.2%
Altruist	1.6%	8.3%	-5.9%	1.5%	<1.0%	-1.2%	1.5%
Betterment	1.1%	<1.0%	15.5%	1.2%	<1.0%	-12.2%	1.1%
intelliflo redblack	0.9%	<1.0%	17.3%	1.1%	<1.0%	-1.2%	1.1%
Riskalyze Trading	1.1%	12.5%	-10.2%	1.0%	<1.0%	12.9%	1.1%
Capitect	0.9%	14.3%	-12.1%	0.8%	16.7%	-17.6%	0.7%
Blueleaf	0.7%	<1.0%	2.6%	0.7%	<1.0%	-1.2%	0.7%
AdvisorPeak	<0.5%	-	-	<0.5%	-	-	<0.5%
BlazePortfolio	<0.5%	-	-	<0.5%	-	-	<0.5%
Captools	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	20.6%	4.5%	-0.2%	20.5%	3.3%	-2.1%	20.1%
Firm Proprietary	2.5%	5.3%	-2.3%	2.4%	<1.0%	-1.4%	2.4%
Self-Built	2.4%	5.6%	-2.6%	2.3%	<1.0%	-1.4%	2.3%
Other Tools	3.0%	-	-	3.1%	-	-	3.2%
Unsure	-	-	-	-	-	-	0.5%
Don't Use Technology	19.0%	-	-3.4%	18.3%	-	-9.0%	16.7%

Notes: Results include only the primary provider for respondents. See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

away advisors from third-party tools with their 'free' on-platform options (e.g., Altruist, iRebal for TD Ameritrade and Schwab advisors).

Further challenging the ability of new market entrants to gain traction, relatively few advisors appear open to considering a new technology solution. Only an average share of advisors expects to change their technology approach to portfolio management (4.6%), and just 0.5% of all advisors are undecided about the new solution they will adopt.

That said, adoption will continue to inch up and provide continued opportunities for current providers, as advisors inevitably accrete more clients and reach the point that they need to implement technology for the first time. As such, the number of advisors who do not have a technology solution for portfolio management is expected to decline from the current 18.3% to 16.7% within the next 12 months (Figure 3.53), producing the bulk of new growth opportunities for the category.

Amongst the incumbents, Morningstar and Black Diamond look to be the most vulnerable among the leading third-party vendors, with Morningstar Office in particular showing below-average satisfaction ratings.

Providers To Watch

Pessimistic - Morningstar Office | **Neutral** - Black Diamond, Envestnet Tamarac, Orion Eclipse, and platforms | **Optimistic** - iRebal, Altruist

^
BACK TO TOP

Account Aggregation

Account aggregation software collects client financial data from various sources (e.g., banks, credit cards, broker-dealers and custodians), in order to consolidate account information into a single place so that advisors and their clients can have a more holistic view of clients' finances. This consolidated perspective supports a wide range of use cases, including providing household-level financial reporting, tracking (and reporting on, and billing on) held-away accounts as "assets under advisement", automating updates to financial planning software projections, and providing advice on clients' household spending.

Figure 3.54. Account Aggregation Technology, Overall Summary

	2023
Adoption Rate	74.7%
Respondents With 2 or More Providers	13.1%
Average Ratings	
Importance	7.7
Value	7.2
Satisfaction	6.9

Notes: See Appendix-Glossary for definitions of terms. Ratings include the primary and (if applicable) secondary provider for respondents.

Adoption

Advisor use of account aggregation software is high, with overall technology adoption ranking 7th out of 27 functions surveyed. The current technology adoption rate is 74.7% (Figure 3.54), which includes a significant share of advisors (13.1%) that maintain multiple account aggregation solutions. Like many high-adoption categories, growth of technology use is on a slow but steady pace. The 76.4% anticipated rate of usage 12 months from now represents a slight increase over the 73.7% rate reported 12 months ago.

General Impressions

Considering high adoption, account aggregation software would seem to be useful for advisor work. Yet, related to slowing adoption, account aggregation ranks only 18th out of 27 functions surveyed in terms of importance to financial advisors. What is more, account aggregation software ranks near the bottom for value and satisfaction, 26th and 25th respectively.

In contrast with categories where high satisfaction drives higher importance over time, account aggregation appears to be a negative version of the satisfaction-importance pathway. Relatively low satisfaction is leading to advisors reducing their reliance on account aggregations software and the importance they place on it.

Overall, advisors *are* using account aggregation—it *is* useful in their work. However, the solutions available in the marketplace today are often plagued with inadequately categorized (or outright miscategorized) data and a high rate of account aggregation links that break, requiring non-trivial work from advisors nudging their clients to fix them. As a result, account aggregation appears to be a category ready for disruption from a new (or existing) provider that can deliver a substantially better (higher-satisfaction) solution. In this case, overall adoption is not only lifted (as importance rises with higher satisfaction), but providers capable of offering a better quality account aggregation solution could win substantial market share from advisors dissatisfied with their existing account aggregation solution.

Provider Market Share And Ratings

Collectively, third-party specialists have a 43.3% share of the market (or 34.3% when considering the advisor's primary provider only) (Figure 3.55) Despite being the leading provider type, though, specialist providers on average received the lowest advisor ratings in terms of both value and satisfaction, which is unique amongst the specialist-vs-generalist trend of most advisor technology categories.

The combined market share of advisors using their financial planning software as an account aggregation solution, at 26.3%, is nearly as much market share as the 3 leading third-party specialists combined (with ByAllAccounts, Yodlee, and Albridge totaling 27.1% of advisors). In turn, the average value rating for financial planning software as an account aggregator was 7.7 compared to 7.0 for specialists; the average satisfaction rating was 7.4 compared to 6.5 for specialists. In practice, this suggests that advisors are finding account aggregation powering financial planning projections and financial planning portals to be more effective (in what the product delivers) than those using it for other purposes via various third-party providers.

Within the third-party specialists, ByAllAccounts has the largest market share of the third-party software companies at 16.9% when including secondary providers (Figure 3.55), though it also has the lowest average satisfaction (5.7) and value (6.3) ratings, suggesting a high potential for competitors to win business away with a better product. Envestnet Yodlee, 2nd ranking with 6.1% of market share, has higher ratings, but is still below the category average for satisfaction. Blueleaf, 4th in market share among specialist providers, is the only third-party vendor that exceeds the aggregation capabilities of financial planning software in terms of both satisfaction and value.

Platform-provided aggregation tools deserve mention—they account for 9.4% of the market when including secondary providers and score higher in value and satisfaction than most third-party specialists.

Figure 3.55. Account Aggregation, Provider Market Share And Ratings

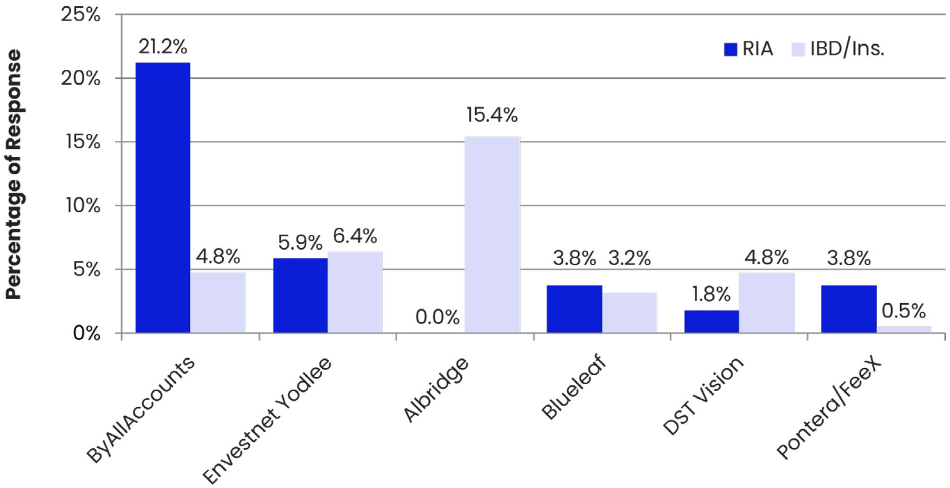
	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	34.3%	43.3%	-	6.5	7.0
ByAllAccounts	14.6%	16.9%	6.0	5.7	6.3
Envestnet Yodlee	4.8%	6.1%	6.1	6.6	7.4
Albridge	3.9%	4.1%	6.9	7.1	8.0
Blueleaf	3.5%	3.6%	8.1	7.7	8.0
DST Vision	1.7%	2.6%	-	6.1	6.9
Pontera/FeeX	1.7%	3.0%	-	7.0	6.2
Plaid Quovo	1.7%	1.8%	4.5	5.9	6.6
Broadridge Investigo	<0.5%	<0.5%	6.8	-	-
CircleBack	<0.5%	<0.5%	-	-	-
Other Third-Party	1.8%	1.2%	-	-	-
Financial Planning Software	24.4%	26.3%	7.3	7.4	7.7
Platform	7.9%	9.4%	6.1	7.1	7.5
Portfolio Management	2.8%	2.8%	-	-	-
Client Portal	1.6%	1.9%	7.1	6.9	7.7
CRM Application	1.2%	1.2%	-	-	-
Firm Proprietary	0.8%	0.9%	6.2	-	7.2
Self-Built	0.7%	0.7%	-	-	-
Other Tools	0.9%	1.3%	7.0	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

At 79.4% adoption, IBD/Insurance advisors more commonly use account aggregation applications, compared to RIAs at 73.2%. As with many other categories, greater use of platform-provided tools by BD/insurance advisors accounts for much of this difference. Both channels are roughly similar in terms of the share of advisors using aggregation technology through their general purpose planning software or purchasing it separately from a third-party specialist.

Figure 3.56. Account Aggregation, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Among third-party providers, Albridge is by far the most popular option for IBD/Insurance advisors, yet given its historical approach to distribution, the vendor has no presence with RIAs. IBD/Insurance advisors also have a much greater preference for DST Vision and, to a lesser extent, Envestnet Yodlee. Proportionately, 4 times more RIA advisors use ByAllAccounts compared to IBD/Insurance advisors. Blueleaf is also slightly more often used by RIAs.

Third-Party Market Share By Practice Size

By practice size, account aggregation technology tends to grow more common with size– 76.4% of practices with 10+ advisors are users, compared to 68.1% of solos. Further, these larger practices are nearly twice as likely to go through a third-party specialist for this technology. This suggests that larger firms are increasingly using account aggregation for more than 'just' financial planning updates (e.g., for more holistic financial reporting across held-away accounts, or to facilitate assets-under-advisement billing).

This trend is particularly evident for the larger third-party providers, ByAllAccounts and Envestnet Yodlee. The market shares of each increase exponentially with practice size (Figure 3.57). Third-party providers with less overall market share, including Blueleaf, Albridge, DST Vision, Pontera/FeeX and Plaid Quovo, are more commonly used by smaller practices.

Figure 3.57. Account Aggregation, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
ByAllAccounts	8.8%	19.4%	23.7%	23.7%
Envestnet Yodlee	3.7%	5.4%	7.3%	7.3%
Albridge	4.3%	3.9%	5.1%	5.1%
Blueleaf	6.9%	0.8%	0.0%	0.0%
DST Vision	2.2%	3.1%	3.0%	3.0%
Pontera/FeeX	2.5%	3.8%	2.3%	2.3%
Plaid Quovo	1.1%	2.3%	3.7%	3.7%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Figure 3.58. Account Aggregation, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	34.0%	34.0%	1.0%	34.3%	1.6%	3.5%	35.5%
ByAllAccounts	14.2%	14.2%	2.8%	14.6%	1.9%	0.5%	14.7%
Envestnet Yodlee	4.7%	4.7%	2.7%	4.8%	<1.0%	-1.4%	4.7%
Albridge	3.8%	3.8%	2.6%	3.9%	<1.0%	-1.4%	3.9%
Blueleaf	3.4%	3.4%	2.5%	3.5%	4.0%	-5.3%	3.3%
DST Vision	1.6%	1.6%	3.5%	1.7%	<1.0%	-1.4%	1.7%
Pontera/FeeX	1.4%	1.4%	24.2%	1.7%	<1.0%	15.1%	1.9%
Plaid Quovo	1.8%	1.8%	-4.5%	1.7%	<1.0%	6.8%	1.8%
Broadridge Investigo	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
CircleBack	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Financial Planning Software	23.7%	23.7%	3.2%	24.4%	<1.0%	0.3%	24.5%
Platform	8.3%	8.3%	-4.7%	7.9%	<1.0%	0.9%	7.9%
Portfolio Management	2.7%	2.7%	7.4%	2.8%	<1.0%	-0.8%	2.8%
Client Portal	1.6%	1.6%	0.4%	1.6%	<1.0%	7.4%	1.7%
CRM Application	1.0%	1.0%	18.3%	1.2%	<1.0%	-0.8%	1.2%
Firm Proprietary	1.0%	1.0%	-15.0%	0.8%	<1.0%	15.7%	0.9%
Self-Built	0.7%	0.7%	2.2%	0.7%	<1.0%	-0.8%	0.7%
Other Tools	1.0%	1.0%	-	0.9%	-	-	0.9%
Unsure	-	-	-	-	-	-	1.1%
Don't Use Technology	26.3%	26.3%	-4.0%	25.3%	-	-6.6%	23.6%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

Account aggregation technology, despite its general lack-luster value and satisfaction ratings, remains a steadfast function for financial planning practices, with relatively low projected churn—likely due to the practical challenge of getting clients to re-link their accounts again (or for the advisory firm to otherwise configure and map client accounts) with a new solution. In the meantime, adoption is expected to continue to inch up, with some likely growth potential for both third-party market share (projected to increase from 34.3% to 35.5% over the next 12 months), as well as opportunities for financial planning software and platforms (Figure 3.58).

Ultimately, though, the market is arguably ByAllAccounts' to lose—as the dominant provider but also the one with the lowest satisfaction ratings. While Pontera/FeeX is projected to have the largest positive momentum (15.1%) going into the next 12 months—a testament to its unique model of not merely implementing account aggregation 'for the sake of it', but specifically to help advisors bill on held-away retirement accounts as part of the emerging "assets under advisement" approach (which allows advisory firms to unlock substantial additional billable asset and therefore growth potential from their existing clients).

The shares of advisors accessing account aggregation through other means (financial planning software, platform, portfolio management, client portals, CRM, firm proprietary, self-built, and other) is projected to remain constant in the coming 12 months. Given its dominant market share for supporting account aggregation, however, financial planning software will likely win its share of those still yet unsure of what technology they'll be adopting.

Providers To Watch

Pessimistic - DST Vision, ByAllAccounts, Plaid Quovo | **Neutral** - Envestnet Yodlee, Albridge, Blueleaf, and platform solutions

Optimistic - Pontera/FeeX, and financial planning software

^ BACK TO TOP

Investment Research And Analytics

Technology supporting investment research and analytics includes any tool that helps advisors more capably research and analyze prospective or existing investment opportunities.

Figure 3.59. Investment Research Technology, Overall Summary

	2023
Adoption Rate	71.4%
Respondents With 2 or More Providers	28.8%
Average Ratings	
Importance	8.4
Value	8.0
Satisfaction	7.7

Notes: See Appendix-Glossary for definitions of terms. Ratings include the primary and (if applicable) secondary provider for respondents.

Adoption

In 2023, 71.4% of advisors used some form of investment research or analytics software. For 28.8% of advisors, multiple research-related applications were used, making this one of the most common categories for advisors to leverage multiple tools for the function. And given the relative dominance of the Assets Under Management (AUM) business model overall, it is not surprising that technology adoption for investment research ranks solidly above average relative to other advisor functions surveyed.

Use of research and analytics applications has changed little in the last 12 months but is expected to rise by nearly 2 percentage points in the 12 months ahead. While a growing inclination to outsource investment management may be dampening technology demand in this area for some advisors (which helps to explain why adoption of the AUM model for portfolio management is higher than adoption of technology to analyze said portfolios), a wide range of quality offerings (at a widening range of price points) could be encouraging greater use for others.

General Impressions

Those advisors using investment research technology give it an average 8.4 rating in terms of importance, notably higher than the 8.0 average rating across all functions. A high view of importance, combined with slightly above-average ratings for value and overall satisfaction, help to explain the widespread use of investment research applications across the industry.

Within the category, though, there is an above-average number of competing providers, with more than a dozen showing at least 1% market adoption as a primary or secondary provider. This appears to reflect both a wide range of investment styles (with different advisors choosing different platforms based on how it fits their particular investment analysis approach), and a remarkably wide range of price points (from Bloomberg Terminals that cost more than $20,000/year, to Portfolio Visualizer at barely more than $200/year for a Basic subscription).

Provider Market Share And Ratings

Considering only the advisor's primary provider, third-party specialists serve 60.7% of all advisors, a dominant portion of the 71.4% adopting investment research and analytics technology across all provider types (Figure 3.60). There are only a handful of other categories where third-party specialists have a more dominant market share. The market share of third-party specialists in the investment research space jumps to 84.7% when factoring in advisors' secondary providers.

Of the advisors who don't use third-party software, virtually all the remaining advisors use tools their broker-dealer or RIA custodian platforms make available. Though platforms rank a distant 2nd as providers of investment research applications (relative to third-party software), with nearly a 10% market share when including secondary providers. Despite a lesser tendency to make use of these platform tools, however, advisors are quite happy with them. Platform applications garner much higher ratings on value and are just ahead of third-party specialists in terms of overall satisfaction, where the platform average has jumped from 7.0 to 7.9 in jut the last 2 years.

Within the domain of third-party software, though, 3 vendors—Morningstar, YCharts, and Kwanti—accounted for about half the third-party specialist share. Morningstar on its own covers about 1/3 of the entire advisor market when including secondary providers. However, as the long-standing leader in the category, Morningstar appears to be slowly but steadily losing market share to an ever-wider range of competitors—particularly YCharts (which is competing on a more modern implementation of similar capabilities) and Kwanti (which competes at a lower price point for a narrower-but-still-relevant set of tools focused especially on analyzing model portfolios, an increasingly popular approach amongst advisors). Thus, both YCharts and Kwanti are exceeding Morningstar in both satisfaction and perceived value at their respective price points.

More broadly, though, the number of investment research competitors is growing, including ultra-low-priced alternatives (e.g., Portfolio Visualizer) as well as solutions that asset managers provide for free to the advisors that use them (e.g., DFA Returns, Vanguard Portfolio Analytics), receiving sky-high value ratings from advisors as a result.

Figure 3.60. Investment Research, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	60.7%	84.7%	-	7.8	8.0
Morningstar	23.8%	32.2%	7.5	7.4	7.7
YCharts	9.3%	11.5%	8.3	8.3	8.2
Kwanti	6.3%	6.8%	8.7	8.4	8.3
Nitrogen/Riskalyze	3.3%	6.0%	-	7.7	7.7
Bloomberg Terminal	3.2%	4.1%	8.3	8.8	8.1
Portfolio Visualizer	2.2%	3.3%	6.8	8.6	9.3
Fi360	1.3%	2.3%	7.4	7.3	7.4
FactSet	1.5%	1.8%	8.7	8.1	8.1
BlackRock Advisor Center	<0.5%	1.6%	-	7.3	7.8
DFA Returns	1.1%	1.5%	-	9.4	9.8
Orion Risk Intel. (Hidden Levers)	1.1%	1.4%	-	6.2	7.3
Koyfin	1.0%	1.4%	8.6	8.1	8.3
Vanguard Portfolio Analytics	0.7%	1.1%	-	8.8	9.5
Nasdaq	1.0%	1.0%	-	8.4	8.6
Zacks Advisor Tools	0.6%	1.0%	-	7.1	7.1
Refinitiv	0.7%	0.8%	-	6.8	7.2
Aladdin by Blackrock	<0.5%	0.7%	-	8.8	9.4
CFRA	<0.5%	<0.5%	-	-	-
CAIS	<0.5%	<0.5%	-	-	-
Chaikin Analytics	<0.5%	<0.5%	-	-	-
YourStake	<0.5%	<0.5%	-	-	-
Zephyr	<0.5%	<0.5%	-	-	-
Other Third-Party	2.0%	4.9%	-	-	-
Platform	7.5%	9.6%	7.0	7.9	8.5
Self-Built	1.0%	1.6%	6.5	5.6	9.5
Firm Proprietary	1.4%	1.4%	5.8	8.3	8.6
Financial Planning Software	<0.5%	<0.5%	-	-	-
Other Tools	0.7%	2.5%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

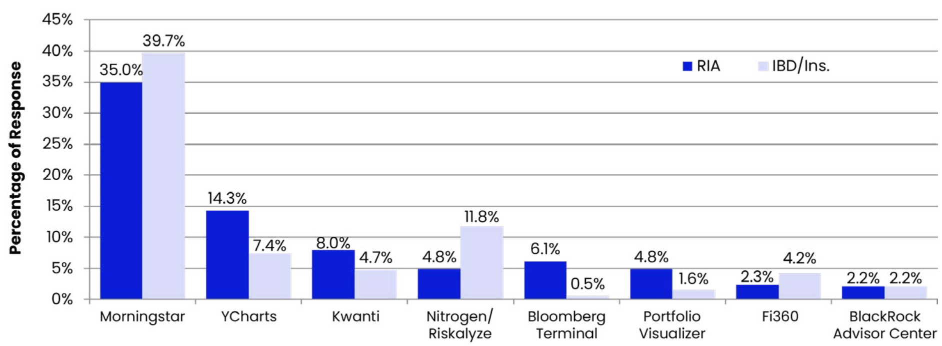
Which suggests there may be more opportunity for asset managers in particular to provide investment analytics tools that fit their investment approach—and support advisors who adhere to that investment approach—as a way to win more mind-share and appreciation from advisors.

At the same time, though, the sheer breadth of investment research solutions is a reminder that advisors have a wide range of investment styles and tend to pick particular investment analytics tools that fit the needed analyses for their particular approach.

Third-Party Market Share By Channel

By channel, RIA and IBD/Insurance advisors have a roughly equal propensity to utilize investment research and analytics software. IBD/Insurance advisors are about twice as likely to utilize a platform tool for this function, however, and are somewhat less likely to use a third-party specialist. Still, several third-party specialists are clearly favored by proportionately more IBD/Insurance advisors than RIA advisors. Among the market leaders, these include Morningstar, Nitrogen/Riskalyze, and Fi360. Others—YCharts, Kwanti, Bloomberg, and Portfolio Visualizer—are much more likely to be favored by RIA advisors (Figure 3.61).

Figure 3.61. Investment Research, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

As a practice grows, the likelihood of using research and analytics software becomes significantly greater. Just 64.8% of solo advisors use the technology, compared to 80.6% of practices with 10 or more advisors. As bigger practices have more scale to handle investments in-house, their bigger appetite for investment-related technology is not surprising.

As shown in Figure 3.62, YCharts usage clearly trends toward bigger practices. Bloomberg Terminals are used almost exclusively by the largest practices (which is not surprising given their price). Morningstar, however, looks to have the strongest presence among mid-size practices in the range of 2 to 9 advisors, while Kwanti's more affordable pricing for model-based advisors is a clear favorite with smaller practices.

