Research Report

AdviceTech 2022
Staff Experience Report
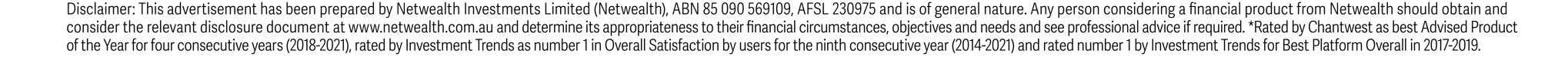
Exploring the human side
of technology

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AdviceTech and the staff experiences

Think AdviceTech and you usually think of the impact technology has on the operations and bottom line of an advice firm.

As technology becomes more pervasive in our daily lives it is often important to take a step back and look at the direct impact on people.

The 2022 AdviceTech Report takes a close look at the human side of technology, through the lenses of staff, but also our clients and technology partners plus suppliers.

To make the content more relatable, we have decided to break the report into three mini-reports, that are all accessible from **www.netwealth.com.au/advicetech.**
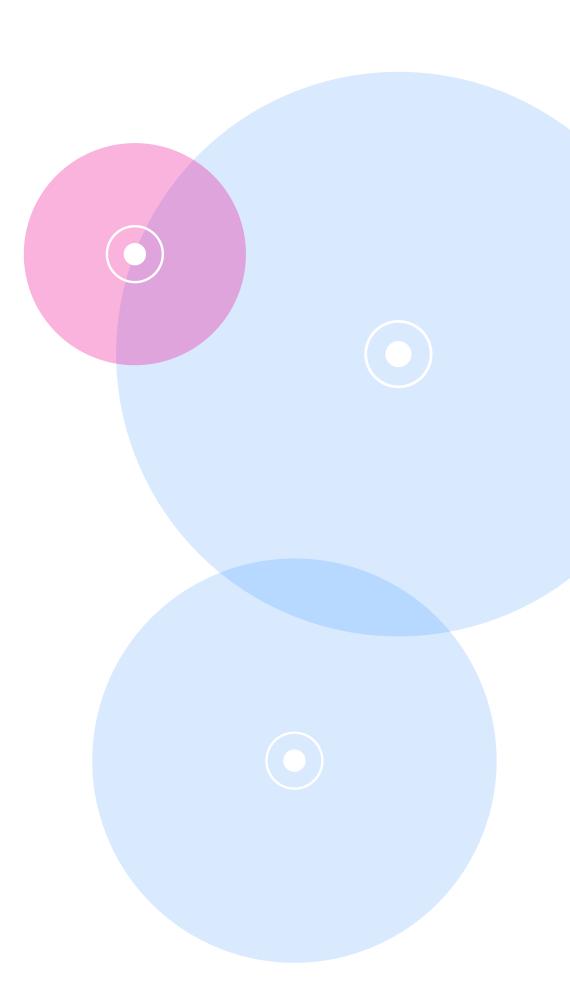
Too often the impact that technology has on the staff of a firm – on the people who live with the technology day-to-day, who implement it, who grapple with integrating sometimes disparate technologies and who apply it in a practical sense within a business – is overlooked.

The 2022 AdviceTech Staff Experience Report reveals that AdviceTech has an effect not only on the advice firm itself but on the people within the firm – and in turn, how the people within the firm relate to AdviceTech has a clear impact on how they serve clients, and therefore on client satisfaction.

As in previous reports, we will benchmark firms overall against our AdviceTech Stars, so we can learn from them.

Executive summary

Staff satisfaction is linked to AdviceTech usage, and greater client satisfaction follows

An often-overlooked benefit in attracting and retaining great staff is giving them the tools they need do their job effectively.

Over three-quarters of firms (78.2% and 91.1% of Stars) believe an integrated tech stack improves staff satisfaction, with around the same proportion (74.3%) believing that well-implemented AdviceTech leads to improved teamwork and collaboration within the business.

However, firms and Stars both indicate that only a small percent (13.2% and 11.1%) of their staff are very satisfied with their business' technology systems, with the majority (61.1%) just somewhat satisfied.

