

INNOVATION TO DRIVE TRUE GROWTH

Innovation isn't reserved for industries in Silicon Valley. Wealth management firms have had to quickly learn to pivot, adapt, and progress in today's ever-changing tech landscape, giving our expert panelists plenty to cover at this year's INSITE. Discover insights from discussions on redefining transformation models, improving operational efficiency in a rapidly evolving industry, and building a culture of innovation to retain a competitive edge.

Evan LaHuta

(moderator)

Head of Service Experience
BNY Pershing

Kathy Leckey

Chief Operating Officer
Lincoln Investment

Chip Kispert

Founder & Managing Partner
Beacon Strategies

Liz Crawford

CEO
Sendero Wealth Management

Taking Transformation to the Next Level

Insights from the session: Taking Transformation to the Next Level

Wealth management firms are currently facing unprecedented pressures to innovate. Transforming operational, technology, and service models is no longer optional but essential to keep up with trends, navigate industry complexities, and address fundamental issues associated with change management.

Evan LaHuta, Head of Service Experience at BNY Pershing, started off the session by sharing findings from a recent study by Gartner: "The typical organization has had five major transformation efforts in the last three years, and more than 50% of these efforts fail." And yet, LaHuta emphasized, these same organizations are still pushing forward—accelerating their initiatives, focusing on enhancing client experience, improving operational efficiency, and expanding capabilities. The challenges inherent in transformation aren't going anywhere, but neither is the appetite for change and innovation.

According to Lincoln Investment's COO Kathy Leckey, it's important to first identify the breadth and depth of what you're attempting. "I look at change and transformation as two separate things," Leckey shared, comparing them to home renovations. "Are you replacing some flooring or are you laying a brand-new foundation for a new home?" Regardless, she believes that having a clear blueprint is the key to success. "You have to be able to constantly remind yourself what you're working towards."

Liz Crawford, CEO of Sendero Wealth Management, explained how her firm transitioned from a lifestyle firm to a growth-oriented business. By adding high-impact players and formalizing services like family office management and philanthropic consulting, Sendero not only retained clients but attracted new ones.

Crawford found that involving team members at every level in the change process was critical. “You cannot tell your story enough times,” she asserted. “And if it’s just the top that’s shouting from the rooftops, then it becomes like falling rain—most people are going to pop open umbrellas and not pay attention.”

Consultant Chip Kispert of Beacon Strategies likes to conduct a thorough assessment when working with firms in the initial steps of transformation, helping them prioritize their needs and develop an effective project plan. “We’ll go in and look at the different kinds of what I call ‘silos.’ There may be operational silos, practice management silos, compliance silos, or data silos.” Kispert added that, similar to Liz Crawford’s sentiments, getting the entire team involved from top to bottom is crucial for buy-in and success.

Claire Santaniello

(moderator)

Managing Director, Operations
& Trading, BNY Pershing

Mariela Arana

Head of Client Relations
Insigneo Securities LLC

Dawn Kalinowski

Chief Operating Officer
Northwestern Mutual

David Levine

Chief Operating Officer
Arete Wealth Management LLC

Julia Stuart

Chief Operating Officer
Retirement Planners of America

Operating the Firm of the Future

Insights from the session: Operating the Firm of the Future

Traditional models will no longer suffice, and innovation is now compulsory for a roadmap to operational efficiency. Reimagining your approach and finding a balanced strategy to integrate technology, simplify processes, and prioritize people is key to your firm’s success.

Julia Stuart, COO of Retirement Planners of America, highlighted the challenges of today’s fluctuating environment before diving into solution strategies. “There’s always change in our industry. It never stops. We’re continuously having to adjust and create new efficiencies.” However, Stuart turns to a client-centric approach to help guide smooth transitions. “We always look at the potential impact on the client before we make decisions. We have to start with them and ensure they’re not going to be disrupted by the change and then reverse engineer it from there.”

Dawn Kalinowski, COO for Northwestern Mutual’s Wealth Business, discussed the role of artificial intelligence (AI) and automation in operational efficiency. “We’re using artificial intelligence, bots and Gen AI in order to be more efficient, but we’re doing it in some really thoughtful ways,” Kalinowski explained. “We’re looking at high-volume, low-complexity tasks. We want to help our advisors have the time to do more meaningful work.” This approach not only enhances productivity but also addresses employees’ concerns about job security by demonstrating that technology can complement rather than replace their roles.