Figure 3.62. Investment Research, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Morningstar	20.9%	25.7%	31.4%	18.9%
YCharts	6.7%	7.8%	14.5%	15.4%
Kwanti	9.5%	6.2%	1.8%	0.0%
Nitrogen/Riskalyze	3.6%	3.9%	3.6%	0.0%
Bloomberg Terminal	0.8%	0.0%	5.4%	18.9%
Portfolio Visualizer	3.1%	0.0%	1.8%	3.4%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Figure 3.63. Investment Research, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	60.8%	5.1%	-0.3%	60.7%	-	1.8%	61.8%
Morningstar	24.3%	5.0%	-1.9%	23.8%	-	-0.3%	23.8%
YCharts	9.5%	5.7%	-1.7%	9.3%	-	2.5%	9.6%
Kwanti	6.2%	4.3%	<1.0%	6.3%	-	-1.5%	6.2%
Nitrogen/Riskalyze	3.4%	12.0%	-1.4%	3.3%	-	-2.2%	3.3%
Bloomberg Terminal	3.1%	<1.0%	2.7%	3.2%	-	-1.8%	3.2%
Portfolio Visualizer	2.2%	<1.0%	2.7%	2.2%	-	10.8%	2.5%
FactSet	1.5%	<1.0%	2.7%	1.5%	-	-3.3%	1.5%
Fi360	1.2%	<1.0%	2.7%	1.3%	-	-1.5%	1.2%
DFA Returns	1.1%	<1.0%	2.7%	1.1%	-	-0.3%	1.1%
Orion Risk Intel.	1.0%	14.3%	2.7%	1.0%	-	13.9%	1.1%
Koyfin	1.0%	<1.0%	2.7%	1.0%	-	-5.1%	0.9%
Nasdaq	1.0%	<1.0%	17.3%	1.1%	-	-0.3%	1.1%
Refinitiv	0.7%	<1.0%	2.7%	0.7%	-	-2.5%	0.7%
Vanguard Portfolio Analytics	0.7%	<1.0%	2.7%	0.7%	-	-2.5%	0.7%
Zacks Advisor Tools	<0.5%	-	-	0.6%	-	-	0.6%
BlackRock Advisor Center	<0.5%	-	-	<0.5%	-	-	<0.5%
Aladdin by Blackrock	<0.5%	-	-	<0.5%	-	-	<0.5%
CFRA	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	7.5%	3.6%	1.1%	7.5%	-	3.2%	7.8%
Firm Proprietary	1.4%	<1.0%	2.9%	1.4%	-	-0.1%	1.4%
Self-Built	0.9%	<1.0%	2.9%	1.0%	-	-2.4%	1.0%
Financial Planning Software	<0.5%	-	-	<0.5%	-	-	<0.5%
Other Tools	0.8%	-	-	0.7%	-	-	0.7%
Unsure	-	-	-	-	-	-	1.6%
Don't Use Technology	28.5%	-	<1.0%	28.6%	-	-6.6%	26.7%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

As noted, investment research and analytics applications are not an especially fast-growing category of advisor technology, as the advisors who manage portfolios typically already have a solution (and those who outsource instead, don't). 12 months ago, 28.5% of advisors were not users; 12 months from now this share will dip only slightly to 26.7% (Figure 3.63). Further constraining opportunities for vendors is a limited share of advisors expecting to change their approach to research-related technology, and fewer still who are undecided about who their future vendor will be. Overall, investment research is an especially mature category, notwithstanding its merely 'moderate' level of adoption at 71.4%.

By type of provider, slight gains in market share are expected for both third-party specialists and platforms. Growth for the leading third-party specialist, Morningstar, appears to be stagnating with weak expected momentum consistent with its current weak ratings for value and satisfaction. Receiving much higher performance ratings, 2nd—place YCharts should fare better, with some expected growth in market share. Portfolio Visualizer, however, has the highest expected momentum among leading third-party specialists, with its especially compelling price point (combined with strong satisfaction ratings amongst advisors who use it).

Providers To Watch

Pessimistic - Morningstar and self-built solutions | **Neutral** - Kwanti, Nitrogen/Riskalyze, Bloomberg Terminal, platform, and firm proprietary solutions | **Optimistic**—YCharts, Portfolio Visualizer

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BACK TO TOP

Risk Tolerance/Behavioral Assessment

Risk tolerance/behavioral assessment tools, or simply risk assessment technology, help advisors to better understand their clients from the perspectives of risk tolerance and other behavioral characteristics. Technology-assisted assessments can yield multiple benefits, including better regulatory compliance, improved alignment of portfolio construction to client preferences, and more effective communication to support prospecting or stronger client retention. Assessments can be psychometric, as well as econometric, most often by coupling a short client questionnaire with more advanced analytics.

Figure 3.64. Risk Assessment Technology, Overall Summary

	2023
Adoption Rate	48.1%
Respondents With 2 or More Providers	5.2%
Average Ratings	
Importance	7.8
Value	7.6
Satisfaction	7.3

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Adoption

The adoption rate for risk assessment technology, at 48.1%, is below average relative to other functional categories. Adoption is particularly low considering advisors' much higher usage of other investment-related technologies. For example, while there is a strong connection between managing a client's portfolio and understanding their risk tolerance, the use of portfolio management technology is much higher, with adoption at 81.7%.

General Impressions

Low adoption of risk assessment applications, especially when compared to parallel technology for portfolio management, is at least partially explained by its perceived importance. Advisors give assessment technology an average importance rating of 7.8, which is just below the overall average for technology across all categories, even though some assessment of risk tolerance is a compliance/regulatory requirement (e.g., "Know Your Client/Customer" rules). In practice, the remainder of advisors appear not to use any technology at all—instead, they simply administer some form of written risk tolerance questionnaire, or even just 'assess' with a client conversation, documenting the responses, and moving on.

Even amongst advisors who do use technology to implement their risk and behavioral assessments, most are not impressed with the performance of their technology. The average satisfaction rating, at just 7.3, ranks 24th out of 27 categories (which drags down advisors' value rating of these tools, which similarly averages 7.6 and ranks 24th out of 27). These results suggest that despite providing some calculations regarding a client's tolerance for risk, assessment technology doesn't seem to be effectively speaking to or helping advisors navigate risk for their clients in practice.

Provider Market Share And Ratings

Amongst advisors who use any technology for risk assessments (as opposed to using a home-office-generated written questionnaire for compliance purposes), third-party specialists are the largest providers of risk assessment technology. Collectively, their adoption market share is 36.0% when including secondary providers, far ahead of platforms, the next largest providers at just 5.0%.

Figure 3.65. Risk Assessment Technology, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	33.8%	36.0%	-	7.4	7.5
Nitrogen/Riskalyze	17.8%	18.3%	7.8	7.4	7.2
FinaMetrica	4.7%	4.9%	7.3	7.4	7.7
PreciseFP	2.7%	2.9%	-	7.1	8.0
DataPoints	1.9%	2.3%	7.5	8.5	8.5
Orion Risk Intel. (Hidden Levers)	2.1%	2.1%	-	6.8	6.9
Financial DNA	0.6%	0.7%	7.7	7.6	8.2
Tolerisk	0.6%	0.6%	5.8	-	-
Money Quotient	<0.5%	0.6%	-	-	-
TIFIN Risk	<0.5%	0.6%	-	-	-
RISA	<0.5%	<0.5%	-	-	-
Andes Wealth Technologies	<0.5%	<0.5%	-	-	-
Other Third-Party	1.9%	2.5%	-	-	-
Platform	4.7%	5.0%	6.0	7.5	8.2
Financial Planning Software	3.8%	4.3%	-	7.0	7.6
Self-Built	2.9%	4.1%	6.5	6.8	8.5
Firm Proprietary	1.8%	2.3%	6.0	6.3	8.4
Other Tools	1.0%	1.6%	7.6	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

Nitrogen/Riskalyze is by far the most dominant third-party vendor, with command of over half of the market for third-party software. Though ironically, despite being known historically as a risk tolerance software provider—embedded directly in its original name—Riskalyze actually ranks lower in advisor satisfaction for risk assessment than it does in other categories, scoring 7.5 in retirement distribution planning, 7.7 in investment analytics, and a whopping 8.4 in proposal generation. Which helps to explain the company's recent rebrand to "Nitrogen" and a focus on growth and sales enablement (where its proposal generation capabilities were a standout).

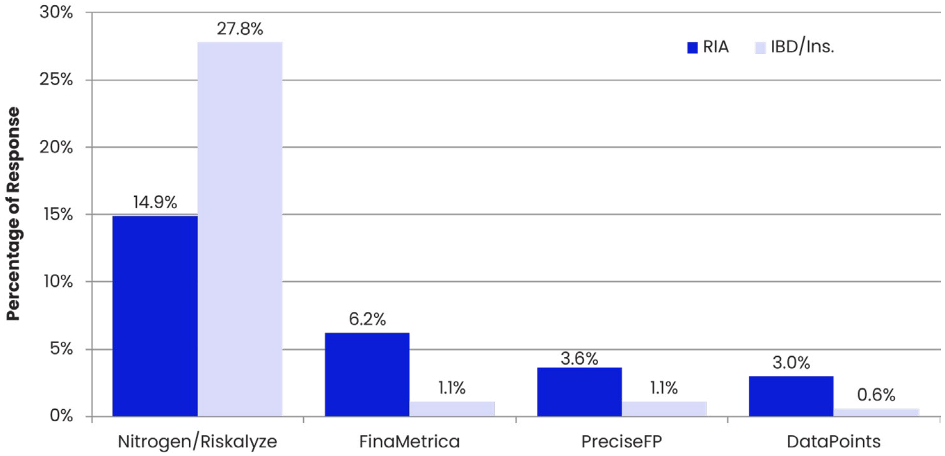
In turn, it is the newcomer DataPoints, serving just 1.9% of all advisors, that garners the highest value and satisfaction ratings of any provider. Which is notable given its somewhat unique approach—unlike most risk tolerance tools that are more econometrically driven (providing clients various risk/return trade-offs to select from as a way to express their preferences), DataPoints uses a more psychometric approach (similar to FinaMetrica), and includes several additional assessment tools beyond 'just' pure risk tolerance (drawing on the 'Millionaire Next Door' research to understand which clients are more likely to be 'Prodigious Accumulators of Wealth' in the first place).

Third-Party Market Share By Channel

Risk assessment technology is more commonly used in the IBD/Insurance channel than among RIAs. While 55.8% of IBD/Insurance advisors use some form of risk assessment technology, just 45.5% of RIA advisors do. IBD/Insurance advisors have a much greater tendency to use financial planning software as well as platform-provided tools (that tie their risk tolerance assessments directly to their compliance departments), but about 1/3 of advisors in each channel deploy assessment technology purchased from a third-party specialist.

Yet, which third-party vendor the advisor chooses is largely related to their channel (Figure 3.66). RIA advisors favor FinaMetrica, PreciseFP, and DataPoints (all of which are psychometrically driven questionnaire approaches). Conversely, IBD/Insurance advisors are much more likely to have Nitrogen/Riskalyze (using an econometrically driven approach) as their third-party specialist tool of choice.

Figure 3.66. Risk Assessment, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

Use of risk assessment applications of any type drops as practice size increases—51.3% of solos, compared to 41.7% of practices with 10+ advisors have adopted risk assessment technology. This trend holds for using assessment tools provided by a third-party specialist as well. Which is somewhat remarkable, as larger firms tend to have more robust compliance practices—for which some level of "KYC" (Know Your Client) is required—but are likely substituting technology solutions with their own centrally created questionnaires or other risk assessment approaches. Or viewed another way, most advisors don't appear to see value in risk assessment tools beyond the electronic distribution of an otherwise-written questionnaire, and larger firms appear to be content to simply manage their own.

Nonetheless, Nitrogen/Riskalyze not only dominates the third-party specialist market, but the vendor is the most common tool for almost all practice sizes (Figure 3.67). Only in practices with 10+ advisors does FinaMetrica have an equal adoption rate to Nitrogen/Riskalyze. Based on our survey respondents, PreciseFP seems to be almost an exclusive provider for solos, and DataPoints also skews towards smaller practices (both of which are likely a reflection of their limited capabilities to support firm-wide compliance oversight of risk tolerance across multiple advisors, where more enterprise-centric tools like Nitrogen/Riskalyze have differentiated themselves).

Figure 3.67. Risk Assessment, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Nitrogen/Riskalyze	18.5%	21.3%	19.9%	8.7%
FinaMetrica	4.4%	3.4%	5.7%	8.7%
PreciseFP	5.6%	0.9%	0.0%	0.0%
DataPoints	3.2%	2.4%	1.2%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Trends In Adoption And Market Share

Adoption of risk assessment technology is projected to increase from 48.1% to 51.7% over the next 12 months, a rate of growth that has picked up considerably compared to the prior 12 months. Third-party specialists, which already hold a plurality of market share, are best positioned to benefit.

Figure 3.68. Risk Assessment, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	34.4%	11.2%	-1.8%	33.8%	1.7%	8.4%	36.6%
Nitrogen/Riskalyze	18.6%	11.9%	-3.9%	17.8%	<1.0%	0.3%	17.9%
FinaMetrica	4.4%	<1.0%	7.3%	4.7%	3.1%	-6.0%	4.4%
PreciseFP	2.7%	10.0%	-3.5%	2.7%	<1.0%	14.9%	3.1%
Orion Risk Intel.	2.1%	13.3%	0.1%	2.1%	14.3%	7.5%	2.2%
DataPoints	2.1%	13.3%	-7.0%	1.9%	<1.0%	-6.0%	1.8%
Financial DNA	0.5%	<1.0%	7.3%	0.6%	<1.0%	-6.0%	0.6%
Tolerisk	0.5%	<1.0%	7.3%	0.6%	<1.0%	-6.0%	0.6%
Money Quotient	<0.5%	-	-	<0.5%	-	-	<0.5%
TIFIN Risk	0.7%	40.0%	-	<0.5%	-	-	0.7%
Andes Wealth Technologies	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	4.1%	<1.0%	14.4%	4.7%	<1.0%	2.9%	4.9%
Financial Planning Software	3.6%	<1.0%	7.3%	3.8%	<1.0%	-2.3%	3.7%
Self-Built	2.7%	<1.0%	7.3%	2.9%	<1.0%	8.1%	3.2%
Firm Proprietary	1.6%	<1.0%	7.3%	1.8%	<1.0%	-6.0%	1.7%
Other Tools	1.0%	-	-	1.0%	-	-	1.0%
Unsure	-	-	-	-	-	-	3.1%
Don't Use Technology	52.6%	-	-1.2%	51.9%	-	-7.0%	48.3%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Notably, though, some rotation appears to be underway within third-party specialists. Nitrogen/Riskalyze shows an outflow of independent advisors using its tools for risk tolerance in particular, likely driven by below-average scores in both advisor satisfaction and value. FinaMetrica, acquired by Morningstar in 2020 (as part of Morningstar's acquisition of PlanPlus), shows an outright projected decline in market share, tying to Morningstar's decision to limit accessibility of FinaMetrica as a standalone tool (and instead incorporating the capabilities into its broader platform, which advisors would have purchase in full to access). The combined result is that 7.6% of advisors anticipate changing their technology approach regarding risk tolerance, higher than for any other category.

All of which leaves smaller players positioned to capture significant market share opportunity, with a significant amount of 'unsure' market share in play (3.1% of all advisors). Thus far, PreciseFP shows the strongest momentum. Orion's Risk Intelligence (the result of its 2021 acquisition of Hidden Levers) is also seeing interest, though the tool is made available for free to its sizable base of Orion users… which means that while it has a compelling price point (free), it also isn't accessible to non-Orion users. This will create additional potential for DataPoints to gain market share as a well-rated competitor, and for smaller providers (e.g., Tolerisk, TIFIN Risk, Andes Wealth) to distinguish themselves.

Providers To Watch

Pessimistic - FinaMetrica | **Neutral** - Nitrogen/Riskalyze, Orion Risk Intelligence, Tolerisk, financial planning software, and self-built tools | **Optimistic**—PreciseFP, DataPoints

^
BACK TO TOP

Website Platform

A website platform provides the Content Management System (CMS) infrastructure for managing what appears on an advisor's website to promote, explain, legitimize, and present the practice, its team members, and the services provided. Website platforms often also include related hosting services, and design templates or supporting design services.

Figure 3.69. Website Platform Technology, Overall Summary

	2023
Adoption Rate	75.8%
Average Ratings	
Importance	8.3
Value	8.0
Satisfaction	7.6

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

An advisor's website is quite often the first impression prospects will have of the business, and often also plays a critical role in keeping ongoing clients engaged with the practice as a central location to go to for accessing important links or the advisor's related portals or vendors. Given these essential roles, website platform use is high among advisors. The current technology adoption rate is 75.8% (Figure 3.69), and ranks 6th out of the 27 functions tested.

General Impressions

While websites may be viewed as a staple of doing business, their importance to the advisor is only just above average (at 8.3, ranked 13 out of 27 surveyed) relative to other technology categories. This is likely driven by the fact that in practice, advisors most commonly generate growth through referrals—from clients and centers of influence—with only a minority of advisors being able to track that they've actually gained any clients from search engine optimization or blogging via their website (according to Kitces Research on How Financial Advisors Actually Do Financial Planning [2022]). In other words, for most advisors the website appears to be a 'check-the-box' obligation (i.e., "it's just something you're supposed to have"), with only a small subset who proactively invest into their website as a growth channel.

Given this dynamic, advisor perceptions of value and satisfaction for existing providers were also about average, though there was substantial variability in provider ratings within the category.

Provider Market Share And Ratings

Collectively, third-party specialists have nearly 80% of the market of those advisors using web platform technology (almost 60% of the total 75.8% category adoption, Figure 3.70). The next largest provider of web platform technology is "self-built" at just 6.1% of all advisors, followed by websites provided by advisors' own platforms (platform in this case meaning custodian, TAMP, or most likely in this case, broker-dealer or insurance company).

The reason for the sheer domination of third-party specialists is that technology to facilitate websites in an ever-changing online environment—where new design approaches, supporting tools and features, and underlying platform capabilities are constantly evolving—is especially difficult to keep pace with for financial services firms whose core competency is not building technology platforms.

As a result, third-party specialists have the highest average satisfaction rating of any provider type. However, within the category of third-party specialists are 2 further sub-domains—'generalist' website platforms (e.g., WordPress, Squarespace, Wix, GoDaddy, Hubspot, and Weebly), and industry-specific platforms (e.g., FMG Suite, Twenty Over Ten, Advisor Websites, Broadridge, etc). When viewed in this manner, an additional trend emerges: industry providers are consistently rating substantially lower than generalist platforms (with an adoption-weighted average of 7.0 vs 8.1, respectively). In other words, even amongst the industry specialist platforms, the providers serving advisors appear to be having trouble keeping up with the capabilities of broader-use content management systems into which advisors can simply load their advisor-specific websites. Similarly, while many industry website providers charge a premium to advisors for what are nominally their industry-specific capabilities, in practice advisors also rate them lower in value (with an adoption-weighted value average of 7.4 vs 8.5, respectively).

A similar trend appears to be the case for platform-provided web infrastructure, which may be efficient as well (particularly for the broker-dealer or insurance company to create and monitor), but also frequently gives advisors limited room for customization. Consequently, platform-provided websites receive the lowest satisfaction and value ratings of any provider type. That said, their current satisfaction ratings are up significantly since 2021.

Among third-party specialists, WordPress leads with 17.2% of the market and strong ratings for satisfaction (8.2) and value (8.6) relative to other providers. Its satisfaction ratings have also improved notably

Figure 3.70. Website Platform, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	59.2%	-	8.0	8.2
WordPress	17.2%	7.6	7.9	8.0
FMG Suite	9.5%	6.8	9.1	9.5
Twenty Over Ten	7.2%	8.5	7.6	7.8
Squarespace	5.9%	-	8.0	8.0
Wix	4.7%	-	8.3	8.2
Advisor Websites	4.1%	6.4	6.0	6.6
Go Daddy	2.5%	-	9.8	10.0
Broadridge	1.8%	-	-	-
HubSpot	1.3%	-	7.2	7.2
Weebly	0.8%	-	5.9	6.7
Emerald	0.5%	-	8.8	9.5
MIAGD/Advisor Flex	0.5%	-	-	9.6
Zephyr	0.5%	-	-	-
Webflow	<.5%	-	-	-
Other Third-Party	2.5%	-	-	-
Self-Built	6.1%	-	-	-
Platform	4.0%	5.6	7.4	8.0
Firm Proprietary	3.4%	6.0	7.0	8.3
Local/Boutique	1.2%	-	6.5	9.2
Other Tools	1.8%	-	-	-

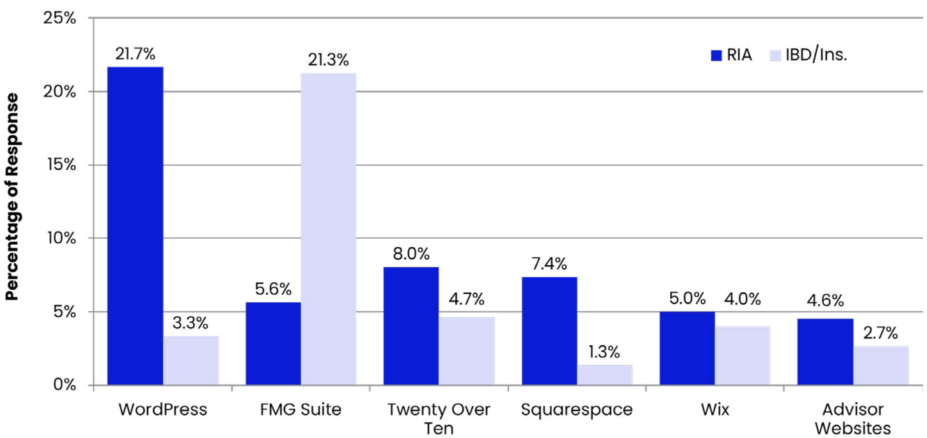
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

over the past 2 years (though that may speak more to the ongoing growth of marketing companies building advisor websites with improved capabilities in WordPress than changes to WordPress itself). Comparatively, the lowest satisfaction (5.0) and value (5.3) ratings go to Broadridge, a vendor with much smaller market share (1.8%). The largest industry provider, though, is FMG Suite, which notably also acquired Twenty Over Ten in recent years, such that the combined market share of the 2 actually rivals WordPress for the leading third-party platform by adoption. And amongst industry providers, Twenty Over Ten holds the lead in advisor satisfaction.

Third-Party Market Share By Channel

RIA and IBD/Insurance advisors have a roughly equal propensity to use web platform technology. IBD/Insurance advisors, however, have a much greater tendency to access web technology via the platform that they affiliate with—12.9% of IBD/Insurance advisors use platform-provided web technology, compared to only 1.0% of RIAs. In contrast, more RIA advisors use third-party website platform technology—62.7% compared to only 48.5% of IBD/Insurance advisors.

Figure 3.71. Website Platform, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Consequently, with only 1 exception, each leading third-party vendor has greater market share in the RIA channel (Figure 3.71). This is especially true for WordPress, used by 1 in every 5 RIA advisors. FMG Suite is an outlier, however, with market share among IBD insurance advisors that is 4 times its share in the RIA channel.

Third-Party Market Share By Practice Size

Across practice sizes, use of web platform technology is fairly consistent. The same holds true for using third-party specialists, with practices of all sizes showing a similar tendency to use specialist providers for their web solution.

Figure 3.72. Website Platform, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
WordPress	13.3%	13.6%	25.9%	35.2%
FMG Suite	7.7%	17.2%	9.7%	2.9%
Twenty Over Ten	7.7%	5.4%	8.1%	5.9%
Squarespace	7.1%	6.3%	3.2%	2.9%
Wix	5.6%	5.4%	2.4%	0.0%
Advisor Websites	4.7%	4.5%	2.4%	0.0%
Go Daddy	3.0%	0.9%	3.2%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary provider for respondents.

Among specialists, however, WordPress does capture more market share as practices grow due to the robustness of the platform to be adapted to whatever the firm wants and needs (like how larger firms also increasingly migrate towards Salesforce CRM for its ability to be customized to the needs of the firm). Other third-party specialists are more common in small to mid-size practices, as seen with FMG Suite, which is more popular with practices between 2 and 9 advisors. Wix, Advisor Websites, and GoDaddy all tend to cater to smaller practices (Figure 3.72).