There is also a correlation acknowledged by businesses between happy and satisfied staff and happy clients, with nearly all AdviceTech Stars (95.6% and 86.8% of firms) agreeing that the improved satisfaction of staff leads to improved client satisfaction.

Hybrid work and superior technology go hand-in-hand

Although many businesses are making the transition to returning to the office, remote working is here to stay with nearly eight in 10 businesses (77.9%) allow staff to work from home regularly (88.9% of AdviceTech Stars).

On average staff are working 2.2 days per week remotely (2.1 days for Stars), but in an "ideal post-pandemic world" advice businesses would like their staff to work an average 1.7 days from home (1.4 days for Stars).

The transformation to hybrid work needs to be supported by technology, where AdviceTech Stars lead the way.

They offer their staff additional equipment like desks, chairs and computers (51.1% of Stars), security support like VPNs and antivirus software (42.2%), and mobile phone and internet allowances (28.9%).

Simplifying the tech stack can help staff satisfaction

Advice businesses overwhelmingly agree that an integrated tech stack improves staff satisfaction (78.2%).

However, less than one in 10 (6.9%) of firms overall and 13.3% of Stars describe their technology stack as 'a highly integrated system of technologies'. The majority have a somewhat or minimally integrated system of technologies (93.1%).

There is an opportunity for advice firms to improve staff happiness and integrate their tech systems better, or alternatively simplify their tech stack by using fewer systems.

Training, guides, better processes, and more time to learn should be part of any tech implementation

Only one in three advice firms (35.6%) believe their staff consider themselves masters of the AdviceTech they use.

With just over a half of firms (55.8%) thinking their staff get appropriate training on new software or software upgrades.

The opportunity for advice firms is to rectify this through adequately training staff on the use of technology, plus providing adequate support, guides and even more time for learning.

A quick refresher on AdviceTech Stars

AdviceTech Stars are firms that lead the way in many aspects of technology use, and which provide a useful guide to other firms wishing to take advantage of AdviceTech.

Regular readers of the AdviceTech Report will recall that each year we highlight the performance of this elite group of advice firms as a benchmark for all.

AdviceTech firms lead the way on both technology adoption and business performance. They've found the sweet spot of using the right AdviceTech in the right way, to address clearly identified issues and to generate tangible business and client benefits.

While many (64.4%) advice firms increased their revenue last year, more than 9 in 10 AdviceTech Stars (91.1%) increased theirs. Nearly half of Stars (46.7%) increased their revenue by between 11% and 25%; and more than one in six (17.8%) increased their revenue by more than 25%.

You might assume that the decision-makers of AdviceTech Stars are individuals who are overwhelmingly tech-focused. In fact, that's not the case. Whilst some (22.2%) do fall into the category of early tech adopters, the largest proportion (42.2%) of AdviceTech Stars describe themselves as tech pragmatists who will use stable but not-yet-common technology to develop a competitive advantage and almost on in three (31.1%) categorise themselves as tech conservatives, deploying only proven technology to deliver the services their clients expect.

AdviceTech Stars use a greater number (17) of AdviceTechs than the average firm (14), and they spend more than other firms across the AdviceTech spectrum, and they also plan to spend more in future.

Critically, they dedicate appropriate capital, resources and planning to technology. Over half (57.8%) have a clear map of the technology road ahead (versus 34.3%) and they spend more as a percentage of revenue of technology, on average of 9.7% (compared to 8.0% of overall firms).

AdviceTech Stars use a greater number of AdviceTechs than the average firm

17
Stars

14
Overall

AdviceTech Stars spend more than other firms across the AdviceTech spectrum, and they also plan to spend more in future.