Kalinowski wasn’t the only panelist to envision tech as a path to streamlined processes, not as a proxy for advisors. “We want technology to make every task more efficient, turning us into exception processors,” said David Levine, COO of Arete Investments. “The routine responsibilities should get quicker, better, easier.”

Something all the panelists agreed on was that effective change management hinges on clear communication and inclusivity. Kalinowski described Northwestern Mutual’s approach: “We have individuals across the company—change champions—that are involved in implementing the change, talking about the change, and having peer-to-peer discussions.” This strategy ensures that employees are part of the transformation journey from the very beginning.

Mariela Arana, Head of Client Relations at Insigneo Financial Services, echoed the sentiment of inclusivity, stating, “We used to assume what would be good for our advisors, but we’ve stopped that. Now they’re part of the decision-making process.” This approach has worked well for Insigneo, Arana reported. “Our last survey showed that 90% of advisors feel that their experience is excellent or good.”

Sareena Dalla Brookshire

(moderator)

Chief Product Officer
BNY Pershing

Venkat Rapaka

Chief Product Officer
Arta Finance

Theresa Crist

Managing Director, Digital Solutions
Cetera Financial Group

Scott Smith

Managing Director & Head of Product
Management, Hightower Advisors

Jonathan Batt

Sr. Director, Digital Strategy
BMO Wealth Management

Product Innovation and Management

Insights from the session: Product Innovation and Management

Fostering a culture of innovation, rethinking product sets and balancing operational and transformation initiatives are essential for companies to thrive in the modern business landscape. By embracing these strategies, firms can navigate the complexities of the market, deliver exceptional client experiences, and drive sustainable growth.

“For us it’s really around building a culture of learning and experimentation and deep understanding of our clients.” said BNY Pershing Chief Product Officer Sareena Dalla Brookshire. “So much of innovation is really just about falling in love with that problem as opposed to the solution. Being able to ‘kill things early’ in service of solving that problem. There’s just so much benefit and so much credibility gained when you’re able to remove that emotion from the solution.”

Scott Smith from Hightower Advisors believes that considering the needs of the advisor can help push product innovation. “We realized that what drives us has to be centered around the advisor experience. We need to be forward-looking, making sure our products and services will be relevant to the advisors and their clients.” This sentiment was echoed by Jonathan Batt of BMO Wealth Management, who shared that they also tend to focus on the advisor. “We ask ourselves: ‘How quickly can we deliver meaningful experiences that make customers happier and make the advisor job easier?’”

The value of a “build, test, learn” mentality was promoted by Theresa Crist of Cetera Financial Group. She advocated for iterative development processes, where teams validate ideas through early and continuous feedback. Crist also highlighted the significance of retrospectives in agile frameworks. “It’s not just, ‘okay, that was successful, let’s move on.’ What made it successful? What could we have done differently?”

Venkat Rapaka from Arta Finance revealed two things he’s found made all the difference for his company when it comes to innovation: “First is having a culture where it’s okay to admit that you made a mistake—and leadership must model this behavior. Second is having the right processes and infrastructure in place so you can fail while still salvaging value out of what you’ve built.” He also pointed out that building underlying platforms with flexibility allows for rapid development and iteration of new products.

Balancing the day-to-day operations of a business while keeping an eye on the frontier is a common challenge for leaders. According to Jonathan Batt of BMO Wealth Management, sometimes the right partnerships can help. “We find it’s often more convenient to partner than to build something from scratch.” Batt added, “We really think about who these partners could be, and if they’ll make the kind of investments in the platform that we think would help us grow.”

Final Thoughts: Innovation as an Industry Standard

These sessions highlighted the critical need for wealth management firms to embrace change and push innovation to experience true growth in an increasingly competitive environment. By adopting a holistic approach to transformation, leveraging technology thoughtfully, and fostering a culture of continuous improvement, firms can navigate industry challenges effectively and achieve long-term growth.

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WRQ-6888 Innovation to Drive True Growth Article_0824