Trends In Adoption And Market Share

Despite already being widespread, advisor use of website platform technology continues to tick up. Adoption, at 74.6% 12 months ago, is projected to be at 76.5% 12 months from now (Figure 3.73). Churn is extremely low, though; advisors who have a website appear to be very loath to make any switches at all. This is even true for advisors who use very low-rated providers.

As a result, within the category, none of the third-party specialist providers are currently projected to grow. In practice, though, this appears to be driven largely by 2 trends: 1) an uptick in advisors indicating they plan to "self-build" their own website (though notably, some underlying content management system must be used, so these advisors will likely end up using some generalist third-party platforms like WordPress anyway); and 2) a material share of "unsure" advisors who indicate they are undecided about their next provider.
This "unsure" share, along with the platform that advisors use to self-build, will make a difference in terms of which provider type ultimately ends up expanding or contracting market share.

Overall, then, the implication is that industry providers in this category need to make a stronger case for why their solutions are easier or better to use than generalist platforms (and given satisfaction ratings, make investments into their products to actually make them easier and better to use), as marketing consultants that build on generalist platforms otherwise appear positioned to win market share.

Figure 3.73. Website Platform, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	58.2%	4.5%	1.7%	59.2%	1.3%	-0.9%	58.6%
WordPress	16.8%	<1.0%	2.3%	17.2%	1.0%	-2.0%	16.8%
FMG Suite	8.8%	4.2%	8.0%	9.5%	1.7%	-3.8%	9.1%
Twenty Over Ten	7.1%	8.3%	1.9%	7.2%	6.8%	-1.7%	7.1%
Squarespace	5.6%	<1.0%	4.3%	5.9%	<1.0%	-1.2%	5.8%
Wix	4.5%	1.8%	4.3%	4.7%	<1.0%	-3.8%	4.6%
Advisor Websites	3.8%	6.3%	8.6%	4.1%	<1.0%	-3.8%	3.9%
Go Daddy	2.5%	20.0%	-2.3%	2.5%	<1.0%	-3.9%	2.4%
Broadridge	1.9%	<1.0%	-4.4%	1.8%	<1.0%	-3.9%	1.7%
HubSpot	1.6%	<1.0%	-16.6%	1.3%	<1.0%	-3.8%	1.3%
Weebly	0.8%	2.8%	4.2%	0.8%	<1.0%	-3.9%	0.8%
Emerald	0.6%	2.2%	-21.8%	0.5%	<1.0%	-3.9%	0.5%
MIAGD/Advisor Flex	0.5%	<1.0%	4.2%	0.5%	<1.0%	-3.9%	0.5%
Zephyr	0.5%	<1.0%	4.2%	0.5%	<1.0%	-3.9%	0.5%
Webflow	<0.5%	-	-	<0.5%	-	-	<0.5%
Self-Built	6.0%	2.4%	2.1%	6.1%	<1.0%	6.0%	6.5%
Platform	4.0%	3.7%	0.8%	4.0%	3.8%	-3.7%	3.8%
Firm Proprietary	3.4%	4.3%	0.1%	3.4%	<1.0%	-3.7%	3.3%
Local/Boutique	1.2%	<1.0%	4.6%	1.2%	<1.0%	-3.7%	1.2%
Other Tools	1.9%	-	-	1.8%	-	-	2.1%
Unsure	-	-	-	-	-	-	1.8%
Don't Use Technology	25.4%	-	-4.5%	24.2%	-	-3.2%	23.5%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Broadridge | **Neutral** - FMG Suite, Twenty Over Ten | **Optimistic** - WordPress

^
BACK TO TOP

Social Media Archiving

Social media archiving technology allows advisors to more efficiently, and safely, stay compliant with FINRA, SEC, and other regulatory obligations related to communications recordkeeping. Capabilities typically include the ability to monitor, capture, record, and store social media communications so that they may be readily accessed and reviewed when needed. In addition, capabilities often, but not always, cover website archiving and text message archiving as well.

Figure 3.74. Social Media Archiving Technology, Overall Summary

	2023
Adoption Rate	56.9%
Average Ratings	
Importance	7.5
Value	7.7
Satisfaction	7.4

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Relative to technology applied to other functions, advisor use of social media archiving technology is about average, but is growing at a faster pace. The current adoption rate is 56.9% (Figure 3.74). Adoption was at 55.8% 12 months ago and is projected to rise to 60.7% in the next 12 months, as advisors slowly but steadily continue to use social media in their practices (and therefore need the compliance tools to archive and monitor its use).

General Impressions

Like the need for a website platform, social media archiving technology is another must-do for most advisors (assuming any social media presence at all).

Ratings for archiving solutions are not wildly positive, however, at least on average. On importance, as well as on value and satisfaction, advisors rate the technology below average, albeit with a subset of providers within the category who rate very highly. Perhaps the weaker ratings across the category reflect some general lack of enthusiasm, due to archiving being more of a mandatory responsibility, which may make the task and its associated technology less appealing.

Lack of importance may also be a function of some advisors having limited engagement on social media and, as result, having little use for the technology. In fact, Kitces Research on How Financial Advisors Actually Do Financial Planning (2022) found that only 41% of advisors are actively adopting social media as a marketing channel, and amongst those there is a relatively high failure rate (61% of advisors engaging in social media failed to get a single new client from the channel in the preceding year).

Regardless, for providers in the space, the relatively high rate of adoption, combined with weak perceived importance, suggests potential could be limited for further market expansion (at least until social media becomes a more-commonly-successful marketing channel for advisors).

Provider Market Share And Ratings

In terms of current users, third-party specialists hold virtually all the market for social media archiving technology (nearly 50% of the total 56.9% adoption of the category), and rank substantially higher than platform and firm proprietary providers in terms of both value and satisfaction. Given that the market exists largely due to compliance necessity, advisor appetite for crafting their own solutions is minimal; not a single respondent reported using a self-built tool (Figure 3.75).

Likely another attraction for advisors toward third-party providers is the diversity of choices available, with seventeen different vendors used by multiple survey respondents. The variety of vendors, again, is likely driven by the fact that social media archiving is a compliance requirement, and regulatorily mandated solutions have a natural built-in market opportunity.

In practice, though, the bulk of market share is accounted for by 2 third-party market leaders—XY Archive (with 14.3% market share) and Smarsh (13.7%). XY Archive rated 2nd-highest on satisfaction, where the vendor has made considerable improvement since 2021, and highest on value (though its value rating is likely supported by the fact that it is included as a part of member benefits for those who join XY Planning Network). By contrast, Smarsh ranks lowest amongst third-party providers in satisfaction ratings, suggesting its market share may be particularly at risk.

Following the 2 leaders are Global Relay, erado, and MessageWatcher, accounting for another 12.3% of market share for archiving technology. Among providers with available data, MessageWatcher has achieved the greatest improvement in satisfaction over the last 2 years.

Figure 3.75. Social Media Archiving, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	49.6%	-	7.6	7.8
XY Archive	14.3%	7.9	8.4	8.7
Smarsh	13.7%	6.7	6.6	6.8
Global Relay	5.9%	7.5	7.2	7.4
erado	3.8%	7.3	7.7	7.6
MessageWatcher	2.6%	7.2	8.2	8.4
RIA In A Box	1.5%	-	7.1	7.4
Hearsay Social	1.4%	-	7.3	7.6
Redtail	0.8%	-	8.6	8.2
SmartRIA	0.6%	-	-	-
Mirror Web	0.6%	-	-	-
ArchiveSocial	0.5%	-	-	-
MyRepChat	0.5%	-	-	-
Pagefreezer	0.5%	-	-	-
Proofpoint	<0.5%	-	-	-
One Secure	<0.5%	-	-	-
Social Patrol	<0.5%	-	-	-
Telemessage	<0.5%	-	-	-
Other Third-Party	1.8%	-	-	-
Platform	6.0%	6.8	6.7	7.0
Firm Proprietary	1.0%	7.4	5.4	7.0
Other Tools	<0.5%	-	-	-

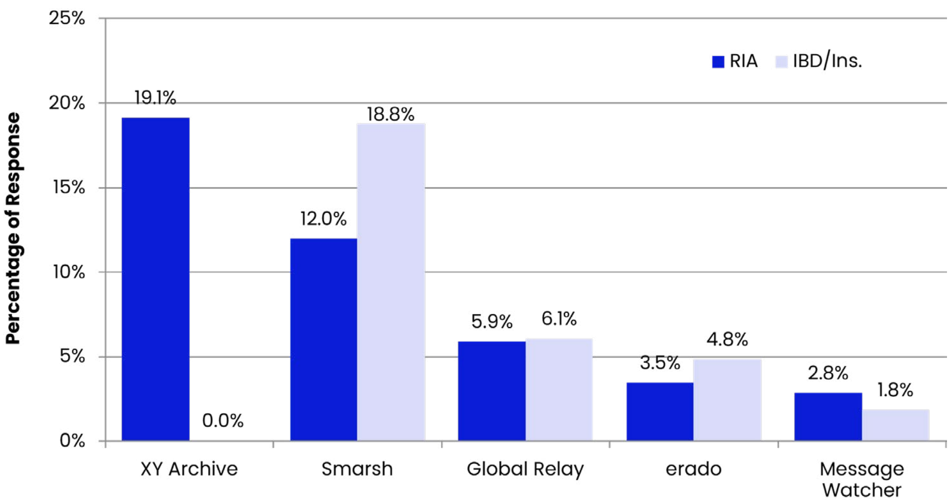
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

Likely due to operating under a different regulatory framework that typically involves multiple regulators, adoption for IBD/Insurance advisors, at 64.8% is notably greater than for RIA advisors, at 54.2%. This is notable unto itself, though, as in its early days, social media was primarily adopted by RIAs, as broker-dealers and insurance companies struggled to find scalable compliance tools. Now, however, it's the larger enterprises that are more likely to have technology to support their advisors on social media.

That said, proportionately more RIA advisors use third-party specialists for their archiving needs—51.7% of RIA advisors do so compared to 43.6% of IBD/Insurance advisors. Many more IBD/Insurance advisors, however, are using platform-provided technology, which may often be due to the requirements that broker-dealers place on their advisors. About 1 in 5 IBD/Insurance advisors access archiving applications through their platform, compared to only 1.2% of RIAs.

Figure 3.76. Social Media Archiving, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Despite a greater tendency for RIA advisors to use third-party specialists for social media archiving, most leading vendors actually have greater market share within the IBD/Insurance channel (Figure 3.76). One very notable exception, however, is XY Archive with 19.1% share among RIA advisors, but no usage reported among IBD/Insurance advisors.

Third-Party Market Share By Practice Size

Perhaps due to larger practices tending to be more active in social media—or at least inevitably having *some* advisor(s) on their team who use social media—use of archiving technology increases as practices increase their advisor count. While about 2/3 of practices with 10 or more advisors have a technology solution for archiving, just 51.8% of solo advisors do. The preference of third-party specialists to provide this technology is even more acute for the largest practices.

Among individual third-party specialists, however, the relationship between size and use is not always evident (Figure 3.77). For both Smarsh and Global Relay, their offerings are clearly more favored by larger practices. In contrast, XY Archive is predominantly serving solos. erado is the only major third-party specialist that can be found somewhat evenly across all practice sizes.

Figure 3.77. Social Media Archiving, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
XY Archive	23.8%	6.2%	2.9%	0.0%
Smarsh	5.5%	18.5%	24.6%	26.9%
Global Relay	1.1%	7.0%	8.7%	26.9%
erado	3.4%	6.2%	2.9%	1.9%
MessageWatcher	2.6%	7.0%	0.0%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Figure 3.78. Social Media Archiving, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	48.4%	2.6%	2.4%	49.6%	0.3%	5.2%	52.2%
XY Archive	13.6%	<1.0%	5.1%	14.3%	<1.0%	0.7%	14.4%
Smarsh	13.5%	2.2%	1.7%	13.7%	<1.0%	1.8%	13.9%
Global Relay	5.7%	<1.0%	4.0%	5.9%	<1.0%	-1.4%	5.8%
erado	4.0%	7.4%	-3.7%	3.8%	4.0%	-5.4%	3.6%
MessageWatcher	2.6%	5.6%	-1.8%	2.6%	<1.0%	4.3%	2.7%
RIA In A Box	1.3%	11.1%	15.5%	1.5%	<1.0%	18.3%	1.8%
Hearsay Social	1.3%	<1.0%	4.0%	1.4%	<1.0%	-1.5%	1.3%
Redtail	0.7%	<1.0%	4.0%	0.8%	<1.0%	37.9%	1.0%
SmartRIA	0.6%	<1.0%	4.0%	0.6%	<1.0%	-1.5%	0.6%
Mirror Web	0.6%	<1.0%	4.0%	0.6%	<1.0%	-1.5%	0.6%
ArchiveSocial	<0.5%	-	-	0.5%	<1.0%	-	<0.5%
MyRepChat	<0.5%	-	-	0.5%	<1.0%	-	<0.5%
Pagefreezer	<0.5%	-	-	0.5%	<1.0%	-	<0.5%
Proofpoint	<0.5%	-	-	<0.5%	-	-	<0.5%
One Secure	<0.5%	-	-	<0.5%	-	-	<0.5%
Social Patrol	<0.5%	-	-	<0.5%	-	-	<0.5%
Telemessage	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	6.1%	4.7%	-0.9%	6.0%	<1.0%	3.6%	6.2%
Firm Proprietary	1.0%	<1.0%	3.9%	1.0%	<1.0%	-1.2%	1.0%
Self-Built	<0.5%	-	-	<0.5%	-	-	<0.5%
Other Tools	<0.5%	-	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	2.7%
Don't Use Technology	44.2%	-	-2.6%	43.1%	-	-8.8%	39.3%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

The number of advisors not using social media archiving technology is on the decline—currently 43.1% of advisors are non-users, compared to 39.3% projected in 12 months' time. This is especially good news for third-party specialists, as it appears they will be receiving most of the new users. Third-party market share is projected to rise to 52.2% from its current rate at 49.6% (Figure 3.78).

With few exceptions, most leading third-party specialist can expect a bump up in market share. Global Relay may be challenged, however, with slowing momentum likely due to weaker value ratings and deteriorating satisfaction ratings. erado, despite improving satisfaction ratings, is also projected to have momentum slow in the coming months. 2 third-party specialists with larger projected jumps, relative to their small market share, are RIA in a Box and Redtail, both of which are ramping up their distribution across new channels (with RIA in a Box recently acquired by Comply, and Redtail recently acquired by Orion).

It's also notable that there's still a relatively high 2.7% share of all advisors who are unsure about what vendor they will pursue—a signal that advisors may be struggling with a sheer level of choice overwhelm within the category, but also an opportunity for providers to win adoption simply by expanding their marketing to stand out relative to their peers (particularly for well-rated providers like XY Archive or MessageWatcher). Though ultimately, given its large adoption but low satisfaction ratings, the category's biggest question is not which provider wins new adopters, but whether Smarsh will be able to hold (and still grow?) its market share.

Providers To Watch

Pessimistic - Smarsh | **Neutral** - erado, Global Relay | **Optimistic** - XY Archive, RIA in a Box, MessageWatcher

^
BACK TO TOP

Digital Marketing

With digital marketing technology, advisors can more effectively generate prospects and nurture them to become clients. The technology can also strengthen retention, by helping advisors more efficiently stay in touch with current clients. The focus of these applications can range from engaging on social media to drive more traffic to an advisor's website, to converting website traffic to an advisor's email list, to developing marketing content and managing email marketing campaigns.

Figure 3.79. Digital Marketing Technology, Overall Summary

	2023
Adoption Rate	37.4%
Respondents With 2 or More Providers	7.3%
Average Ratings	
Importance	7.5
Value	7.6
Satisfaction	7.3

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Adoption

With an adoption rate of just 37.4%, relatively few advisors employ digital marketing technology. Out of all surveyed functions, digital marketing applications ranked 20th out of our 27 categories in terms of advisor adoption, which is consistent with Kitces Research on How Financial Planners Actually Market Their Services (2022). This prior study found that advisors tend to drive leads from more 'analog' marketing (e.g., client referrals, centers of influence, networking, seminar marketing, etc.), and those who have adopted digital channels often struggle. For example, digital marketing channels like blogging and social media showed significantly higher 'failure rates', where marketing efforts failed to attract a single new client over the span of a year.

For some advisors, however, digital marketing technology is so strongly desired that they maintain 2 or more applications for this purpose. This is true for about 1/5 of digital marketing technology users (7.3% of all advisors using, or not using, any technology in the category). As a further indication of interest, adoption is expected to pick up, increasing to 40.4% over the next 12 months.

General Impressions

Consistent with low usage, advisors rate digital marketing technology low in importance, where its average rating of 7.5 also ranks 20th among functions surveyed. Advisors have even weaker impressions of digital marketing technology when it comes to value and satisfaction, which is also consistent with low adoption. On value the technology ranks 24th, nearly last. Its average satisfaction rating is only slightly better, ranking 23rd.

Relatively weak satisfaction impressions compared to other technology categories studied, in combination with low importance ratings suggest digital marketing is still a maturing technology category —advisors are not yet seeing the fruits of the software in sufficient numbers to drive upward momentum in adoption, which implies that vendors must further refine and improve their products for the technology to become more widely embraced.

Provider Market Share And Ratings

In another sign of a market that is not yet fully developed, many digital marketing providers are competing for market share—some are specific to financial planning, while others work across a variety of industries—yet no clear leading providers have emerged (Figure 3.80). Third-party specialists have the largest presence in the market, with a 36.1% market share including secondary providers. The comparable share for the next largest provider, self-built tools, is just 3.1%. Self-built tools, however, are rated notably higher in terms of both value and satisfaction.

Among the third-party specialists, twenty different providers received multiple mentions from survey respondents, 7 of which cater to at least 1% of advisors when considering secondary providers. FMG Suite, a website provider turned marketing platform designed specifically for advisors, leads all vendors with a 7.9% advisor share including secondary providers. Its top rank is vulnerable, however, with other vendors following closely behind. Furthermore, satisfaction ratings are in decline for FMG Suite (since our 2021 AdvisorTech study), and its current ratings for both value and satisfaction are the lowest of any provider for which scores are available.

More broadly, it's notable that the highest-rated providers with any substantial market share are 'generalist' solutions—MailChimp, Hubspot, ActiveCampaign, and Constant Contact—all of which rate higher than any industry solutions (Snappy Kraken, AdvisorStream, Broadridge, and FMG Suite). Value ratings for generalists relative to industry-specific digital marketing providers follow a similar trend. Which suggests, similar to website providers, that advisors may not have very advisor-specific needs for digital marketing… or that industry- specific providers need to do a better job establishing why their industry-specific (and often premium-priced) solutions really provide more than what an off-the-shelf generalist solution can provide.

Figure 3.80. Digital Marketing, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	30.5%	36.1%	–	7.3	7.6
FMG Suite	7.4%	7.9%	6.9	6.6	6.9
Snappy Kraken	4.3%	4.5%	6.8	7.2	7.4
Mailchimp	2.7%	4.1%	–	8.5	8.6
Constant Contact	3.5%	3.7%	7.5	7.6	8.2
HubSpot	2.2%	2.3%	7.9	8.2	7.8
AdvisorStream	1.3%	1.3%	7.2	7.2	7.1
ActiveCampaign	0.9%	1.1%	–	7.7	8.0
Broadridge	0.6%	0.9%	6.5	7.2	7.3
Levitate.ai	0.8%	0.8%	–	–	–
Clearnomics	0.2%	0.7%	–	9.6	9.6
Pardot	0.5%	0.6%	7.3	–	–
Advisor I/O	0.5%	0.5%	–	–	–
Clout	0.5%	0.5%	–	–	–
Hearsay	0.5%	0.5%	6.3	–	–
Marketing Pro	0.5%	0.5%	–	–	–
FMeX	<0.5%	<0.5%	–	–	–
LeadPilot	<0.5%	<0.5%	6.6	–	–
Marketo	<0.5%	<0.5%	–	–	–
Convert Kit	<0.5%	<0.5%	–	–	–
My Emma	<0.5%	<0.5%	–	–	–
Other Third-Party	2.7%	4.6%	–	–	–
Self-Built	2.5%	3.1%	–	7.9	8.0
Platform	2.4%	2.4%	5.3	5.8	6.3
Firm Proprietary	0.9%	1.2%	7.2	7.3	7.9
Other Tools	1.1%	1.6%	–	–	–

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

An honorable mention, though, goes to Clearnomics, which has very high satisfaction and value ratings, albeit mostly by serving as a secondary provider on top of other vendors (which makes sense given its primary function is to help advisors populate their digital marketing emails with investment commentary… which means Clearnomics content would often plug into another third-party digital marketing solution).

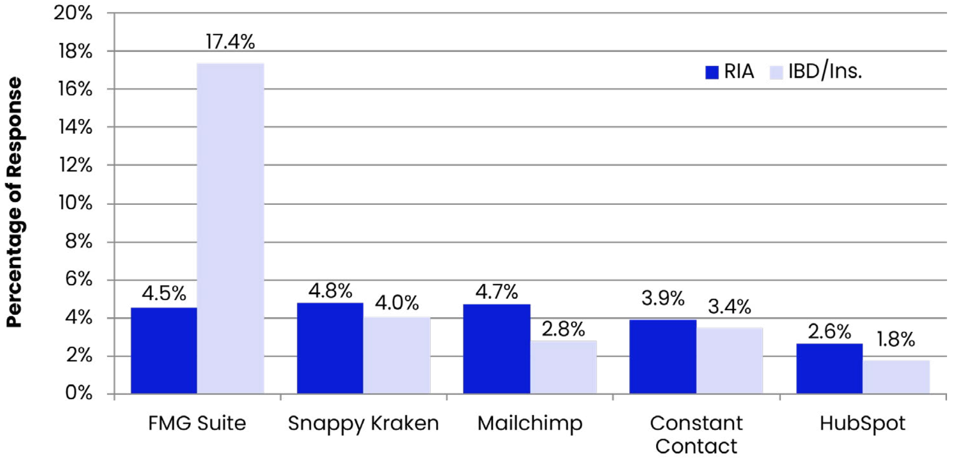
Third-Party Market Share By Channel

In comparing usage by channel, IBD/Insurance advisors have notably higher adoption (50.3%) compared to RIAs (33.0%), which is somewhat striking given the 'conventional' view that larger enterprises have been digital laggards. While that may have been true in the initial stages of social media and digital marketing, in practice it appears that larger advisor enterprises have stepped up and invested into technology solutions to enable their advisors to engage digitally. For which it's notable that IBD/Insurance advisors use both third-party specialists to access marketing technology, and many more make use of platform-provided tools (while not a single RIA respondent reported using a platform-provided tool).

However, while IBD/Insurance advisors are about 50% more likely to be using a third-party tool for digital marketing, only FMG Suite among leading providers has a greater market share in the IBD/Insurance channel— 4 times larger than its share among RIAs (Figure 3.81). Snappy Kraken, Mailchimp, Constant Contact, and Hubspot all serve proportionately more RIA advisors.

Given the relatively low overall adoption of digital marketing technology and its low success rates (per Kitces Research on How Financial Planners Actually Market Their Services [2022]), though, it's not entirely clear whether RIA advisors have now become the 'laggards' in digital marketing technology relative to IBD/Insurance advisors. The reality may simply be that they're more affirmatively choosing not to pursue the channel (while IBD/Insurance advisors take at least some steps to engage with the tools their platform 'already' provides or has procured on their behalf).

Figure 3.81. Digital Marketing, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Third-Party Market Share By Practice Size

Digital marketing technology becomes more commonplace with practice growth as larger advisory firms tend to engage across more marketing channels (which often means 'some' digital marketing, if they weren't using it already) as they grow and scale their marketing resources. Just 30.8% of solos use the technology, compared to 54.2% of practices with 10+ advisors. This pattern holds for use of third-party specialists as well, with adoption higher in larger practices.

