

ARTICLE

# Grow Your Business by Leveraging Data Aggregation

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Every organization is searching for better ways to provide a personalized client experience and deliver better outcomes for their clients. Aggregating data to create a holistic view of wealth is one way to meet this objective while providing measurable benefits for the client and assisting the advisor in expanding the client relationship. Besides painting a full picture of the investor's financial health, the advisor is better able to provide improved financial planning and assist the investor in tracking progress versus investment goals.

Historically, data aggregation has been cumbersome and inefficient, but advances in technology and increased cooperation across providers has now made the process much easier to bring needed value to the investor. A [2017 Accenture survey](#) found that 68 percent of clients are also more willing than ever to share this information if it is used to deliver a personalized experience. Yet, some organizations have not embraced the benefits due to an inability to understand how to deliver value and overcome the technical challenges of obtaining information on assets held or serviced by another organization.

## Understanding the value of data aggregation

The need for advisors to aggregate data is real. Our [2018 PACE study](#) found that Americans have an average of 1.95 banking relationships per person, with 48 percent having two or more. Multiple relationships equate to additional competition for advisors to maintain and grow the client relationship, making it more important for them to demonstrate their value. The main advantages to aggregating data for the client include simplified reporting and access to their total net worth. However, the benefits go beyond this. A holistic view of wealth can be used as the foundation for personal financial management, resulting in a more informed consumer, and providing better financial outcomes by planning with the entire portfolio in mind, not just the slice being managed.

The impact for the advisor cannot be overlooked. [Wealth Access](#) estimated that advisors can convert approximately 65 percent of assets aggregated, equating to an average of \$2,000 in revenue for each client.

## Successfully aggregating data

The accuracy and timeliness of the aggregated data is the most critical component to achieving a positive client experience. Automation of the data collection process is the first step along this path. Clearly, this will reduce the time to obtain, process and deliver information to the client and advisor. The most difficult and time-consuming step comes next. The exercise to homogenize the information is extremely complex. Ensuring consistency in transaction types and uniformity in security classifications is difficult and the effort is multiplied when marrying data from many different providers. Missteps result in a loss of trust by the client, additional time to reconcile data and poor decisions by the advisor.

## Evaluating options for data aggregation

Bringing a holistic view of data is moving from a nice-to-have to a key component to compete in today's marketplace. Few organizations go this route alone and most opt to partner with a provider. The current landscape of data aggregators is relatively broad. Each offers its own unique value proposition. When evaluating the options, firms need to consider how the prospective partner overcomes the challenges and what tools it brings to help add value for their clients and assets to their organization.