Among leading third-party specialists, however, HubSpot is the only vendor with a clear tendency to serve larger practices (Figure 3.82). FMG Suite maintains market leadership among all size ranges below 10 advisors, while Snappy Kraken leans toward serving the smallest practices.

Figure 3.82 Digital Marketing, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
FMG Suite	6.8%	10.5%	9.7%	2.3%
Snappy Kraken	6.6%	3.5%	2.0%	0.0%
Mailchimp	4.5%	1.8%	5.3%	4.8%
Constant Contact	1.8%	4.4%	6.8%	4.5%
HubSpot	0.3%	1.8%	2.7%	15.8%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Trends In Adoption And Market Share

Adoption of digital marketing technology is projected to accelerate over the next 12 months. New adopters will most likely go toward third-party specialists, but self-built tools are also projected to rise in use over the next year (Figure 3.83). Though in practice, advisors rarely manually create their own lead magnets and email lists; self-built solutions are likely still built on the back of some generalist solution (e.g., MailChimp, ActiveCampaign, Hubspot, Constant Contact, etc.).

Among third-party providers, market growth is likely to be evenly spread. Momentum is positive for all third-party specialists with a current market share of 1% or more, and is especially strong for ActiveCampaign, AdvisorStream, and MailChimp. Despite relatively weak favorability ratings, even market-leading FMG Suite is projected to continue its growth.

Figure 3.83. Digital Marketing, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	29.5%	6.6%	3.6%	30.5%	<1.0%	9.0%	33.3%
FMG Suite	7.1%	4.3%	5.2%	7.4%	-	3.1%	7.7%
Snappy Kraken	4.1%	11.1%	5.2%	4.3%	-	0.5%	4.3%
Constant Contact	3.3%	4.5%	5.2%	3.5%	-	1.4%	3.5%
Mailchimp	2.4%	6.3%	11.7%	2.7%	-	8.4%	2.9%
HubSpot	2.3%	6.7%	-1.8%	2.2%	-	3.9%	2.3%
AdvisorStream	1.2%	<1.0%	5.2%	1.3%	-	9.1%	1.4%
ActiveCampaign	0.9%	<1.0%	5.2%	0.9%	-	13.1%	1.1%
Levitate.ai	0.6%	<1.0%	31.5%	0.8%	-	-3.1%	0.8%
Broadridge	0.6%	<1.0%	5.2%	0.6%	-	-3.1%	0.6%
Advisor I/O	0.5%	<1.0%	5.1%	0.5%	-	-3.1%	0.5%
Clout	0.3%	<1.0%	57.8%	0.5%	-	-3.1%	0.5%
Hearsay	0.5%	<1.0%	5.1%	0.5%	-	-3.1%	0.5%
Marketing Pro	0.6%	<1.0%	-21.1%	0.5%	-	-3.1%	0.5%
Pardot	0.5%	<1.0%	5.1%	0.5%	-	-3.1%	0.5%
FMeX	<0.5%	-	-	<0.5%	-	-	<0.5%
LeadPilot	<0.5%	-	-	<0.5%	-	-	<0.5%
Marketo	<0.5%	-	-	<0.5%	-	-	<0.5%
Convert Kit	<0.5%	-	-	<0.5%	-	-	<0.5%
My Emma	<0.5%	-	-	<0.5%	-	-	<0.5%
Self-Built	2.5%	5.9%	-1.0%	2.5%	<1.0%	15.2%	2.9%
Platform	2.1%	<1.0%	12.7%	2.4%	<1.0%	-3.0%	2.3%
Firm Proprietary	0.9%	<1.0%	5.2%	0.9%	<1.0%	-3.0%	0.9%
Other Tools	1.8%	-	-	1.1%	-	-	1.1%
Unsure	-	-	-	-	-	-	1.7%
Don't Use Technology	63.2%	-	-1.0%	62.6%	-	-4.8%	59.6%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Platform | **Neutral** - FMG Suite, Snappy Kraken, AdvisorStream, Constant Contact, ActiveCampaign

Optimistic - MailChimp, Hubspot, Clearnomics

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BACK TO TOP

Proposal Generation

Proposal generation applications facilitate the design, analysis, and delivery of customized proposals to demonstrate how the advisor's recommended investment portfolio would be superior to the client's existing holdings.

Figure 3.84. Proposal Generation Technology, Overall Summary

	2023
Adoption Rate	21.9%
Average Ratings	
Importance	8.0
Value	7.9
Satisfaction	7.5

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

In 2023, just 21.9% of advisors used a technology tool in 2023 for developing client proposals (Figure 3.84). Adoption rates for proposal generation tools were among the lowest of any the 27 functions tested.

Despite low adoption, though, applications for generating proposals rate "middle of the pack" in terms of importance, satisfaction, and value. The combination of still very low adoption yet satisfaction and importance ratings just a bit below average, suggests some growth potential for the category. Accordingly, it is not surprising to see that while just 20.8% of advisors were using technology for proposals 12 months ago, 24.2% are expected to utilize technology within the next 12 months.

General Impressions

Given the sheer number of advisors who are paid to manage portfolios, it is arguably somewhat astonishing that more advisors don't utilize proposal generation tools to demonstrate how their services can improve the client's outcomes. Even as advisors increasingly try to avoid "selling performance", there are still a wide range of other ways to demonstrate the quality of an advisor's portfolio over the existing (e.g., by various risk-adjusted metrics).

Provider Market Share And Ratings

Despite a relatively low share of advisors using proposal generation technology, market share is spread across a variety of provider types (Figure 3.85). Across provider types, the greatest market share for proposal generation applications is held by third-party software, at 7.5%, with just a slight lead over platform tools at 7.3%. However, advisors rated platform proposal generation tools much lower on both satisfaction and value (averaging 6.9 and 7.5, respectively, compared to 8.3 and 8.4 for third-party software).

Notably, proposal generation is a category that Nitrogen/Riskalyze is looking to grow within, given its recent (since the fielding of this study) rebrand to "Nitrogen" and repositioning as a "growth company" with a particular focus on proposal generation and other 'sales enablement' functions. For which the category is arguably poised for some growth—with adoption low compared to the category's perceived importance and reported satisfaction rates, and Nitrogen/Riskalyze's own numbers already leading the category (and thus leaving the company well-poised to gain the bulk of market share as advisors adopt new tools from here).

Figure 3.85. Proposal Generation, Provider Market Share And Ratings

	Market Share	Satisfaction	Value
	2023	2023	2023
Third-Party Software	7.5%	8.3	8.4
Nitrogen/Riskalyze	5.1%	8.4	8.4
VRGL	0.7%	-	-
AdvisoryWorld	<0.5%	-	-
Other Third-Party	1.5%	-	-
Platform	7.3%	6.9	7.5
Self-Built	2.7%	7.1	7.7
Firm Proprietary	1.5%	6.9	7.9
Portfolio Management	0.9%	-	-

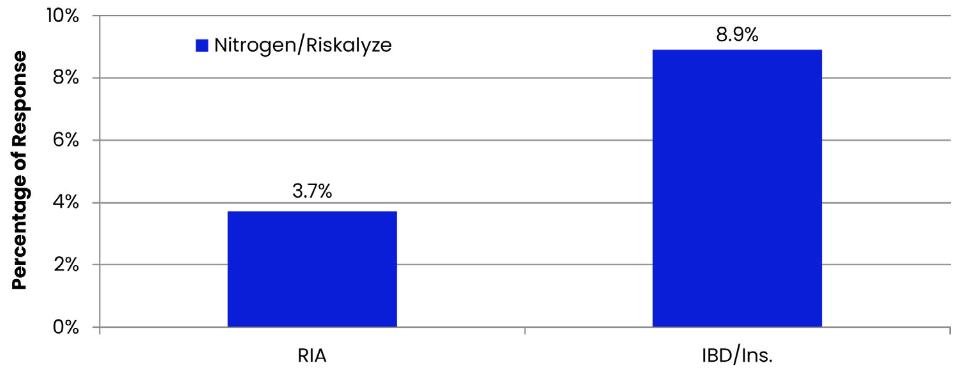
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. Ratings for 2021 not available as Proposal Generation category is new for 2023. "-" denotes not available or not applicable.

Just 2 third-party specialists had material market share beyond 0.5%. The 5.1% share for Nitrogen/Riskalyze was more than 5 times greater than its next closest competitor, newcomer VRGL. Satisfaction and value ratings for Nitrogen/Riskalyze were well above all other providers for which data was available and position the company well for growth with its recent rebrand.

Third-Party Market Share By Channel

IBD/Insurance advisors, with an adoption rate of 36.7%, are more than twice as likely than RIA advisors to use proposal generation software. Both adoption of third-party and platform tools is higher with the IBD/Insurance channel than RIAs. This is likely due to the availability of proposal generation tools on a broker-dealer platform, coupled with Nitrogen/Riskalyze's own success in marketing into the IBD/Insurance channel where the vendor's market share is nearly 3 times greater (Figure 3.86). *(Note: Nitrogen/Riskalyze was the only third-party specialist with sufficient data to show share by channel.)*

Figure 3.86. Proposal Generation, Nitrogen/Riskalyze Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

By practice size, the largest practices are more likely to apply proposal generation technology—30.6% of practices with 10 or more advisors versus 25.4% of all other practices, as larger firms have a slight tendency to centralize and standardize their investment proposal process with prospects.

Figure 3.87. Proposal Generation, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Nitrogen/Riskalyze	5.6%	5.5%	4.2%	4.3%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

With a greater preference for self-built tools, however, larger firms are less reliant on a third-party specialist for that technology (as firms build 'pitch books' for their particular investment approach). As a result, the market share for Nitrogen/Riskalyze (again the only third-party specialist with sufficient data) decreases with the size of the practice (Figure 3.87).

Trends In Adoption And Market Share

As noted, technology adoption is low for proposal generation, despite the decent impressions that advisors have for these kinds of applications. This combination should favor continued steady growth in adoption, and leaves Nitrogen/Riskalyze well-positioned to capture the bulk of that market share opportunity as most advisors look to third-party software solutions, which are projected to rise from 7.5% market share currently to 9.7% in the year ahead (Figure 3.88).

However, a significant portion of advisors seeking proposal generation tools are unsure of what vendors to pursue, and Nitrogen/Riskalyze does not appear well-positioned yet to capitalize on the opportunity. Even with a very low projected churn rate, the vendor's market share is expected to decline if it's unable to capture a material share of the 3.1% of advisors who are still undecided about their next proposal generation technology provider.

At the same time, though, the rebrand to Nitrogen and repositioning as a growth solution (rather than risk tolerance software) gives Nitrogen/Riskalyze a newfound opportunity to grow well within the category and capture advisors in play. In turn, Nitrogen/Riskalyze's high ratings leave it positioned to 'create its own demand' as one of the categories where importance and adoption may rise on the back of strong advisor satisfaction ratings (which tend to drive word-of-mouth interest amongst advisors).

Overall, this means the technology market for proposal generation is fluid and still maturing. Advisors are becoming more interested in applying technology for proposal generation, but many are unclear about the choices that may be best for them—an opportunity for Nitrogen/Riskalyze in its rebrand, but also for VRGL to grow as a newcomer. All of which signals that proposal generation appears to be a category where the growth opportunity for providers is not tilted towards product development. Rather, the more effective approach to capture uncertain advisors and convince more to adopt the technology may be simply better marketing of the (relatively high-rated) solutions that exist.

Figure 3.88. Proposal Generation, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	7.1%	5.9%	4.9%	7.5%	<1.0%	29.9%	9.7%
Nitrogen/Riskalyze	4.8%	3.4%	6.3%	5.1%	<1.0%	-9.7%	4.6%
VRGL	0.7%	<1.0%	10.1%	0.7%	<1.0%	12.9%	0.8%
AdvisoryWorld	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	7.0%	4.0%	4.9%	7.3%	<1.0%	-3.5%	7.0%
Self-Built	2.6%	5.3%	3.5%	2.7%	<1.0%	-3.5%	2.6%
Firm Proprietary	1.4%	<1.0%	9.2%	1.5%	<1.0%	6.1%	1.6%
Portfolio Management	0.8%	<1.0%	9.2%	0.9%	16.7%	-19.6%	0.7%
Financial Planning Software	0.7%	<1.0%	9.2%	0.8%	<1.0%	-3.5%	0.7%
Investment Research Software	0.7%	<1.0%	9.2%	0.8%	<1.0%	-3.5%	0.7%
Other Tools	<0.5%	-	-	0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	3.1%
Don't Use Technology	79.2%	-	-1.5%	78.1%	-	-3.0%	75.8%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - None | **Neutral** - VRGL, platform, self-built and firm proprietary solutions | **Optimistic** - Nitrogen/Riskalyze

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BACK TO TOP

Lead Generation

Lead generation technology assists advisors in finding interested prospects by providing not just centralized platforms for leads *to* flow through, but outright sourcing and driving those leads to financial advisors. More complex lead generation services also assist with vetting leads, customer relationship management input, and other marketing services, all for a fee.

Figure 3.89. Lead Generation Technology, Overall Summary

	2023
Adoption Rate	12.1%
Respondents With 2 or More Providers	2.7%
Average Ratings	
Importance	6.9
Value	6.2
Satisfaction	6.5

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Adoption

Adoption of lead generation technology is very low, despite past Kitces Research findings which showed that the fastest growing advisors were using lead generation technology ([How Financial Planners Actually Market Their Services [2022]]). In 2023, only 12.1% of practices used lead generation technology, with 2.7% of practices using 2 or more applications (Figure 3.89). Adoption has contracted some over the last 12 months, and currently ranks 26 of 27 functions surveyed (only above student loan software).

General Impressions

Why such a low adoption for such a seemingly useful tool? With advisors ranking lead generation solutions dead last amongst all functions in both value (6.2) and satisfaction (6.5), it appears that most financial advisors simply don't think that lead generation tools are sufficiently delivering on their brand promise.

In practice, this appears to be another instance of a negative satisfaction-importance spiral—where lead generation's poor satisfaction score leaves advisors skeptical about whether the category's tools are valuable, leading advisors to rate importance as low (because the products simply aren't delivering as expected or desired), which in turn leads to lower adoption.

In other words, these results suggest that while this technology may be capable of delivering leads to an advisor, the leads are often of lower quality, and as our separate Kitces Research on How Financial Planners Actually Market Their Services (2022) has found, advisors are especially sensitive to the unpleasant effort of needing to filter out low-quality leads. This is especially true for more-established advisors (who make up the bulk of our survey respondents), where the priority is on *quality* leads, and not quantity. Less-established advisors, often with excess capacity to fill, do tend to be at least somewhat less selective and more welcoming of leads of any type.

Indeed, this is supported by our study findings across a variety of measures that might indicate how "established" a practice is. By age, for example, practices that are 4 years or younger rate the importance of lead generation technology quite high, at 7.9. In contrast, the average rating from practices in business for 10 or more years is much lower, at 6.5. Which suggests that advisory firms are effectively using lead generation solutions to 'turbo-charge' their growth in the early years—at a cost of quantity over quality. Then, as a firm grows, an existing client base is established from which referrals can be generated. In turn, the relative value of lead-generation declines as the firm places an ever-increasing weight on quality of leads over quantity.

Nonetheless, the reality is that larger advisory firms also struggle to achieve scalable growth as they grow. And often, they have greater resources to allocate towards business development teams to screen out lower-quality leads. As a result, while larger firms rate lead generation tools lower as they grow, they also still tend to use them *more* often! Such that lead generation services appear to have a bi-modal market—the youngest firms that are looking to accelerate early growth (and are willing to accept quantity over quality), and the largest firms that are looking for any incremental channels they can add to better scale growth (with the quality sacrifices that may entail).

Provider Market Share And Ratings

With combined market share of 10.1%, third-party specialist solutions are the overwhelmingly dominant player over other provider types, with platform, firm proprietary, or self-built solutions each having market share of 0.5% or less (Figure 3.90). Which isn't entirely surprising—at the point a platform or firm have their own lead generation solutions, they tend to simply take the leads themselves *as* the firm. The whole point of lead generation services is typically to expand the marketing net beyond the firm's (or platform's) current resources.

Amongst the third-party specialists, SmartAsset has the highest market share of all third-party lead generation technology, yet at the same time has the lowest average ratings for satisfaction (5.0) and value (5.1). This is likely a result of the firm's substantial capital raise (a $110M Series D round in 2021) that drove industry-wide marketing efforts to attract advisors. This now appears to have resulted in a struggle to generate lead quality commensurate with the demand, requiring a lot of work from advisors to filter (or simply chase not well-engaged) leads. Though notably, SmartAsset also ranked lowest in satisfaction in our prior Kitces research on The Technology That Independent Financial Advisors Actually Use (And Like) (2021) as well.

Figure 3.90. Lead Generation, Provider Market Share And Ratings

	Market Share, 2023		Satisfaction		Value
	Provider as Primary	Provider as Primary or Secondary	2021	2023	2023
Third-Party Software	10.1%	12.6%	-	6.6	6.3
SmartAsset	2.9%	3.9%	4.3	5.0	5.1
Zoe Financial	2.4%	2.5%	7.3	8.1	7.8
Ramsey SmartVestor	1.8%	12.6%	-	5.9	5.9
WiserAdvisor	0.7%	1.0%	-	7.5	6.2
NAPFA	0.5%	0.8%	-	8.4	6.8
FeeOnlyNetwork	<0.5%	0.6%	8.7	-	-
Wealthramp	<0.5%	0.5%	-	-	-
XYPN	<0.5%	<0.5%	-	-	-
Other Third-Party	<0.5%	<0.5%	-	-	-
Platform	0.5%	0.5%	7.0	-	-
Firm Proprietary	0.5%	0.5%	8.4	-	-
Self-Built	<0.5%	<0.5%	6.8	-	-
Other Tools	0.7%	0.9%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include the primary and (if applicable) secondary provider for respondents. "-" denotes not available or not applicable.

NAPFA, comparatively, has less market share than most third-party technologies, yet the highest ratings for satisfaction (8.4) and above-average value ratings (6.8), which speaks to its different approach to lead generation. Given its positioning as the home of fee-only advisors, a lead that seeks out a platform in this manner (different from being solicited through an advertisement like SmartAsset) to find a very specific type of financial planner (fee-only) is likely more ready to get started with an advisory relationship. Instant value exists—the consumer sees value in a NAPFA advisor, and likely values that the advisor is a NAPFA member. Yet, in comparison to SmartAsset, NAPFA doesn't appear to be doing the same level of branding or marketing, nor is NAFPA working as hard on cultivating leads; as a result, advisors are happy with the lead quality (high satisfaction), but not with the quantity *of* those quality leads (low value).

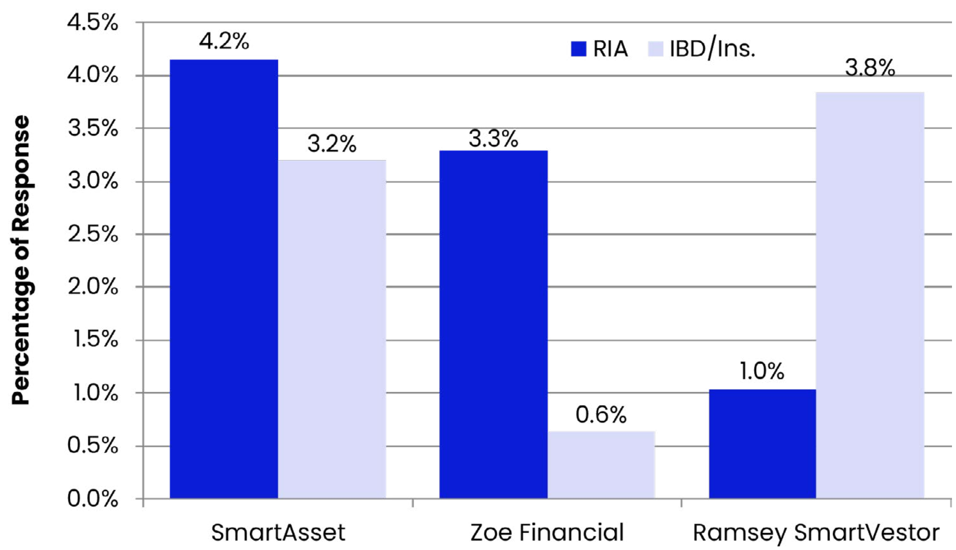
Zoe Financial, 2nd in market share among third-party providers, ranked highest for value (7.8) and well above average in terms of satisfaction (8.1), suggesting the company has a good mix of advertising and vetting, and may be the closest to a balanced solution. Which is especially notable as Zoe in practice is *substantially* more expensive than its competitors, with a model of charging not per-lead (like SmartAsset) or to be listed on the platform (like NAPFA) but charging an ongoing-share-of-revenue; however, under this model, Zoe itself does not get paid unless the lead actually closes, and this alignment of incentives appears to have led Zoe to category-leading satisfaction, with advisors deeming its value in lead quality and quantity still worthwhile relative to their much-higher cost.

Third-Party Market Share By Channel

The overall adoption of lead generation technology for RIAs, at 11.4%, is slightly less than the 14.1% for IBD/Insurance advisors.

By vendor, Zoe Financial and Ramsey SmartVestor show the greatest differences across the 2 channels (Figure 3.91). RIAs strongly lean towards Zoe Financial (3.1% of the market share compared to 0.6% for IBD/Insurance), though in practice this is more likely related to Zoe's own intensive advisor screening process that could limit the number of broker-dealer advisors (and stop most insurance advisors) working on commission.

Figure 3.91. Lead Generation, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Ramsey's SmartVestor is the opposite in terms of share differential. IBD/Insurance advisors are the more common user (3.8% of the market share, compared to 1.0% of RIAs), likely owing to Ramsey's historical audience focus in the middle market (which broker-dealers tend to serve more broadly than RIAs that increasingly tend to shift upmarket as they grow).

SmartAsset is a relatively balanced mix between the 2 channels, with 4.2% of RIAs and 3.2% of IBD/Insurance advisors making up its market share.

Third-Party Market Share By Practice Size

Adoption rates for lead generation technology rise as the practice grows. For example, the adoption rate is 8.8% for solo practices, but jumps to 30.6% by the time a practice evolves past 10 or more advisors. This may sound contradictory to the lesser importance more established practices place on lead generation platforms, but there is a likely explanation.

Figure 3.92. Lead Generation, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
SmartAsset	2.7%	2.2%	3.4%	14.7%
Zoe Financial	2.7%	2.5%	0.0%	9.4%
Ramsey SmartVestor	1.1%	1.2%	3.4%	2.4%

Notes: See Appendix-Glossary for definitions of terms. Results include the primary and (if applicable) secondary provider for respondents.

Large practices tend to rely on an ever-wider variety of sources for leads as they seek to scale up and maintain organic growth rates on an ever-larger base of clients and revenue. In other words, while larger firms may have cultivated more effective means for lead generation, they also have the scale and resources to afford lead generation technology and the patience to experiment with these applications as they continue to improve.

Among third-party specialists, SmartAsset is the leader across most segments of the market regardless of practice size (Figure 3.92), though Zoe Financial also sees a substantial spike in adoption amongst the largest teams. Whereas Ramsey's SmartVestor adoption falls in usage amongst the largest firms, due to the emerging mismatch of Ramsey's more middle-market lead base and firms' tendency to move upmarket to more affluent clientele as they grow.

Trends In Adoption And Market Share

Advisors still appear hopeful for lead generation platforms to help their growth, regardless of the existing challenges of these solutions. Looking out 12 months, adoption is projected to increase from 12.1% to 14.5%, with third-party software specialists expected to pick up most of this gain (Figure 3.93).

In practice, SmartAsset appears to have struggled the past year with a high trailing churn rate and negative momentum (commensurate with its low value and satisfaction scores), but the vendor is projected to regain momentum and market share in the year ahead (ostensibly because the advisory firms that weren't willing to 'play the numbers game' are removing themselves over time, and the remainder have decided they're comfortable with the trade-offs).

Figure 3.93. Lead Generation, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	11.0%	25.0%	-8.2%	10.1%	-	17.7%	11.9%
SmartAsset	4.4%	44.8%	-33.7%	2.9%	-	7.9%	3.2%
Zoe Financial	2.3%	13.3%	4.1%	2.4%	-	-7.1%	2.2%
Ramsey SmartVestor	1.4%	0.0%	33.5%	1.8%	-	-13.7%	1.6%
WiserAdvisor	0.6%	0.0%	20.1%	0.7%	-	7.9%	0.8%
NAPFA	0.5%	0.0%	20.1%	0.5%	-	-13.7%	0.5%
FeeOnlyNetwork	<0.5%	-	-	<0.5%	-	-	<0.5%
Wealthramp	<0.5%	-	-	<0.5%	-	-	<0.5%
XYPN	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	0.5%	0.0%	18.0%	0.5%	-	-13.3%	0.5%
Firm Proprietary	0.8%	40.0%	-29.2%	0.5%	-	-13.3%	0.5%
Self-Built	<0.5%	-	-	<0.5%	-	-	<0.5%
Other Tools	0.8%	-	-	0.7%	-	-	0.8%
Unsure	-	-	-	-	-	-	2.0%
Don't Use Technology	86.9%	-	1.2%	87.9%	-	-2.8%	85.5%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "–" denotes not available or not applicable.

An opposite experience is projected for Zoe Financial, 2nd in current third-party share to SmartAsset. Zoe Financial gained market share last year and had positive momentum, but is projected to lose momentum and market share in the months ahead, likely to competitors that have lower costs (though as the results here suggest, Zoe may win back its current customers in the future as they see the grass is not greener on the other side).

Providers To Watch

Pessimistic - SmartAsset, Ramsey SmartVestor | **Neutral** - NAPFA, WiserAdvisor | **Optimistic** - Zoe Financial

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BACK TO TOP

Client Relationship Management

Client relationship management, or CRM, technology supports service teams in both the sales process with prospective clients and, more substantively in the context of advisory firms, in the ongoing management of the entire client relationship lifespan. CRM systems not only collect and centrally manage key client data to better connect advisors with their clients, but also help to manage key business and client service processes. The aim is to fulfill an important tracking-of-client-interactions function for compliance purposes as well as to improve the overall business success of the team.

Figure 3.94. CRM Technology, Overall Summary

	2023
Adoption Rate	94.2%
Average Ratings	
Importance	9.2
Value	8.1
Satisfaction	7.6

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Advisors are more apt to use a technology solution for CRM than for any other advisory function. The technology adoption rate for CRM in 2023 was 94.2% (Figure 3.94), just ahead of the 93.1% rate for financial planning software. CRM systems, not coincidentally, also have one of the highest average importance ratings. Simply put, CRM systems increasingly form the central 'hub' around which advisory businesses are built, operating as the 'essential' system that nearly every advisor has adopted.

Notably, though, despite already-high usage, adoption continues to trend up, increasing from 93.3% 12 months ago to an expected 94.7% adoption rate anticipated 12 months from now. This is likely driven by relatively small advisory practices that in the past might have self-managed without a CRM system in their early years, but now are increasingly likely to adopt CRM software before the business more fully matures.

General Impressions

Despite its high importance and adoption amongst advisors, CRM technology solutions garner just average ratings relative to other software categories when it comes to advisor perceptions of value and overall satisfaction.

This is highly notable, as it suggests that the CRM category may be especially prone to the potential of a newcomer that can take market share from lower-rated legacy incumbents, given both limited satisfaction of advisors across a number of solutions, and the sheer volume of advisors that have adopted CRM systems (such that a relatively small win of market share from competitors can quickly add up to a material amount of advisor revenue).

In practice, the potential for CRM disruption appears to be driven by the growing complexity of advisory firms—as they add advisors and scale up, deeper integrations and more sophisticated cross-team workflow capabilities are needed. As a result, Salesforce (a robust and leading CRM provider across many industries) holds an overwhelmingly dominant share amongst the largest advisory firms… which suggests that industry-specific leaders (e.g., Redtail and Wealthbox) will be at increasing risk of losing business as advisory firms grow in size and complexity… even as newcomer Advyzon is gaining traction amongst newer and small firms given a strong advisor satisfaction rating and a category-leading value rating.

Provider Market Share And Ratings

Third-party specialists dominate as providers of CRM technology (Figure 3.95). Nearly 90% of all advisors use third-party software for CRM. Of those who don't use a third-party solution, most remaining CRM solutions are obtained directly form the advisor's platform (e.g., an independent broker-dealer like Commonwealth that developed its own internal CRM system). Notably though the few platform-built solutions have performed quite well, receiving higher ratings from advisors for both value and overall satisfaction relative to the third-party software.

CRM solutions for advisors are dominated by a "big 3" of providers—Redtail, Wealthbox, and Salesforce—which are used by more than 2/3 (67.4%) of all advisors. However, many third-party specialists hold a material share of the CRM technology market, which is among the most competitive across advisory functions. 8 vendors have at least 1% market share, including a combination of long-standing platforms like ProTracker and AdvisorEngine (formerly Junxure), various Dynamics-based platforms (Microsoft Dynamics 365 and Tamarac), and more recent startup entrants (e.g., Advyzon).

At the same time, though, advisors do overwhelmingly prefer industry-specific solutions, with non-advisor-specific options like Hubspot, Less Annoying CRM, and Copper failing to garner even 1% market share. Further, larger generalist providers used by advisors, like Salesforce and Microsoft Dynamics, are often coupled with "overlay" applications that better tailor to industry-specific needs. (See **CRM Overlay** for further detail.)

Figure 3.95. CRM, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	87.3%	-	7.6	8.1
Redtail	26.9%	8.2	7.7	8.3
Wealthbox	23.2%	7.9	8.1	8.4
Salesforce	17.3%	7.7	7.8	7.9
Advyzon	4.9%	8.0	8.2	8.5
AdvisorEngine (formerly Junxure)	4.2%	6.5	6.5	7.3
Envestnet Tamarac	2.3%	5.7	5.7	6.4
Microsoft Dynamics 365	1.9%	6.2	5.8	6.2
ProTracker Software	1.1%	6.2	7.3	7.9
SmartOffice	0.8%	-	4.5	6.0
Hubspot	0.7%	-	6.6	7.4
Less Annoying CRM	0.7%	-	9.2	10.0
ACT!	<0.5%	-	-	-
Copper	<0.5%	-	-	-
Outlook	<0.5%	-	-	-
Other Third-Party	2.2%	-	-	-
Platform	4.6%	6.2	7.8	8.5
Firm Proprietary	1.2%	5.9	6.0	7.3
Self-Built	<0.5%	7.0	-	-
Other Tools	0.7%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

When it comes to the leading providers, it's notable that despite Redtail's top rank in market share, advisors are growing less satisfied with the vendor. While advisor satisfaction with Wealthbox rose, Redtail satisfaction ratings averaged 8.2 in 2021, but dropped to 7.7 in 2023 (which, albeit, is still slightly above average for the category).

Coupled with Redtail's announcement (after data collection for this study concluded) of a material price increase, which is likely to adversely affect the company's value score, Redtail's outlook as the category leader now appears cloudy. (Though given the high switching costs for advisors to transition to a new CRM system, Redtail's price increase is still very likely to be a net positive for the company in revenue terms.)

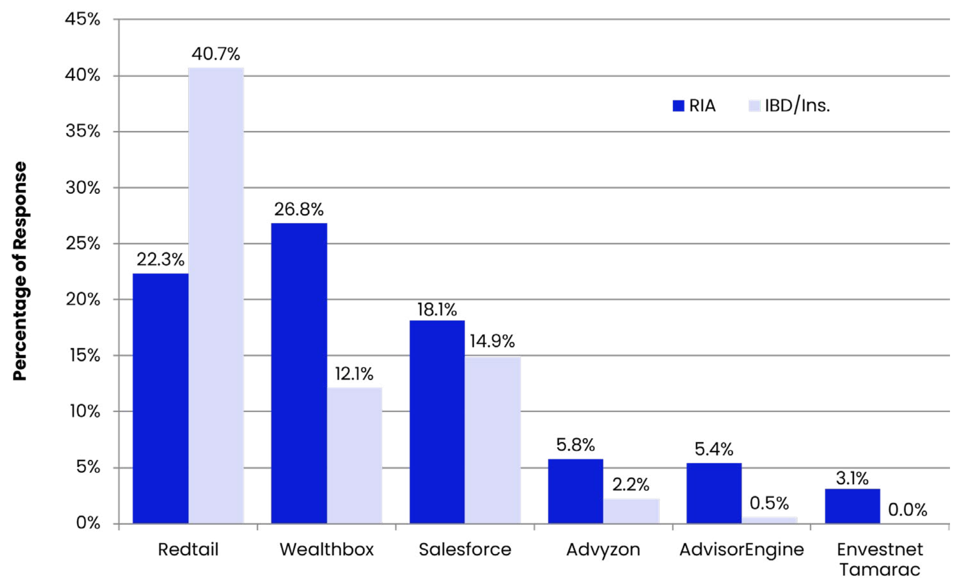
The emerging standout in the CRM category, though, is Advyzon, which is showing steady growth in market share as the relative newcomer, with both category-leading advisor satisfaction and value scores amongst the major CRM competitors.

Third-Party Market Share By Channel

The chance of an advisor making use of a CRM application is roughly equal across industry channels. Notable differences do exist, though, in terms of where these advisors access their CRM technology. Due to the scale that at least some broker-dealers have had to build their own in-house technology tools (when even 'large' RIAs measure their advisor headcount in the dozens but broker-dealers measure by the hundreds or thousands), IBD/Insurance advisors are 6 times more likely than RIA advisors to use platform-provided CRM technology (13.0% vs. 2.3%) and are relatively much less likely to use third-party software.

That being said, Redtail has been especially efficient at building distribution in the broker-dealer channel, where it holds an even more dominant market share (Figure 3.96). While about 1/5 (22.3%) of RIA advisors use Redtail, 2/5s (40.7%) of IBD or insurance-affiliated advisors do. At the same time, though, Redtail's success amongst broker-dealers to build its advisor base has perhaps indirectly masked the relative strength of competitors in the RIA channel (where most advisor technology companies begin their growth before eventually pivoting to the IBD channel). In fact, Wealthbox has surpassed Redtail adoption in the RIA channel, with Salesforce not far behind. Consistent with the tendency for RIAs to be earlier adopters and more flexible, all other leading third-party specialist providers enjoy greater market share with RIA advisors as well.

Figure 3.96. CRM, Provider Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Use of third-party CRM software increases with the size of the practice. CRM technology is used by 91.7% of solo advisors, with use increasing to 95.8% of practices with 10 or more advisors. Simply put, the more advisors and team members who are involved with client service and support, the more likely a firm is to build around a CRM system to better manage client relationships.

However, growth in the size of an advisory practice drives not only whether it uses CRM software, but also has significant influence in which vendors advisors choose. This is especially true for Salesforce and Microsoft Dynamics, both leading CRM vendors across larger enterprises in a variety of industries. Salesforce is a particular favorite of practices with 10 or more advisors, where its market share exceeds 50%, thanks to its depth of customization, integrations, and workflow capabilities; similarly, Microsoft Dynamics 365and Envestnet Tamarac (which was originally built as a Microsoft Dynamics CRM partner) together hold nearly 20% more market share amongst the largest firms (Figure 3.97).

In contrast, all other CRM providers have only a minor presence in the large-practice market. In particular, Wealthbox, while serving over1/3 of solo practices, has just a 2.9% market share with the largest practices, and though Advyzon has already captured 5%–10% market share in firms up to 3 advisors, it has yet to gain virtually any traction amongst larger teams. Redtail shows special strength amongst multi-advisor (2–10) firms, where it's per-database (rather than per-advisor) pricing makes it especially competitive on value.

Figure 3.97. CRM, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Redtail	25.4%	31.0%	31.8%	11.6%
Wealthbox	34.3%	19.4%	11.6%	2.9%
Salesforce	8.6%	14.0%	24.5%	50.8%
Advyzon	5.8%	10.1%	1.2%	0.0%
AdvisorEngine	0.3%	7.8%	10.4%	4.4%
Envestnet Tamarac	0.3%	0.8%	4.9%	10.2%
Microsoft Dynamics 365	0.3%	1.6%	3.1%	8.7%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

In essence, a 2-tier structure of CRM systems is beginning to emerge amongst advisory firms. Redtail, Wealthbox, and Advyzon are used by individual advisors and small teams (with Redtail showing particular strength amongst mid-sized teams of 4–9 given its pricing model, though this may change given its recently-announced change to a per-user model that will have an especially high impact on the cost for such mid-sized firms). Dynamics and especially Salesforce are increasingly dominating amongst larger advisory firms with more complex CRM needs.

Trends In Adoption And Market Share

The adoption rate for CRM technology continues to inch up, but the allocation of market share across the various provider types and third-party specialists has held quite steady in the last 12 months (Figure 3.98). Little change is expected in the next 12, simply because advisors tend to get so embedded in their CRM systems that the switching costs in both financial and staff time are immense (leading to relatively little intent to change at only 4.9% of advisors, even amongst least-satisfied advisors).

A few underlying dynamics that could potentially drive market share changes are worth noting, however. Likely resulting from deteriorating satisfaction ratings, Redtail shows projected declining market momentum and a potential (albeit slight) drop in market share looking 12 months out (which will likely accelerate some, particularly in its mid-sized firm core, given its post-study price increase announcement). Market share may also be on the decline for Envestnet's Tamarac, which looks especially prone to turnover amongst larger advisory firms (that will likely go to Salesforce given their size).
In contrast, Advyzon looks well poised to gain share, given limited expected churn and strong projected momentum, and while AdvisorEngine's advisor satisfaction ratings have remained low, a recent overhaul and version update to its CRM, coupled with growing investments into marketing, are signaling a modest projected rise.
In the meantime, Salesforce appears well positioned to continue to gain market share in the large-firm environment (where it is already the category standout, competing against lower-rated higher-churn alternatives). On the other hand, because of the breadth and depth of CRM options available, most advisors looking to change have already decided where they intend to go, with a fairly low 1.1% rate of advisors who are "unsure" about where they may be going next.

Figure 3.98 CRM, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	86.2%	4.9%	1.2%	87.3%	2.0%	0.7%	87.9%
Redtail	26.2%	3.5%	2.4%	26.9%	1.0%	-1.4%	26.5%
Wealthbox	22.3%	3.6%	4.1%	23.2%	2.4%	-1.9%	22.7%
Salesforce	17.4%	4.5%	-0.5%	17.3%	0.8%	2.0%	17.7%
Advyzon	4.5%	2.9%	9.5%	4.9%	<1.0%	3.6%	5.1%
AdvisorEngine	4.6%	11.4%	-8.4%	4.2%	3.2%	4.5%	4.4%
Envestnet Tamarac	2.1%	<1.0%	9.9%	2.3%	11.8%	-7.7%	2.1%
Microsoft Dynamics 365	1.8%	<1.0%	3.5%	1.9%	<1.0%	-1.9%	1.9%
ProTracker Software	1.1%	<1.0%	3.5%	1.1%	<1.0%	-1.8%	1.1%
SmartOffice	0.8%	<1.0%	3.5%	0.8%	16.7%	-18.3%	0.7%
Hubspot	0.7%	<1.0%	3.3%	0.7%	20.0%	-21.5%	0.5%
Less Annoying CRM	0.7%	<1.0%	3.3%	0.7%	20.0%	-21.5%	0.5%
Platform	4.9%	8.1%	-5.0%	4.6%	2.9%	-1.9%	4.5%
Firm Proprietary	1.2%	<1.0%	3.5%	1.2%	11.1%	-1.9%	1.2%
Other Tools	1.1%	-	-	1.1%	-	-	0.9%
Unsure	-	-	-	-	-	-	1.1%
Don't Use Technology	6.7%	-	-13.5%	5.8%	-	-8.8%	5.3%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Redtail, Envestnet Tamarac, Microsoft Dynamics 365 | **Neutral** - AdvisorEngine, Wealthbox
Optimistic - Advyzon, Salesforce

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BACK TO TOP

CRM Overlay

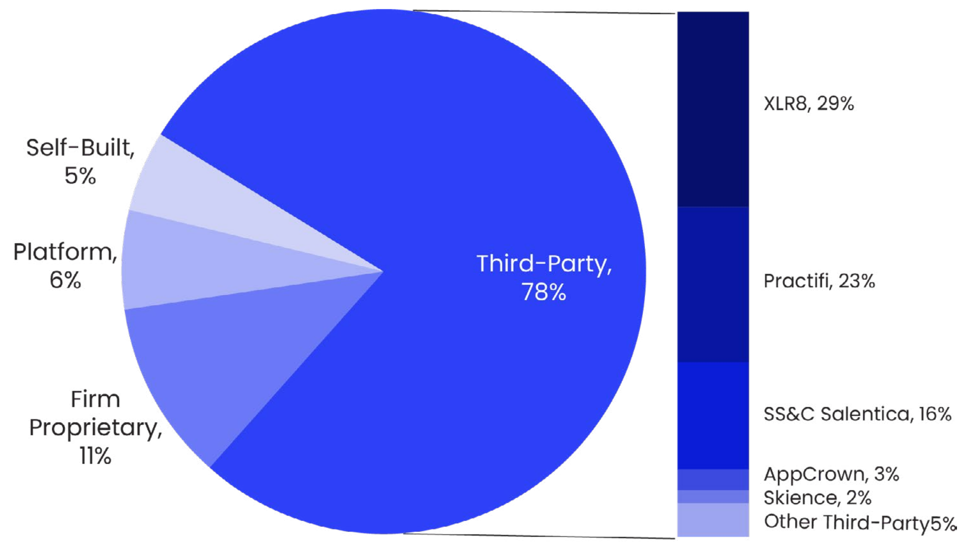
An advisor's CRM application, as noted, is often the most critical component of technology within a practice. Yet, based on value and satisfaction ratings, advisors are wanting more from this technology. This is especially true for the larger and more complex practices, with typically more robust requirements for CRM technology.

These 'higher-need' practices often rely on Salesforce or Microsoft Dynamics. Consequently, of all advisors using a CRM application, about 1/4 reported that they were customers of one of these companies (with most doing business with Salesforce). Among practices with 10 or more advisors, nearly 60% use Salesforce or Dynamics.

Yet while these vendors, especially Salesforce, are giants within the CRM field, with a long history of CRM innovation, they are not particularly tailored to work with advisory firms. Because of this lack of specialization, nearly half of the advisory practices that use Salesforce or Dynamics (46%) deploy an additional "overlay" application that offers better customization to financial planning work.

About 3/4 of those who apply overlay solutions are using a third-party specialist provider (Figure 3.99). 3 major vendors account for nearly 90% of third-party overlay market—XLR8 and Practifi for Salesforce, and SS&C Salentica for Dynamics, with XLR8 being the largest provider. Firm proprietary, platform, and self-built tools (where advisory firms or their broker-dealer home offices develop their own in-house Salesforce or Dynamics customizations) are less commonly applied overlay solutions.

Figure 3.99. CRM Overlay, Distribution Of Providers Used



Document Management

Document management technology supports advisors with not only business document storage and client document and record management, but increasingly in process automations for keeping both business files and the client's data and documents organized, up-to-date, and secure.

Figure 3.100. Document Management Technology, Overall Summary

	2023
Adoption Rate	79.2%
Average Ratings	
Importance	9.2
Value	8.5
Satisfaction	8.1

Notes: See Appendix-Glossary for definitions of terms.
Ratings include only the primary provider for respondents.

Adoption

Documents, data, and records are essential to the work of a financial advisor, both from a practical perspective of business execution and because of the records-retention requirements of compliance. Thus, it is no surprise that document management technology ranks 3rd out of 27 categories in terms of importance with an average rating of 9.2 (Figure 3.100). Only CRM and billing technology were deemed more critical. The current technology adoption rate for document management, at 79.2%, is projected for additional modest growth in the months ahead, based on very healthy value and satisfaction ratings driving continued positive word-of-mouth for the category.

General Impressions

Advisors rate the value of, and their satisfaction with, document management technology nearly as high as their views of its importance. Compared to all 27 categories, document management technology ranks 4th in both value and satisfaction.

Interestingly, though, industry-specific document management technology, such as Laserfiche and Docupace, are less attractive (and rate lower in satisfaction) to advisors than general document management technology like Microsoft OneDrive, Box, Dropbox, or Google Drive.

This suggests that advisors may not need a lot of bells and whistles to glean value. Technologies that can simply, and efficiently, allow advisors to collect, share, and store documents safely seem to be most important. Or alternatively, to the extent that there are additional use cases around 'more sophisticated' document management and business process automation, the existing industry providers are not yet delivering at a level that advisors are satisfied with.

Provider Market Share And Ratings

Third-party specialist applications dominate the document management marketplace, with 63.4% market share (Figure 3.101). A diversity of vendors competes in this segment—20 third-party vendors, typically with strong value and satisfaction ratings, received multiple mentions. However, in the divide between industry-specific and more generalist providers, the top 4 performers (Microsoft OneDrive, Box, Dropbox, and Google Drive) are all generalist providers, and collectively account for 1/3 of the market.

Figure 3.101. Document Management, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	63.4%	-	8.2	8.5
Microsoft OneDrive	10.7%	8.7	8.4	9.0
Box	8.1%	8.6	8.6	8.7
Dropbox	7.6%	8.7	8.5	8.6
Google Drive	7.5%	9.0	8.9	9.4
Sharepoint	5.1%	-	7.7	8.2
Citrix Sharefile	5.0%	-	-	8.8
Redtail	2.8%	-	7.9	8.1
Egnyte	2.7%	8.8	-	8.9
Worldox	2.2%	8.8	5.4	6.8
Laserfiche	1.9%	8.5	7.0	7.5
NetDocuments	1.9%	7.5	8.2	8.5
Docupace	1.8%	8.4	5.4	5.8
Advyzon	1.4%	-	8.1	8.4
eMoney	1.2%	8.0	7.4	7.8
Salesforce	0.7%	-	7.6	7.6
eFileCabinet	<.5%	-	-	-
CommConnect	<.5%	-	-	-
FileCabinret	<.5%	-	-	-
Sync.com	<.5%	-	-	-
Other Third-Party	1.8%	-	-	-
Platform	6.6%	7.6	8.4	8.6
CRM Application	2.6%	-	8.2	8.5
Firm Proprietary	2.4%	7.3	6.7	7.8
Self-Built	1.8%	-	6.8	8.1
Client Portal	1.5%	8.9	8.8	8.8
Other Tools	0.9%	-	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

Microsoft OneDrive is the leader among these providers, with 10.7% market share. And its top rank appears due to value and satisfaction ratings that are well-above average—not simply because advisors tend to buy PCs that use Microsoft (where OneDrive is typically pre-installed). Box and Dropbox rank 2nd and 3rd, respectively, in market share, and both receive high value ratings, with even (slightly) better satisfaction ratings than OneDrive. Sitting just behind these offerings in market share is Google Drive, with category-leading satisfaction and value ratings.

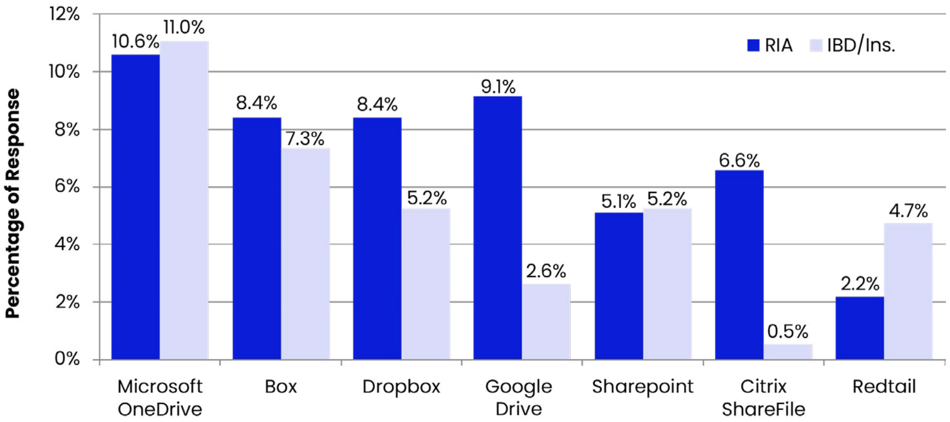
Clearly, advisors prefer solutions that fit seamlessly into other, more general purpose, application suites (i.e., Microsoft or Google) over industry-specific solutions such as Laserfiche or Docupace or those built into a CRM application (e.g., Redtail)… a signal that industry-specific providers are not yet delivering on their use cases beyond what the generalist solutions already provide.

Interestingly, the lowest document management market share belongs to client portals at 1.5%, despite these applications garnering some of the highest ratings for both satisfaction (8.8) and value (8.8). Portal ratings are only bested by Microsoft OneDrive and Google Drive in value (respectively 9.0 and 9.4) and Google Drive in satisfaction (8.9). Yet ultimately, when advisory firms need to manage to not just sharing documents with clients, but also managing their own internal business documents, the broader solutions that can handle the full range of an advisory firm's needs outweigh 'just' using narrower client-portal solutions.

Third-Party Market Share By Channel

At 80.4%, adoption of third-party document management technology is more common among RIAs compared to 68.5% for IBD/Insurance advisors. Among third-party specialists, most tend to be more dominant among RIA advisors, with Google Drive and Citrix ShareFile holding particular advantage (Figure 3.102). This gap is attributable to IBD/Insurance advisors being 5 times more likely to use their platform for document management technology, though Microsoft OneDrive and SharePoint are also slightly more common for IBD/Insurance advisors.

Figure 3.102. Document Management, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

When viewed through the lens of firm size, it becomes clear that advisory firms have different document management needs as they grow.

Google Drive (11.3% market share) and Dropbox (11.0%) are the largest providers for solo advisors (Figure 3.103), for whom document management is mostly just a function of managing the advisor's own 'personal' drive of files.

As the firm grows, and multi-employee use of office applications rises, Microsoft's own solutions—OneDrive, and Sharepoint—emerge as more dominant players, with their additional capabilities to manage permissions by employee, eliminate access for terminated employees, and integrate documents into (Microsoft-based) workflows.

Amongst the largest practices, Box is the clear leader with 20.4% advisor adoption, leveraging their larger enterprise-level capabilities to manage the complexities of file management, access, and permissioning.

Figure 3.103. Document Management, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Google Drive	11.3%	4.6%	4.3%	0.0%
Dropbox	11.0%	9.2%	1.2%	0.0%
Microsoft OneDrive	8.6%	21.5%	9.2%	3.1%
Citrix ShareFile	5.9%	2.3%	6.8%	1.6%
Box	5.4%	10.0%	8.6%	20.4%
Redtail	3.5%	0.0%	4.3%	0.0%
Sharepoint	3.0%	3.8%	11.1%	6.3%
Egnyte	2.2%	3.8%	3.1%	3.1%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Other third-party specialist providers, Citrix, Retail, and Egnyte, are not necessarily leaders within any specific size segment, but instead, can be found in similar proportion regardless of size.

Figure 3.104. Document Management, Churn, And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	62.8%	2.3%	1.0%	63.4%	1.3%	1.5%	64.4%
Microsoft OneDrive	10.3%	1.3%	4.3%	10.7%	<1.0%	-0.8%	10.6%
Box	7.9%	<1.0%	3.4%	8.1%	1.7%	-0.5%	8.1%
Dropbox	7.6%	1.8%	-0.1%	7.6%	<1.0%	-2.1%	7.4%
Google Drive	7.1%	<1.0%	5.5%	7.5%	3.6%	-0.3%	7.4%
Sharepoint	4.9%	<1.0%	4.4%	5.1%	2.6%	5.7%	5.4%
Citrix Sharefile	4.9%	<1.0%	1.7%	5.0%	<1.0%	-2.1%	4.9%
Redtail	3.1%	8.7%	-7.2%	2.8%	<1.0%	7.2%	3.1%
Egnyte	2.5%	<1.0%	7.0%	2.7%	<1.0%	-2.1%	2.7%
Worldox	2.1%	<1.0%	1.7%	2.2%	12.5%	-8.2%	2.0%
Laserfiche	2.0%	6.7%	-5.1%	1.9%	<1.0%	-2.0%	1.9%
NetDocuments	2.0%	6.7%	-5.1%	1.9%	<1.0%	-2.0%	1.9%
Docupace	1.7%	<1.0%	1.7%	1.8%	<1.0%	5.5%	1.9%
Advyzon	1.3%	<1.0%	1.7%	1.4%	<1.0%	7.7%	1.5%
eMoney	1.2%	<1.0%	1.7%	1.2%	<1.0%	8.8%	1.3%
Salesforce	<0.5%	-	-	0.7%	<1.0%	-2.0%	0.7%
eFileCabinet	<0.5%	-	-	<0.5%	-	-	<0.5%
CommConnect	<0.5%	-	-	<0.5%	-	-	<0.5%
FileCabinret	<0.5%	-	-	<0.5%	-	-	<0.5%
Sync.com	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	6.6%	6.0%	-0.4%	6.6%	<1.0%	-0.1%	6.6%
CRM Application	2.5%	<1.0%	1.7%	2.6%	<1.0%	8.3%	2.8%
Firm Proprietary	2.4%	<1.0%	1.7%	2.4%	<1.0%	-2.1%	2.4%
Self-Built	1.9%	7.1%	-5.6%	1.8%	<1.0%	-2.1%	1.7%
Client Portal	1.5%	<1.0%	1.7%	1.5%	<1.0%	6.8%	1.6%
Other Tools	0.9%	-	-	0.9%	-	-	0.9%
Unsure	-	-	-	-	-	-	1.1%
Don't Use Technology	21.4%	-	-3.0%	20.8%	-	-7.4%	19.2%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

Despite the broad range of competitors in the space, document management is an incredibly stable category in terms of limited change in adoption, low churn rates, and consistent market shares of its varied providers. What is more, few advisors report being open to a new technology solution with just a small share of advisors (0.9%) unsure about what solution to go with next (Figure 3.104).

Simply put, advisors appear to be loath to take the time and effort to change providers. Most changes are likely driven by either new firm formation (where advisors need to implement tools for the first time upon creation or breakaway transition), or when the firm hits a multi-advisor size threshold where they need to move from 'individual' solutions (e.g., Dropbox, Google Drive, OneDrive) to more multi-employee business solutions (e.g., Sharepoint, Box).

As the share of advisors without document technology continues to decline, third-party specialists stand positioned to benefit the most. However, in practice much of the vendor-change activity appears to be concentrated amongst firms that are outgrowing their individual solutions and moving 'upmarket' to multi-advisor platforms; consequently, Microsoft OneDrive, Dropbox, and Google Drive, are all are projected to have small decreases in market share in the next 12 months, while multi-advisor solutions (ShareFile and industry-specific providers like Docupace) are positioned for growth (though Docupace, and Worldox, will have to overcome very low advisor satisfaction ratings with further product improvements).

It's also notable that advisors appear to be showing a growing willingness to tie their document management directly into their CRM, with Redtail and Advyzon also showing positive projected growth momentum in the coming year.

Providers To Watch

Pessimistic - Worldox | **Neutral** - Dropbox, Sharepoint, Citrix, Redtail, Egnyte, Platform, Docupace

Optimistic - Google Drive, Microsoft OneDrive, Sharepoint, Box, CRM

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BACK TO TOP

Meeting Scheduling

Meeting scheduling technology automates the process of clients (or prospects) setting meetings with advisors. Features typically include an online function that highlights open windows in a calendar where attendees can book time. Confirmations are then sent automatically via text or email. Functionality may also include the ability to include pre-meeting questionnaires or intake forms, as well as program distribution of pre- or post-meeting materials such as reminders, summaries, or feedback surveys. Scheduling technology may be in the form of a standalone application, or part of a suite of services.

Figure 3.105. Meeting Scheduling, Overall Summary

	2023
Adoption Rate	71.0%
Average Ratings	
Importance	8.2
Value	8.7
Satisfaction	8.5

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

The typical lead advisor spends nearly 30% of their time in client or prospect meetings, according to another recent Kitces Research study on How Financial Advisors Actually Do Financial Planning (2022).

Given such devotion to meetings, the relatively high rate of adoption for scheduling technology is not surprising. The current adoption rate, at 71.0% (Figure 3.105), ranks 9th among the 27 functions surveyed. Despite already widespread use, adoption should continue to expand at a brisk pace in the months ahead, given extremely high satisfaction and value ratings for the category.

General Impressions

Scheduling technology, relative to other categories, ranks only slightly above average in importance for advisors and does not appear to be a tool that advisors prioritize naturally. What really looks to be driving adoption is the fact that advisors are just extremely pleased with the technology, both with respect to how it works as well as what they get for the cost. On both satisfaction and value, advisors gave scheduling applications some of the highest scores across any function tested. The 8.7 average rating for value ranked first across our 27 categories. For satisfaction, scheduling technology ranked behind only tax planning.

Provider Market Share And Ratings

Third-party specialists dominate scheduling technology—the 63.6% share of all advisors who use a third-party solution represent nearly 90% of those advisors who've adopted scheduling technology (Figure 3.106). And within third-party specialists, Calendly is the dominant vendor, used by 41.2% of all advisors. The vendor also rates highest in terms of both value and satisfaction. In fact, there are few other categories where a single third-party specialist has such deep penetration in the market. Calendly's leadership is more extraordinary considering it competes in a very crowded space. In addition to Calendly, 6 other third-party specialists have at least 1% market share.

Figure 3.106. Meeting Scheduling, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	63.6%	–	8.6	8.7
Calendly	41.2%	8.7	8.8	9.0
ScheduleOnce	8.1%	8.2	8.1	8.4
Acuity	4.7%	8.4	8.3	8.5
MS Bookings	2.9%	–	8.5	8.5
Zoom	1.2%	–	8.1	8.0
Outlook	1.1%	–	–	8.5
TimeTrade	1.0%	6.1	7.1	7.7
Google Calendar	0.5%	–	–	–
YouCanBookMe	<0.5%	–	–	–
Levitate.ai	<0.5%	–	–	–
OnceHub	<0.5%	–	–	–
Appointy	<0.5%	–	–	–
Doodle	<0.5%	–	–	–
Other Third-Party	2.1%	–	–	–
CRM Application	4.7%	–	7.8	8.2
Platform	0.5%	7.3	–	–
Firm Proprietary	<0.5%	–	–	–
Self-Built	<0.5%	–	–	–
Other Tools	1.6%	–	–	–

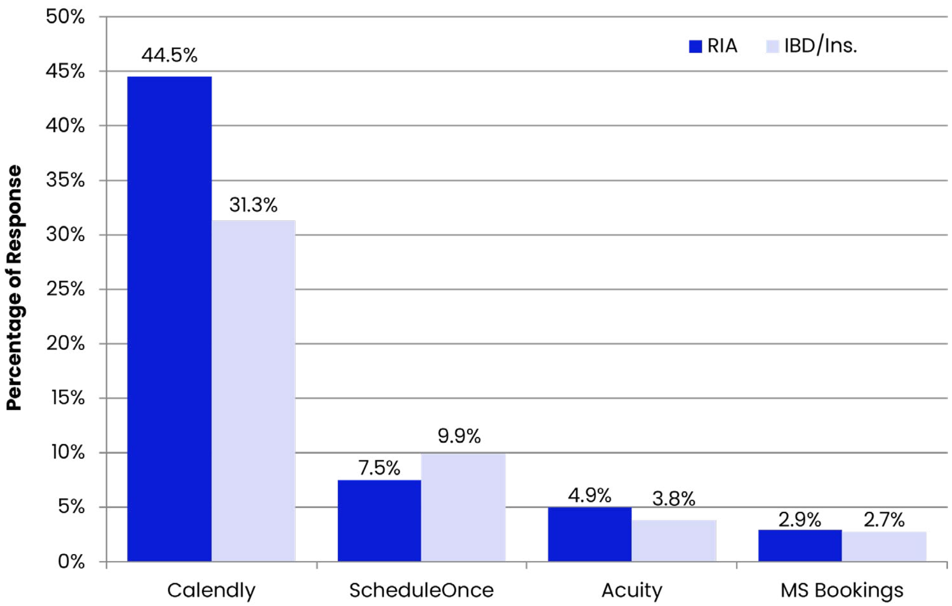
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "–" denotes not available or not applicable.

With a 4.7% share of the meeting scheduling market, CRM applications are the only provider type other than third-party specialists with any significant market share. Their lack of specialization, however, likely explains their weaker value and satisfaction ratings as it relates to meeting scheduling tasks.

Third-Party Market Share By Channel

RIA advisors are slightly more likely to use scheduling applications compared to IBD/Insurance advisors. With even greater frequency, they use third-party specialists for this purpose. As a result, greater market shares for third-party specialists within the RIA channel relative to IBD/Insurance are not unexpected. These include Calendly, Acuity, and MSBookings. In contrast, ScheduleOnce is more commonly used by IBD/Insurance advisors (Figure 3.107).

Figure 3.107. Meeting Scheduling, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

By practice size, technology adoption for scheduling support tends to be greater among the smallest practices. For example, about 3/4 of solo advisors use the technology, but less than 1/3 of practices with 10 or more advisors do. The use of third-party specialists for meeting scheduling tracks similarly.

Meeting scheduling is one of the few advisory functions where smaller practices are more prone to use technology than their larger peers. The trend is also evident with client data gathering and advice engagement. All these activities include administrative functions that require potentially time-consuming direct interaction with clients.

Accordingly, for the time-constrained solo advisor, juggling many responsibilities, the decision calculus to apply technology for these tasks is straightforward—they automate administrative tasks that the advisor would have to otherwise do themselves, because they have no one else to delegate them to. Larger practices have a different perspective, however. They not only have bigger teams for dedicating non-advisory administrative staff to these functions, but they may also have a greater preference for providing a more personal touch with their often more affluent (and thus often more demanding) clients.

Given the sheer command of market share by Calendly overall, its top rank across all practice sizes is expected (Figure 3.108). ScheduleOnce takes second across all ranges. For practices of fewer than 10 advisors, Acuity follows directly behind, before being overtaken by MS Bookings, which has a greater market share among the largest practices.

The consistency with which all third-party specialists are found across practice sizes speaks to the value and satisfaction that these services provide—regardless of the practice size they all carry out a simple but important function in the eyes of the financial planners that use them.

Figure 3.108. Meeting Scheduling, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Calendly	43.1%	37.6%	44.8%	28.2%
ScheduleOnce	9.1%	6.5%	6.6%	9.4%
Acuity	5.2%	6.5%	3.6%	1.6%
MS Bookings	2.7%	3.3%	2.4%	4.7%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Figure 1.109. Meeting Scheduling, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	60.7%	60.7%	4.8%	63.6%	0.6%	4.9%	66.7%
Calendly	39.3%	39.3%	4.8%	41.2%	<1.0%	4.2%	42.9%
ScheduleOnce	7.8%	7.8%	3.4%	8.1%	3.4%	-1.1%	8.0%
Acuity	4.2%	4.2%	9.9%	4.7%	<1.0%	1.8%	4.8%
MS Bookings	2.7%	2.7%	8.6%	2.9%	<1.0%	-1.1%	2.9%
Zoom	1.2%	1.2%	3.4%	1.2%	<1.0%	9.9%	1.4%
Outlook	1.1%	1.1%	3.4%	1.1%	<1.0%	-1.1%	1.1%
TimeTrade	0.9%	0.9%	3.4%	1.0%	<1.0%	-1.1%	1.0%
Google Calendar	0.5%	0.5%	3.4%	0.5%	<1.0%	-1.1%	0.5%
YouCanBookMe	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Levitate.ai	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
OnceHub	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
CRM Application	4.7%	4.7%	0.3%	4.7%	<1.0%	10.3%	5.2%
Platform	0.5%	0.5%	3.2%	0.5%	<1.0%	23.7%	0.7%
Firm Proprietary	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Self-Built	<0.5%	<0.5%	-	<0.5%	-	-	<0.5%
Other Tools	1.6%	1.6%	-	1.6%	-	-	1.6%
Unsure	-	-	-	-	-	-	1.5%
Don't Use Technology	32.0%	32.0%	-9.4%	29.0%	-	-14.6%	24.7%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Trends In Adoption And Market Share

Scheduling applications, with already high adoption, are among the fastest growing categories of advisor technology. 12 months ahead, just 1/4 of advisors are expected to be without the technology, compared to the nearly 1/3 that were without it 12 months ago. Across providers, churn rates tend to be low, and momentum is generally positive (Figure 3.109).

Already dominant, third-party providers will pick up the greatest share of the gains and are expected to service 2/3 of all advisors in a year's time. Among them, Calendy appears well on track to gain an even larger share of the market, aided by low churn, strong momentum, and stellar reviews from advisors. Though notably, a growing share of advisors are expected to schedule through their CRM applications, and arguably meeting scheduling is an add-on function that CRM providers might be able to implement to either earn additional fees (for a separate upsell service) or simply to differentiate by eliminating a layer of costs that advisors would otherwise have to buy separately.

A relatively small share of advisors, 1.5%, are unsure about what technology provider will best meet their scheduling needs. Their choices will likely further grow specialist or CRM market share.

Providers To Watch

Pessimistic - Firm proprietary and self-built solutions | **Neutral** - Acuity, ScheduleOnce, MS Bookings
Optimistic - Calendly, CRM applications

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BACK TO TOP

Billing AUM Fees

Billing technology calculates advisory fees, creates payment files, and customizes invoices in addition to other related services. Billing services that cater to advisors charging on the basis of assets under management will further offer capabilities for gathering the underlying values of holdings to apply the advisor's fee schedule and managing different fee schedules according to asset tiers, breakpoints, or different asset classes.

Figure 3.110. Billing AUM Fees Technology, Overall Summary

	2023
Adoption Rate	64.4%
Average Ratings	
Importance	9.2
Value	8.3
Satisfaction	8.0

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

Adoption of billing software for AUM-advisors, at 64.4%, is in the top 3rd of surveyed functions, ranking 11th of 27 categories surveyed (Figure 3.110). Although adoption is not low, it is surprising that it is not currently higher, nor is it projected to significantly increase, despite incredibly high importance ratings.

General Impressions

Adoption of AUM billing software has stalled, despite advisors' relatively favorable impressions of AUM fee billing technology. With an average score of 9.2, only CRM applications were given a higher importance rating by advisors.

Notably, though, while technology for billing AUM fees also rated well in terms of value and satisfaction (both metrics ranked 6th across all categories tested), the ratings are still substantially lower relative to importance. This implies that there are still capabilities that existing providers are not solving for, that advisors would be willing to pay for (given the importance), if only the software was improved to be able to handle those needs.

Provider Market Share And Ratings

The leading source for AUM billing technology is the advisor's portfolio management system. Leveraging portfolio management systems is only natural, since that is the application most capable of tracking a client's underlying holdings and their current values in the first place, making it especially easy to apply the advisor's AUM fee schedule (Figure 3.111). Similarly, platform-provided solutions rank 2nd in adoption, at 19.6%, likewise driven by the reality that such platforms are typically the ones that hold assets for clients (and therefore, have immediately accurate details regarding positions and values).

Third-party specialists control just 8.3% of the market, though the specialist leader—BillFin—receives higher value and satisfaction scores compared to portfolio management solutions and platform providers. BillFin's satisfaction ratings have improved considerably since 2021, implying that the vendor is positioned to win market share away from the others. The ongoing importance of the category, however, suggests that even BillFin has room to build additional capabilities that advisors would be willing to pay for.

Figure 3.111. Billing AUM Fees, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	8.3%	-	8.2	8.3
BillFin	3.7%	6.0	8.5	8.5
Panoramix	0.7%	-	-	-
AdvicePay	<0.5%	9.0	-	-
AssetBook	<0.5%	-	-	-
Blueleaf	<0.5%	-	-	-
BridgeFT	<0.5%	-	-	-
Other Third-Party	2.2%	-	-	-
Portfolio Management Software	29.3%	8.5	7.9	8.1
Platform	19.6%	7.1	8.3	8.6
Firm Proprietary	2.1%	6.6	8.2	8.7
Self-Built	1.8%	5.0	6.1	8.4
Other Tools	3.2%	8.0	-	-

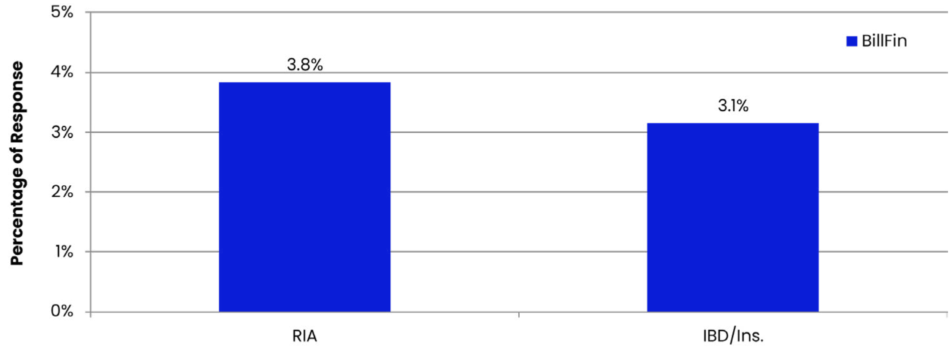
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

On the other hand, this category is also likely to face a status quo bias—advisors might benefit from switching to higher-quality third-party specialists, but given the reasonable level of satisfaction they have with their current providers, why change unless the capabilities of a new provider are *substantially* better than what the advisor is already using?

Third-Party Market Share By Channel

Consistent with the fact that advisors have to have an RIA registration to actually charge advisory fees, AUM fee billing software has greater use of technology in the RIA channel (66.8% adoption) than within the IBD/Insurance channel where it may still be used by dually-registered advisors (only 57.3% adoption).

Figure 3.112. Billing AUM Fees, BillFin Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Most RIA advisors use a portfolio management solution (35.7%) to facilitate their billing. Comparatively, IBD/Insurance advisors mainly use platform-provided solutions (36.5%). Just 9.7% of RIAs access AUM billing software from a third-party specialist, and only 3.9% of IBD/Insurance advisors do. While RIAs use specialists at more than twice the rate of IBD/Insurance advisors, the difference is not quite so dramatic for BillFin, the leading third-party specialist (Figure 3.112).

Third-Party Market Share By Practice Size

No clear correlation exists for the use of AUM billing applications to grow or contract with practice size. For third-party specialist BillFin, however, business was non-existent once practices reached a size of 10 or more advisors. This finding should be interpreted with a degree of caution, though, given the low sample size of users in this category. Nonetheless, it implies that in practice, third-party specialists like BillFin are winning market share by helping to ease/automate the process for smaller/solo advisors, and not necessarily by solving the additional fee-billing complexities that tend to emerge for larger RIAs.

Figure 3.113. Billing AUM Fees, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
BillFin	4.6%	1.5%	2.4%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

Growth in the use of AUM fee billing software seems to have stagnated. 12 months ago 36.4% of all advisors did not have a technology solution for this function. This share is projected to drop slightly to 35.0% 12 months ahead, signaling what is only a small uptick in first-time adopters.

The lack of market momentum may just be a case of "if it isn't broken, don't fix it". For years, the ways in which advisors charge based on AUM have changed very little. Many may be set in their ways, and given the lack any substantial 'pain points' (given relatively high satisfaction ratings), they are not especially interested in adopting new approaches through technology.

For the limited growth in technology adoption that is expected to occur in this category, it will likely be captured by third-party specialists. Their overall market share is projected to climb from 8.3% to 9.4%. They should expect to pick up new adopters, as well as advisors transitioning away from billing AUM fees through their portfolio management systems (Figure 3.114).

Overall, though, the biggest question of the AUM billing category is arguably whether third-party specialists can find what capabilities *are* missing amongst portfolio management and platform providers and build those features to win advisors away by solving for those premium complexities. Which appears to be an opportunity given both what is still a gap in advisor perceptions of importance over satisfaction (suggesting room for product improvements within the category) and a relatively high rate of advisors looking for new solutions who are unsure about which one will meet their needs (with a remarkably high 4.0% unsure rate in an otherwise slow-momentum category).

Figure 3.114. Billing AUM Fees, Churn, And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	8.5%	6.5%	-2.8%	8.3%	<1.0%	14.2%	9.4%
BillFin	3.3%	<1.0%	11.4%	3.7%	-	-7.7%	3.4%
Panoramix	0.6%	<1.0%	4.8%	0.7%	-	-7.7%	0.6%
AdvicePay	<0.5%	-	-	<0.5%	-	-	<0.5%
AssetBook	<0.5%	-	-	<0.5%	-	-	<0.5%
Blueleaf	<0.5%	-	-	<0.5%	-	-	<0.5%
BridgeFT	<0.5%	-	-	<0.5%	-	-	<0.5%
Portfolio Mgt. Software	28.7%	1.9%	2.1%	29.3%	2.4%	-1.9%	28.8%
Platform	19.5%	2.8%	0.7%	19.6%	0.7%	0.5%	19.7%
Firm Proprietary	2.1%	<1.0%	2.1%	2.1%	<1.0%	-1.0%	2.1%
Self-Built	1.6%	<1.0%	10.6%	1.8%	<1.0%	-0.9%	1.8%
Other Tools	3.2%	-	-	3.2%	-	-	3.2%
Unsure	-	-	-	-	-	-	4.0%
Don't Use Technology	36.4%	-	-2.1%	35.6%	-	-1.8%	35.0%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Portfolio management software | **Neutral** - Platform | **Optimistic** - BillFin

^
BACK TO TOP

Non-AUM Billing

Non-AUM billing technology focuses on processing advisory practice billing for charges unrelated to an AUM fee, where the fee cannot be billed directly from an investment account. Software features include calculating fees, customizing invoices, and collecting payments via ACH, credit card, or by requesting a check.

Figure 3.115. Non-AUM Billing Technology, Overall Summary

	2023
Adoption Rate	36.9%
Average Ratings	
Importance	8.4
Value	8.2
Satisfaction	8.1

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

The adoption rate for non-AUM billing applications ranks 21st out of 27 functions surveyed. Adoption, at 36.9%, is low not due to lack of importance or satisfaction, but because most of our survey respondents are primarily reliant on AUM fees. Amongst those who actually do collect non-AUM fees, billing technology to support the fee-collection process actually ranked high in importance at 8.4 (ranking 10th out of 27 categories).

General Impressions

Given the relatively high importance of the technology for those advisors that need and use non-AUM billing software, coupled with well-above-average value and satisfaction scores (ranking 7th- and 4th highest, respectively), the growth for non-AUM billing software is less a function of the category providers themselves, and more about overall trends in advisor business models (where the software category will grow if and only if more advisors begin to adopt alternative non-AUM fee models).

On the other hand, the general trend in advisor technology is that categories that have strong importance and satisfaction tend to 'create their own demand' over time, as advisors see the successful adoption of the technology in the category and decide to take on its function (expedited by the existence of well-rated technology that makes it easy to do so). Thus far, though, the trend is not yet playing out, as 63.1% of advisors do not use technology for non-AUM billing, and that number is expected to shift only slightly (to 62.4% of advisors) in the coming year.

Provider Market Share And Ratings

Consistent with their high value and satisfaction ratings, third-party specialists lead all providers of non-AUM billing technology, serving 27.2% of all advisors (Figure 3.116). Platform-provided tools, while also highly respected, are a distant second at 4.2% adoption. AdvicePay, with about 2/3 of the market for specialty software, also garners the highest value and satisfaction ratings of any provider, while the second most common option for advisors is simply to bill their advice fees directly from QuickBooks (albeit at below-average satisfaction and value ratings for the service).

Figure 3.116. Non-AUM Billing Software, Provider Market Share And Ratings

	Market Share	Satisfaction	Value
	2023	2023	2023
Third-Party Software	27.2%	8.4	8.4
AdvicePay	18.3%	8.6	8.5
Quickbooks	5.6%	7.9	8.1
Stripe	0.7%	-	8.0
RightPay	<0.5%	-	-
Square	<0.5%	-	-
Other Third-Party	1.6%	-	-
Platform	4.2%	8.1	8.3
Self-Built	2.0%	6.3	7.0
Portfolio Management	1.8%	7.1	7.3
Firm Proprietary	0.8%	8.0	8.0
Other Tools	0.8%	-	-

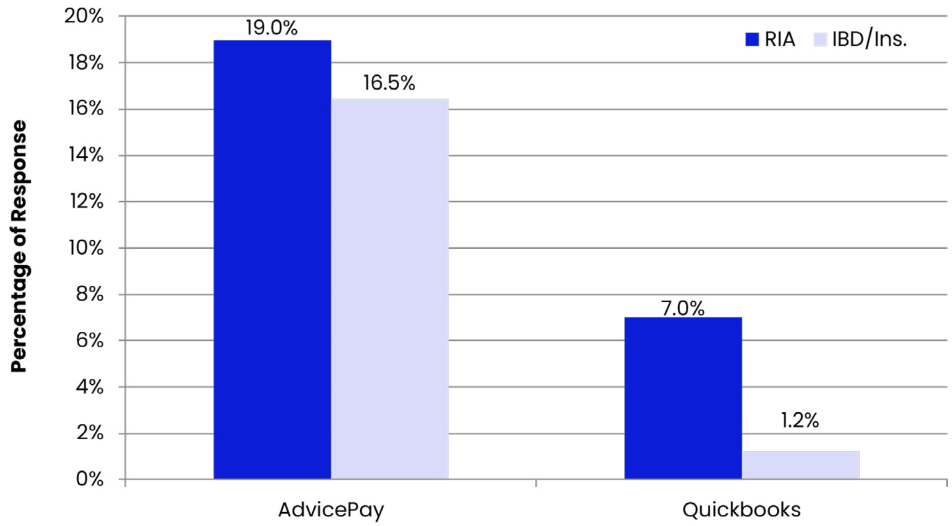
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. Ratings for 2021 not available as Non-AUM Billing category is new for 2023. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

Both RIA and IBD/Insurance advisor have an equal likelihood of using some sort of non-AUM billing software, given the ongoing growth of 'hybrid' models that facilitate broker-dealers and insurance companies also charging advice fees through their corporate RIAs.

However, by type of provider, RIAs are almost twice as likely to use third-party specialists (29.8%), where IBD/Insurance advisors are more than 10 times likelier to use a platform-provided solution. Similarly, within the leading third-party specialists, AdvicePay and QuickBooks, both have greater adoption with RIAs than with IBD/Insurance advisors (Figure 3.117). However, AdvicePay (which has developed more enterprise-level capabilities than its 'generalist' competitor QuickBooks) dominates over QuickBooks amongst IBD/Insurance advisors who do adopt third-party specialist tools.

Figure 3.117. Non-AUM Billing, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Unlike most functions surveyed, adoption of non-AUM billing software declines as practices grow, reflecting the fact that smaller practices tend to be more reliant on non-AUM fees while larger RIAs that serve more affluent clientele are increasingly AUM-centric. Thus, while 43.3% of solo advisors use non-AUM fee technology, just 11.1% of practices with 10 or more advisors do.

A similar trend emerges for the business of AdvicePay, a third-party specialist with most of its business concentrated among practices with fewer than 10 advisors, though advisor clients of QuickBooks are more evenly spread across practice sizes (Figure 3.118).

Figure 3.118. Non-AUM Billing, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
AdvicePay	25.5%	16.4%	10.8%	0.0%
Quickbooks	6.2%	8.2%	4.1%	5.6%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

Given that growth in non-AUM billing applications appears to be less a matter of improving their quality, and more about advisors gradually moving away from the traditional AUM-linked fee, adoption of non-AUM billing software is projected to rise only slightly over the next 12 months, as current non-users drops from 63.1% to 62.4% (Figure 3.119). Advisor fee models change slowly over time.

To the extent that there is ongoing growth within the category, AdvicePay, with positive projected momentum over the next 12 months and strong favorability ratings, has the best potential for future growth. Conversely, momentum is expected to turn slightly negative for QuickBooks, a vendor with weaker value ratings, and well-below-average satisfaction ratings. Self-built non-AUM billing tools, and those within portfolio management tools, are not projected to gain much market share either.

Notably, the number of advisors who are "unsure" within the category is also extremely small; for better or worse, any advisors who intend to engage with non-AUM billing have already decided which technology they're going to use.

Figure 3.119. Non-AUM Billing, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	25.6%	1.1%	6.0%	27.2%	<1.0%	1.3%	27.5%
AdvicePay	17.3%	<1.0%	6.0%	18.3%	<1.0%	1.0%	18.5%
Quickbooks	5.6%	2.5%	0.1%	5.6%	<1.0%	-1.3%	5.6%
Stripe	0.6%	<1.0%	28.3%	0.7%	<1.0%	-1.3%	0.7%
RightPay	<0.5%	-	-	<0.5%	-	-	0.6%
Square	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	4.3%	3.2%	-0.6%	4.2%	<1.0%	-1.3%	4.2%
Self-Built	1.9%	<1.0%	2.7%	2.0%	<1.0%	-1.3%	2.0%
Portfolio Management	1.8%	7.7%	2.7%	1.8%	7.7%	6.3%	2.0%
Firm Proprietary	0.8%	<1.0%	2.7%	0.8%	<1.0%	-1.3%	0.8%
Other Tools	0.8%	-	-	0.8%	-	-	1.0%
Unsure	-	-	-	-	-	-	<0.5%
Don't Use Technology	64.7%	-	-2.6%	63.1%	-	-1.0%	62.4%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Portfolio management and self-built solutions | **Neutral** - QuickBooks and platform solutions
Optimistic - AdvicePay

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BACK TO TOP

Workflow Support

Workflow support technology facilitates workflows and task management beyond the capabilities of standard CRM systems. The technology focuses on refining the consistency and efficiency of workflows such as onboarding new clients, checking in with existing clients, or running the day-to-day operations of a practice, and tying those workflows across multiple systems via integrations.

Figure 3.120. Workflow Support Technology, Overall Summary

	2023
Adoption Rate	55.1%
Average Ratings	
Importance	8.6
Value	8.0
Satisfaction	7.6

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

Relative to other advisory functions, technology adoption is roughly average at 55.1%, but workflow solutions are increasing rapidly in popularity. Where just 53.1% of advisors were using some workflow technology 12 months ago, this use is expected to rise to 58.5% of advisors over the next 12 months, driven by an above-average level of importance assigned to the category by advisors.

General Impressions

The rise of workflow technology is certainly connected to advisors' views that it is important to the success of their practices. With an 8.6 score, its importance rating ranks 8th highest out of 27 technology functions.

Workflow support solutions rate just average with advisors, however, in terms of the value and satisfaction they receive from this technology. The combination of higher importance and lower satisfaction suggests a category with potential for disruption and growth given further product improvements from providers. Although notably, to some extent this disruption may already be emerging amongst third-party providers, which rank substantially higher than incumbent CRM applications when it comes to solving advisors' workflow support needs.

Provider Market Share And Ratings

The most popular solution for workflow support technology is the advisor's CRM application, at 39% market share (Figure 3.121). This further explains why CRM software is central to the tech stack of a financial planning office—47% of advisors say CRM is their hub. Thus, it's not surprising that advisors' workflow systems are most commonly anchored there.

Yet while CRM systems may be capable of supporting many functions, these functions aren't necessarily performed very well, as advisors that rely on CRM systems for workflow support rate this type of solution lowest of any provider in terms of satisfaction. Value ratings are low for CRM applications providing workflow support as well.

Figure 3.121. Workflow Support, Provider Market Share And Ratings

	Market Share	Satisfaction	Value
	2023	2023	2023
Third-Party Software	11.6%	8.5	8.5
Hubly	3.8%	8.2	7.8
Asana	1.6%	8.9	9.1
Trello	1.1%	8.0	8.6
Microsoft Teams	1.0%	-	9.2
Conga	0.5%	-	-
Notion	<0.5%	-	-
Process Street	<0.5%	-	-
Other Third-Party	3.0%	-	-
CRM Application	39.0%	7.5	7.9
Platform	2.5%	7.1	7.4
Self-Built	1.3%	8.1	8.8
Firm Proprietary	0.7%	-	8.4

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. Ratings for 2021 not available as Workflow Support category is new for 2023. "-" denotes not available or not applicable.

By contrast, third-party specialists, with 11.6% of the workflow market, rate much higher when it comes to workflow support (Figure 3.121). Similar to other technology categories like website providers, this appears to be the nascent emergence of a split between industry-specific providers (e.g., Hubly) and generalist providers (e.g., Asana); and thus far, the industry-specific provider is leading in market share (Hubly at 3.8%) over the generalist (Asana at 1.6%).

However, for both value and satisfaction, Asana receives the highest ratings of any provider, suggesting that advisors' needs are more a function of 'workflow support' in general (as any business must contend with as it grows), not specific to the financial services industry. In turn, Hubly's value rating is no higher than CRM systems, suggesting that while it is offering a higher-rated solution (by satisfaction), its pricing may still be too high for the incremental value it is providing (relative to CRM applications, and also relative to more generalist competitors like Asana or Trello).

Platform tools play a minor role in workflow support, and they are not as well-liked, rating low on both value and satisfaction. Ratings for self-built solutions are better, but market share is likely constrained due to the greater difficulty in developing and implementing self-built technology.

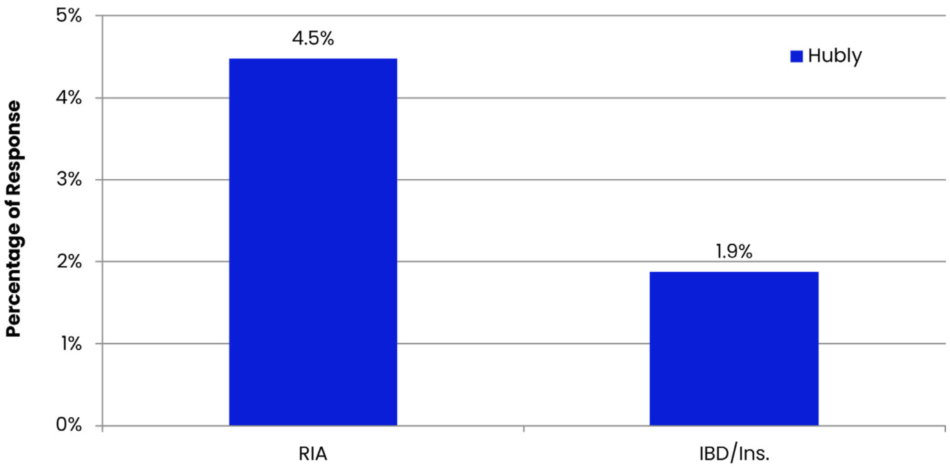
Third-Party Market Share By Channel

IBD/Insurance advisors are slightly more likely to use a technology solution for workflow support than RIA advisors (47.2% vs 44.1%). However, IBD/Insurance advisors are more likely to access that solution through their CRM application or platform affiliate and are far less likely to use a third-party specialist for this purpose. The share of RIA advisors using a third-party workflow solution, at 13.4%, is twice the comparable share within the IBD/Insurance channel.

RIA advisors, unlike those in the IBD/Insurance channel, may not necessarily have a larger organization behind them to set up workflows or dictate how certain processes need to run. This could explain their greater need for third-party specialists, as they are creating more unique processes from scratch. On the other hand, it may also simply be that the greater flexibility of the RIA channel means they are more readily adopting workflow support tools beyond their CRM systems that larger IBD/Insurance enterprises may not even be allowing yet.

Figure 3.122 compares market share by channel for Hubly, the leading specialist provider. (Note: Given the low market shares for other third-party specialists. sample sizes were insufficient for similarly distinguishing these other vendors by channel.) Consistent with RIA advisors' greater preference for third-party specialists in general, Hubly's market share among these advisors is more than twice that relative to the IBD/Insurance channel.

Figure 3.122. Workflow Support, Hubly Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Not surprisingly, adoption of workflow technology grows with the size and complexity of the practice—less than half of solos (46.1%) use these solutions, compared to almost 2/3 (63.9%) of practices with 10+ advisors. Simply put, the more advisors and support staff who are involved in the operation of the business and providing services to clients, the more need there is to standardize and manage firm-wide workflows. Other differences with respect to workflow support as a practice evolves include the type of provider used. Use of CRM applications for workflow support does grow with practice size—32.2% of solos use their CRM software, compared to 45.9% of practices with 10 or more advisors. Which implies that as advisory firms grow, they are naturally looking first and foremost to the CRM systems they already have.

Third-party specialist use, however, remains fairly stable across practice size. For example, third-party specialists can be found in 10.1% of solos, as well as 11.5% of practices with 10 or more advisors. In terms of the presence of specific vendors by practice, Hubly maintains a steady presence among practices of 9 or fewer advisors, but no market share among larger practices (Figure 3.123). In contrast, Asana's greatest market share presence is with practices of 10 or more advisors.

Figure 3.123. Workflow Support, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
Hubly	3.8%	3.7%	4.0%	0.0%
Asana	1.2%	2.8%	1.3%	3.8%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

More and more advisors look to be applying technology to better support workflow. Advisors seem to have tapped out their ability to extract workflow enhancements from their existing CRM applications, however, and in the future, there will likely be greater use of third-party specialists (unless CRM providers can substantially retool their own capabilities to improve).

With a positive churn rate and little momentum, CRM as a workflow solution is not projected to increase its market share (Figure 3.124). In contrast, the current market share of third-party specialists is projected to increase, rising from 11.6% to 13.9% over the next 12 months. Third-party specialists will not only benefit from newcomers to the market (the share of current non-users is projected to drop from 44.9% to 41.5%) but they will also attract advisors who are looking for better workflow support than what their CRM applications can offer.

The third-party specialist with the most to potentially gain is Hubly, with strong momentum and low churn projected over the next 12 months. The vendor's weaker value ratings, particularly relative to an otherwise high-importance category, remain a concern, however. tThe broader question, though, is whether Hubly will be able to fend off competition from generalist workflow solutions (e.g., Asana and Trello), especially given Asana's sky-high satisfaction and value ratings in the category.

At the same time, advisors appear to be naturally gravitating towards and looking to their CRM providers to solve their workflow challenges and are only expanding to third-party providers in the face of dissatisfaction with their CRM solutions. The high importance ratings for workflow support implies an advisor willingness to pay for capabilities, including and beyond what CRM applications currently provide. Given this, the biggest opportunity for workflow support is likely for CRM providers to expand their capabilities, and potentially even upsell a more sophisticated workflow engine for a premium.

Self-built systems are also projected to have strong momentum and low churn, albeit from a much smaller market share base.

Figure 3.124. Workflow Support, Churn, And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	12.1%	16.9%	-4.4%	11.6%	1.3%	20.1%	13.9%
Hubly	3.4%	8.7%	12.1%	3.8%	<1.0%	10.0%	4.2%
Asana	1.6%	9.1%	-2.3%	1.6%	<1.0%	3.7%	1.6%
Trello	1.0%	14.3%	7.4%	1.1%	14.3%	-19.2%	0.9%
Microsoft Teams	0.9%	<1.0%	7.4%	1.0%	<1.0%	-5.7%	0.9%
Conga	<0.5%	-	-	0.5%	<1.0%	25.7%	0.6%
Notion	<0.5%	-	-	<0.5%	-	-	<0.5%
Process Street	<0.5%	-	-	<0.5%	-	-	<0.5%
CRM Application	36.7%	4.1%	6.1%	39.0%	1.9%	-0.3%	38.9%
Platform	2.3%	5.9%	7.7%	2.5%	<1.0%	2.5%	2.6%
Self-Built	1.1%	<1.0%	21.2%	1.3%	<1.0%	7.5%	1.4%
Firm Proprietary	0.7%	<1.0%	7.8%	0.7%	<1.0%	-3.2%	0.7%
Other Tools	<0.5%	-	-	<0.5%	-	-	<0.5%
Unsure	-	-	-	-	-	-	2.2%
Don't Use Technology	46.9%	-	-4.4%	44.9%	-	-7.5%	41.5%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - CRM applications and firm proprietary solutions | **Neutral** - Platform and self-built solutions
Optimistic - Hubly, Asana

^ BACK TO TOP

Compliance

The financial services industry is highly regulated, but the nature of regulation varies substantially by channel; insurance company and broker-dealer enterprises tend to have large centralized compliance systems for all of their registered representatives, while RIAs typically have to buy their own compliance software. As a result, the compliance technology category in practice is effectively a category of RIA compliance solutions, features that can include support for licensing and registration, maintaining essential filings and records, managing disclosures, navigating conflicts of interest, monitoring employee trades and holdings, tracking IAR CE obligations, and staying abreast of relevant regulatory changes.

Figure 3.125. Compliance Technology, Overall Summary

	2023
Adoption Rate	54.5%
Average Ratings	
Importance	8.3
Value	7.8
Satisfaction	7.5

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Adoption

Compliance is a must for advisors, but the rate at which advisors support compliance with technology, at 54%, is only average in comparison to other categories. Usage is expected to grow only slightly in the months ahead. Though in practice, this is likely due to the fact that only so many advisors have an RIA affiliation in the first place; broker-dealer-based advisors adhere to their home office's own compliance processes and procedures. As a result, growth in RIA compliance technology only occurs because new RIAs are formed, or existing RIAs that were self-managing their compliance grow large enough that they feel they need technology to manage the growing complexity.

General Impressions

Those advisors who do use compliance technology view it as fairly important to the success of their practices. The average importance rating for compliance applications is 8.3, above the norm relative to most other functional categories. Which signals not only the mandated nature of compliance itself, but the fact that advisors recognize a need for technology to help support and scale the increasingly complex nature of compliance in growing (RIA) practices.

At the same time, though, the mandated nature of compliance also means that providers can grow market share even without building the most highly-rated products… which appears to be the case here, as compliance vendors have satisfaction ratings materially lower than their stated importance, and overall advisors give the applications ratings scores that are just below average for both value and overall satisfaction. This largely holds true regardless of the provider type—no solution is a standout.

Provider Market Share And Ratings

Third-party specialists lead as the main provider type for compliance software. Collectively specialists control just over a 1/3 (36.8%) of the market (Figure 3.126). Third-party providers, on average, also attract the highest satisfaction ratings. The bulk of the remaining market share is covered by platform providers (e.g., Schwab and its Schwab Compliance Technologies solution), who also slightly lag third-party specialists in terms of value and satisfaction ratings.

Figure 3.126. Compliance, Provider Market Share And Ratings

	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	36.8%	-	7.6	7.8
SmartRIA	15.0%	7.1	7.5	8.1
RIA in a Box	7.0%	7.1	7.2	7.2
Orion Compliance	2.9%	8.3	8.0	8.2
Advisor Assist	1.8%	-	7.6	8.1
ForesideConnect	1.1%	-	7.6	7.5
ComplySci	1.0%	-	7.6	7.6
MyCompliance Office	0.8%	-	7.8	8.4
Ascendant	0.6%	-	-	-
ComplianceMAX	0.6%	7.5	-	-
RegEd	0.6%	6.7	-	-
RIA Compliance Consultants	0.6%	-	-	-
RIA Registrar	0.6%	-	-	-
Riskalyze	0.5%	-	-	-
XY Planning	0.5%	-	-	-
Fin Compliance	<.0.5%	-	-	-
Other Third-Party	2.9%	-	-	-
Platform	10.1%	7.2	7.3	7.7
Firm Proprietary	3.6%	7.1	7.5	7.8
Self-Built	1.7%	5.7	6.1	8.3
Other Tools	2.3%	7.1	-	-

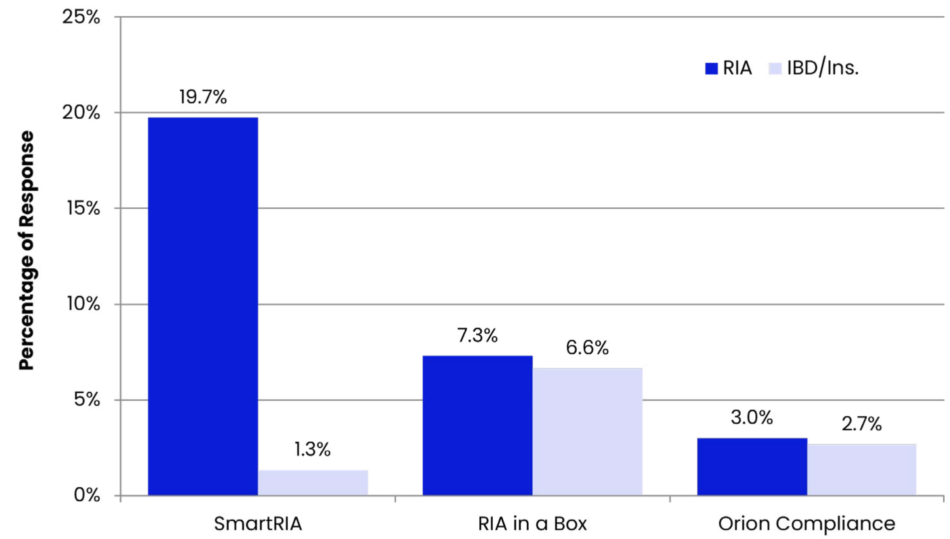
Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

The 2 largest third-party specialists, respectively, SmartRIA and RIA in a Box, account for nearly 2/3 of all third-party market share. The best-liked third-party specialist, however, is Orion Compliance (formerly known as BasisCode). Both Orion's satisfaction and value scores are higher than all other providers.

Third-Party Market Share By Channel

RIAs and IBD/Insurance advisors have nearly identical rates of adoption for compliance software. However, there are sharp distinctions between the 2 channels in terms of where compliance software is accessed. IBD/Insurance advisors are 10 times more apt to use a platform-provided solution, likely due to broker-dealer mandates, where even dual-registrants typically use their broker-dealer's corporate RIA and consequently rely on their broker-dealer's RIA compliance tools as well. Independent RIA advisors are nearly 3 times as likely to use a third-party specialist.

Figure 3.127. Compliance, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Given the RIA tilt toward third-party specialists generally, it's not surprising that the leading specialist vendors maintain a greater market share in the RIA channel. The degree of difference varies, however (Figure 3.127). For instance, SmartRIA's market share among RIA advisors towers over its share in the IBD/Insurance channel. The market shares of RIA in a Box and Orion Compliance are only slightly greater in the RIA channel compared to IBD/Insurance (dual-registrant) advisors.

Third-Party Market Share By Practice Size

As practices increase in size, there is a slightly greater tendency for them to embrace compliance technology. This is also true for the use of third-party specialist providers more specifically. The greater need for compliance help as practice grows in size and complexity is not surprising—as the Notorious BIG once said, "Mo' money, mo' [potential compliance] problems".

Figure 3.128. Compliance, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
SmartRIA	41.2%	24.3%	3.1%	0.0%
RIA in a Box	11.9%	9.1%	21.6%	8.5%
Orion Compliance	1.6%	9.1%	10.8%	8.5%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Individually, the leading third-party providers do differentiate by practice size, but their market shares don't necessarily increase among larger practices (Figure 3.128). SmartRIA is very clearly the software of choice for practices with 3 or fewer advisors. Conversely, Orion Compliance is more so for larger practices with 4 or more advisors.

RIA in a Box, different still, seems to have pricing and services that resonate with practices of all sizes, though in practice they have been most dominant in capturing market share of mid-sized firms (4–9 advisors).

Trends In Adoption And Market Share

The adoption rate for compliance technology is expected to increase only slightly over the next 12 months, inching up from 54.5% currently to 55.8%; as noted earlier, compliance is a mandated function, and most advisors who have an RIA registration have already set their compliance technology. Which means growth will come primarily from advisors who launch RIAs for the first time, or smaller RIAs that may have eschewed technology, but find it's necessary as their size and compliance complexity grows (Figure 3.129).

As a result, arguably the bigger growth opportunities for providers are within the category, where satisfaction ratings are fairly tepid across the board, and any provider that can make deeper product improvements has an opportunity to stand out on capabilities and execution. In other words, growth amongst RIA providers will be driven by product improvements, not marketing.

Interestingly, then, the top 2 market leaders among third-party specialists—SmartRIA and RIA in a Box—may struggle to maintain existing market share. Both vendors may be paying the price for less-than-stellar satisfaction ratings. In contrast, market share is increasing for better-rated Orion Compliance, which has a particular opportunity to win market share from RIA in a Box and platform providers in the mid-to-large-sized-firm space, especially as Orion is still ramping up new distribution potential since it acquired BasisCode in 2021 to cross-sell to its existing user base.

Figure 3.129. Compliance, Churn, And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	36.3%	7.3%	1.3%	36.8%	0.4%	4.9%	38.6%
SmartRIA	14.4%	3.2%	4.2%	15.0%	<1.0%	-1.9%	14.7%
RIA in a Box	7.0%	6.5%	0.5%	7.0%	2.3%	-1.6%	6.9%
Orion Compliance	2.7%	5.6%	5.4%	2.9%	<1.0%	8.9%	3.1%
Advisor Assist	2.0%	15.4%	-10.2%	1.8%	<1.0%	-2.7%	1.7%
ForesideConnect	1.2%	12.5%	-8.8%	1.1%	<1.0%	13.3%	1.3%
ComplySci	1.2%	37.5%	-21.0%	1.0%	<1.0%	14.4%	1.1%
MyCompliance Office	0.8%	<1.0%	7.0%	0.8%	<1.0%	-3.5%	0.8%
Ascendant	0.6%	<1.0%	3.3%	0.6%	<1.0%	-0.1%	0.6%
ComplianceMAX	0.6%	<1.0%	3.3%	0.6%	<1.0%	-0.1%	0.6%
RegEd	0.8%	20.0%	-17.3%	0.6%	<1.0%	-0.1%	0.6%
RIA Compliance Consultants	0.6%	<1.0%	3.3%	0.6%	<1.0%	-0.1%	0.6%
RIA Registrar	0.6%	<1.0%	3.3%	0.6%	<1.0%	-0.1%	0.6%
Riskalyze	<0.5%	-	-	0.5%	<1.0%	30.7%	0.6%
XY Planning	<0.5%	-	-	0.5%	<1.0%	-1.9%	0.5%
Fin Compliance	<0.5%	-	-	<0.5%	-	-	<0.5%
Platform	9.3%	3.2%	8.9%	10.1%	1.5%	-3.5%	9.7%
Firm Proprietary	3.4%	<1.0%	6.4%	3.6%	<1.0%	-2.8%	3.5%
Self-Built	1.6%	<1.0%	4.5%	1.7%	<1.0%	7.9%	1.8%
Other Tools	2.6%	-	-	2.3%	-	-	2.1%
Unsure	-	-	-	-	-	-	3.7%
Don't Use Technology	46.8%	-	-2.8%	45.5%	-	-2.8%	44.2%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Providers To Watch

Pessimistic - Platform and Firm proprietary | **Neutral** - SmartRIA and RIA in a Box | **Optimistic** - Orion Compliance

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BACK TO TOP

Meeting Notes Support

Meeting notes support technology relates to tools that facilitate tasks for producing and managing client meeting notes. This includes any task involving the capture, transcription, and summarization of advisor discussions with clients, as well as the development of pre-meeting agendas and post-meeting summaries (for both client communication and compliance purposes).

Figure 3.130. Meeting Notes Support Technology, Overall Summary

	2023
Adoption Rate	45.1%
Average Ratings	
Importance	8.7
Value	8.5
Satisfaction	8.1

Notes: See Appendix-Glossary for definitions of terms. Ratings include only the primary provider for respondents.

Adoption

Much of an advisor's role involves client meetings, for which taking meeting notes is both a best practice (to ensure the advisor and client are aligned about what was discussed) and a requirement (contemporaneous client meeting notes are a standard for compliance purposes to document conversations and protect against future client disputes).

Yet meeting notes can be time intensive. In fact, the Kitces Research on How Financial Planners Actually Do Financial Planning (2022) shows that advisors spend as much as 2 hours of meeting preparation and follow-up for every 1 hour of meetings, a significant portion of which ties to the meeting notes process. As a result, automating meeting notes is another area of potential efficiency gains that advisors are becoming increasingly attracted to.

The current adoption rate for note-taking technology at just 45.1% (Figure 3.130), ranks 19th of the 27 functions surveyed. However, the adoption rate is growing. The adoption rate 12 months ago was 44%: it's projected to grow to 47.7% over the next 12 months.

General Impressions

Those advisors who have already embraced technology for meeting notes support hold it in high regard. In terms of importance, note-taking technology ranks 7th out of 27 functions surveyed. Ratings are comparatively higher still based on the satisfaction and value of these applications, where average scores rank 5th for each of these measures.

The combination of relatively low adoption, yet perceived high importance, coupled with healthy satisfaction and value scores, is a strong indicator of future demand growth for meeting note applications. Reminiscent of the growth of scheduling software, early adopters are recognizing the value and importance of note-taking technology, and it is only a matter of time until more advisors become aware of its benefits.

Provider Market Share And Ratings

Like workflow support, more advisors access note-taking technology through their existing CRM application (23.6%) than they do from third-party specialists (only 17.1%) (Figure 3.131). Unlike with workflow support, though, CRM systems as providers of note-taking technology receive above-average ratings in terms of both value (8.6) and satisfaction (8.4).

Within the third-party specialists, though, 2 sub-domains of providers are emerging. On the one side are tools to facilitate the process of typing (or manually writing) out meeting notes, including OneNote, Pulse360, and the reMarkable tablet. On the other are tools that leverage voice to avoid typing or writing at all, including Mobile Assistant, Copytalk, Dragon Dictation, and Fireflies. For which the written-meeting-notes tools have an adoption-weighted satisfaction rating of only 7.8, while voice-based solutions have an adoption-weighted satisfaction rating of 8.5.

Which means that compared to CRM solutions for note-taking, advisors appear to be less satisfied with written third-party note-taking tools than simply typing out their notes in the CRM itself. They have at least slightly more satisfaction and interest, however, in voice-based note-taking automation.

Figure 3.131. Meeting Notes Support, Provider Market Share And Ratings

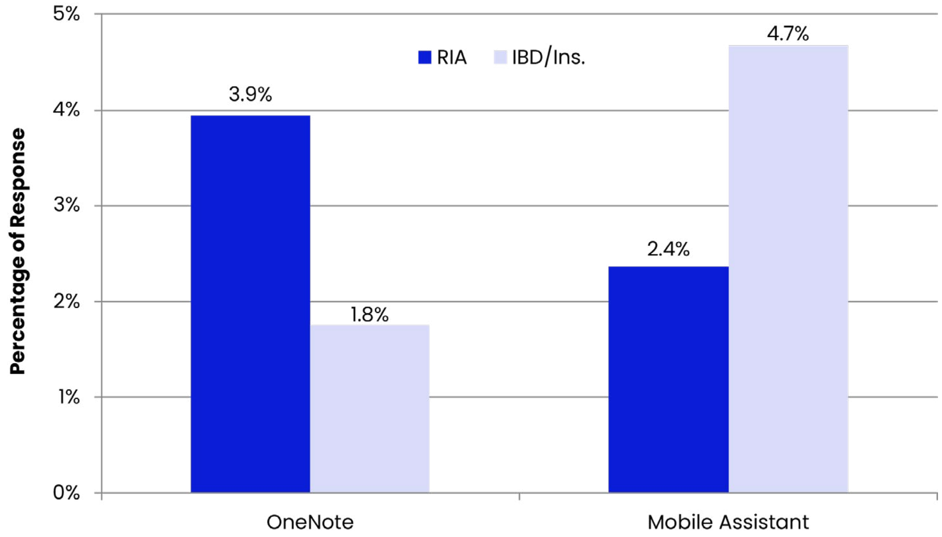
	Market Share	Satisfaction		Value
	2023	2021	2023	2023
Third-Party Software	17.1%	-	8.0	8.5
OneNote	3.4%	-	7.7	8.3
Mobile Assistant	2.9%	8.7	8.5	8.2
Pulse 360	1.8%	6.7	7.9	8.5
reMarkable	1.3%	-	8.1	8.1
Copytalk	1.2%	8.5	8.8	8.9
Dragon Dictation	0.7%	-	8.2	8.6
Fireflies.ai	0.7%	-	8.4	8.4
Otter.ai	0.7%	-	-	7.6
Notability	<0.5%	-	-	-
Google Docs	<0.5%	-	-	-
Evernote	<0.5%	-	-	-
Fellow	<0.5%	-	-	-
Quip	<0.5%	-	-	-
Other Third-Party	2.5%	-	-	-
CRM Application	23.6%	-	8.4	8.6
Platform	1.1%	6.0	9.1	9.3
Self-Built	1.1%	7.4	6.6	8.3
Firm Proprietary	1.0%	5.2	7.1	8.3
Financial Planning Software	<0.5%	-	-	-
Other Tools	1.0%	7.2	-	-

Notes: See Appendix-Glossary for definitions of terms. Ratings for 2023 include only the primary provider for respondents. "-" denotes not available or not applicable.

Third-Party Market Share By Channel

Overall, IBD/Insurance advisors have adopted note-taking technology at a greater rate (54.3%) than RIA advisors (42%). While roughly equal shares of both advisor groups utilize third-party meeting notes support, IBD/Insurance advisors are far likelier to use a platform-provided solution. As highlighted in Figure 3.132, OneNote is the leading third-party specialist provider for RIAs. Conversely, Mobile Assistant is the main third-party specialist for IBD/Insurance advisors.

Figure 3.132. Meeting Notes Support, Third-Party Market Share By Channel



Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Third-Party Market Share By Practice Size

Note-taking technology adoption tends to rise slightly with practice size—42% of solos are users, compared to 47.2% of practices with 10 or more advisors. Proportionately, smaller practices, however, use a third-party specialist more often, with this share shrinking as practice size rises. Conversely, CRM use for note-taking support becomes more common with greater practice size. This is likely a combination of the need to align team members regarding client services (there is more administrative staff to support note-taking) and because there are more compliance oversight systems (including those regarding note-taking) in larger advisory firms.

Given the general ubiquity of Microsoft Office in advisory firms, it is not surprising that third-party vendor, OneNote, holding 6.6% market share, is the most popular among practices with 10 or moreadvisors. The vendor also has the largest market-share for solos and practices of 2–3 advisors. Mobile Assistant has rising adoption in mid-sized practices, but notably has not penetrated the largest firms and teams, signaling and opportunity to move upmarket amongst larger advisory firms (Figure 3.133).

Figure 3.133. Meeting Notes Support, Third-Party Market Share By Practice Size

	Practice Size By Servicing Advisors			
Third-Party Provider	**1 or Less**	**2 to 3**	**4 to 9**	**10+**
OneNote	3.6%	4.1%	1.3%	6.6%
Mobile Assistant	2.7%	2.5%	5.1%	0.0%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents.

Trends In Adoption And Market Share

Note-taking is gaining popularity, with nearly half of all advisors expecting to use it in some form within the next 12 months. Third-party specialists are likely to pick up most of this growth, but other provider types (particularly CRM systems) should have an opportunity to benefit as well. This is especially true for platform solutions, where favorable ratings are supporting low expected churn and strong momentum (Figure 3.134).

Figure 3.134. Meeting Notes Support, Churn And Momentum

	Trailing 12 Months			Current Market Share	Projected Next 12 Months		
	Market Share	Churn Rate	Momentum		Churn Rate	Momentum	Market Share
Third-Party Software	16.8%	5.6%	1.8%	17.1%	2.5%	10.2%	18.8%
OneNote	3.4%	4.2%	0.1%	3.4%	<1.0%	0.3%	3.4%
Mobile Assistant	3.0%	4.8%	-0.5%	2.9%	<1.0%	-3.9%	2.8%
Pulse 360	1.7%	<1.0%	4.5%	1.8%	8.3%	-3.9%	1.7%
reMarkable	1.3%	<1.0%	4.5%	1.3%	<1.0%	-3.9%	1.3%
Copytalk	1.1%	12.5%	4.5%	1.2%	12.5%	-15.9%	1.0%
Dragon Dictation	0.7%	<1.0%	4.4%	0.7%	<1.0%	15.3%	0.8%
Fireflies.ai	0.7%	<1.0%	4.4%	0.7%	<1.0%	-3.9%	0.7%
Otter.ai	0.6%	<1.0%	30.6%	0.7%	<1.0%	-3.9%	0.7%
Notability	<0.5%	-	-	<0.5%	-	-	<0.5%
Google Docs	<0.5%	-	-	<0.5%	-	-	<0.5%
Evernote	<0.5%	-	-	<0.5%	-	-	<0.5%
Fellow	<0.5%	-	-	<0.5%	-	-	<0.5%
Quip	<0.5%	-	-	<0.5%	-	-	<0.5%
CRM Application	22.7%	2.4%	3.9%	23.6%	1.2%	-1.6%	23.2%
Platform	1.2%	11.1%	-6.5%	1.1%	<1.0%	8.7%	1.2%
Self-Built	1.1%	<1.0%	5.2%	1.1%	<1.0%	8.7%	1.2%
Firm Proprietary	0.9%	<1.0%	5.2%	1.0%	<1.0%	10.4%	1.1%
Financial Planning Software	<0.5%	-	-	<0.5%	-	-	<0.5%
Other Tools	1.1%	-	-	1.0%	-	-	1.0%
Unsure	-	-	-	-	-	-	2.8%
Don't Use Technology	56.0%	-	-2.1%	54.9%	-	-4.7%	52.3%

Notes: See Appendix-Glossary for definitions of terms. Results include only the primary provider for respondents. "-" denotes not available or not applicable.

Among specialist providers, a relatively high unsure rate of 2.8% (considering the leading third-party provider has only 3.4% market share) suggests that any of the third-party providers have an opportunity for significant growth by capturing a non-trivial amount of advisors yet to make a final decision on their future provider.

However, given tepid satisfaction ratings for written notes providers—OneNote, Pulse360, and reMarkable—it seems likely that advisors seeking to capture written meeting notes will most likely simply adopt their CRM applications (unless standalone providers can demonstrate a substantive new value-add beyond what CRM already offers). The growth of third-party specialists will remain concentrated amongst the voice-based solutions (Dragon Dictation, Copytalk, newcomer Fireflies.ai, and sub-category leader Mobile Assistant).

Notably, though, maintaining market share may be more of a challenge for Copytalk, as despite the vendor's relatively high value and satisfaction ratings, it is projected to have high churn and low momentum going into the next 12 months. While Dragon Dictation has the highest projected momentum, but this is being generated from an extremely low market share.

Providers To Watch

Pessimistic - OneNote, Pulse360 | **Neutral** - Copytalk, Dragon Dictation, reMarkable

Optimistic - Mobile Assistant and CRM applications

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BACK TO TOP

Appendix

Study Terms

4

Study Terms

Practices & Teams	Description
Practice	Any entity for which there is a common business vision, budget, client base, and service standard. Across the entity, resources and profits are pooled. A practice could be an entire firm or an individual or team of individuals affiliated with a larger firm. Affiliations, for example, could include a broker-dealer, an independent RIA, or a platform service provider.
Service Team	A service team is typically a subset of a practice that consists of a group of individuals or a single individual within the practice that serves a defined client base. At a minimum, the service team will have at least 1 individual managing client relationships and leading the delivery of financial planning advice. Support roles could include Associate Advisor, Paraplanner, or Client Service Administrator.

Practice Structure	Description
Unsupported Solo	Advisors with no other advisors or W-2 employees.
Supported Solo	Senior advisor with ultimate responsibility for all clients of the practice, supported by 1 or more W-2 employees, which may include associate advisors.
Silo	Multiple advisors or advisor teams, each independently responsible for their own distinct client base and profits.
Ensemble	Multiple advisors or advisor teams pooling all resources and profits, where clients are clients of the firm and are served under a consistent standard.

Business Channels	Description
RIA	Respondent's practice is affiliated with either an independent or corporate RIA. In addition, the practice has no brokerage or bank affiliation of any type.
IBA/Insurance	Respondent's practice is affiliated with either an independent broker-dealer, insurance broker-dealer, or insurance agency, but is not affiliated with a wirehouse, regional brokerage, bank, or trust company. The practice may have RIA affiliation.

Technology Ratings	Description
Importance	Rating based on the perception of how critically important technology for a particular advisory function is to the success of the respondent's practice. Ratings reflect an average across all respondents, who reported importance on a scale of 1–10 with "10" representing the highest possible importance.
Value	Rating based on the perception of whether the technology applied provides good value relative to cost. Ratings reflect an average across all respondents, who reported value on a scale of 1–10 with "10" representing the highest possible value.
Satisfaction	Rating based on the respondent's willingness to recommend their technology solution to others. Ratings reflect an average across all respondents, who reported willingness on a scale of 1–10 with "10" representing the highest possible willingness.

Technology Use	Description
Adoption Rate	Of all advisors or respondents, the share that is applying technology in support of a particular advisory function.
Market Share	Of all advisors or respondents, regardless of whether they use the technology, the share that is using a particular provider for applying technology in support of a particular advisory function.

Provider Types	Description
Third-Party Specialist	Commercial technology vendor that specializes in providing products that support a particular advisory function.
Platform	Custodian, broker-dealer, or TAMP that provides technology to affiliated advisors.
Self-Built	Technology solution developed by the respondent or the respondent's service team.
Firm Proprietary	Technology solution provided by, and proprietary to, the respondent's firm.

General Terms	Description
AdvisorTech	The landscape of technology tools or software applications that financial advisors rely on to conduct day-to-day business operations.
Tech Stack	The mix of technology tools or applications a practice relies on to serve clients and conduct business.

Category Opportunity	Description
Waxing	Categories with higher adoption, higher importance, and higher satisfaction. Incumbent providers are best positioned to gain market share.
Saturated	Categories with higher adoption and satisfaction, but lower importance. Marketplace is largely saturated in terms of opportunity for new providers.
Waning	Categories with lower adoption, lower satisfaction, and lower importance. Providers must introduce new and materially different products to gain market share.
Beachheads	Categories with lower adoption, but higher importance and satisfaction. Domain where opportunities are greatest for new market entrants.

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