Introduction

A quick refresher on AdviceTech Stars
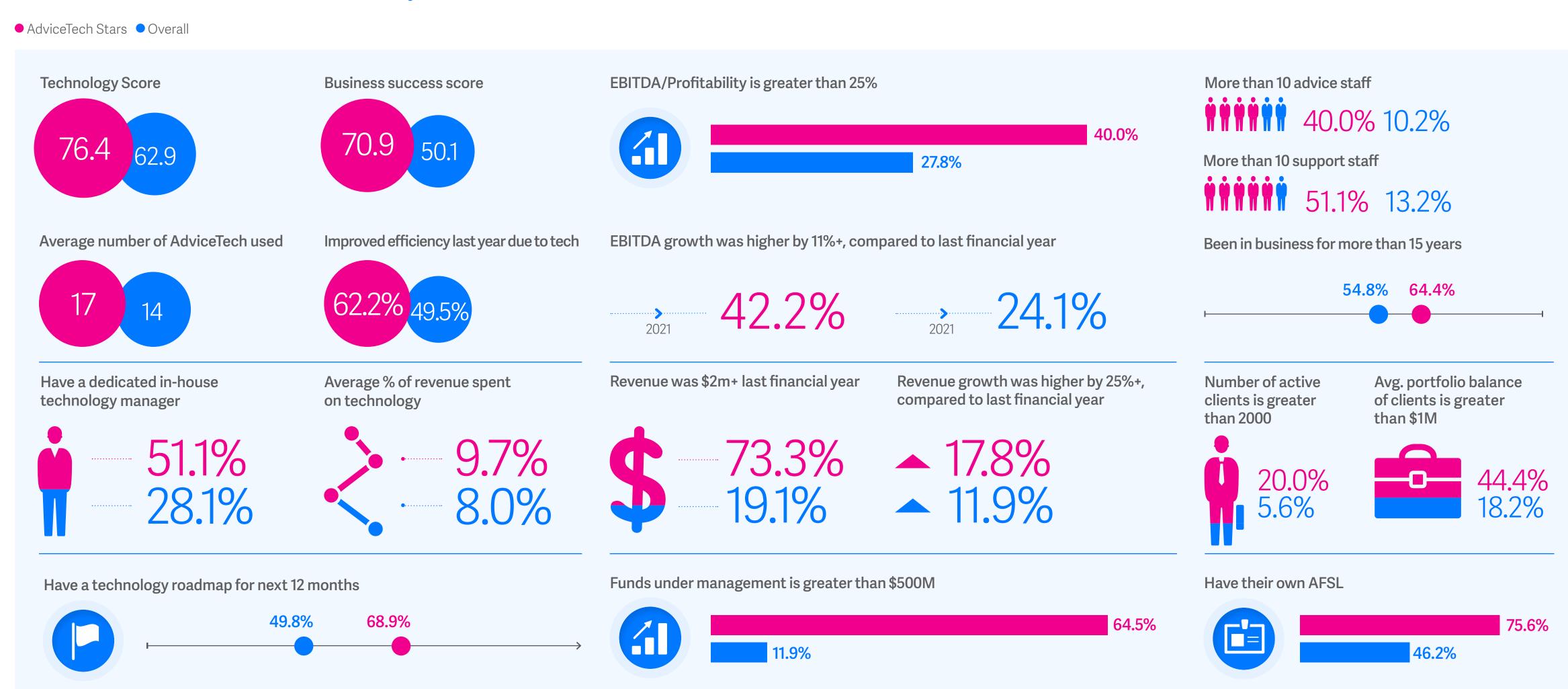
AdviceTech Stars versus the overall industry

● AdviceTech Stars ● Overall

Technology Score
76.4 62.9

Business success score
70.9 50.1

EBITDA/Profitability is greater than 25%
40.0%
27.8%

More than 10 advice staff
40.0% 10.2%

More than 10 support staff
51.1% 13.2%

Average number of AdviceTech used
17 14

Improved efficiency last year due to tech
62.2% 49.5%

EBITDA growth was higher by 11%+, compared to last financial year
2021 → 42.2%
2021 → 24.1%

Been in business for more than 15 years
54.8% 64.4%

Have a dedicated in-house technology manager
51.1%
28.1%

Average % of revenue spent on technology
9.7%
8.0%

Revenue was $2m+ last financial year
73.3%
19.1%

Revenue growth was higher by 25%+, compared to last financial year
17.8%
11.9%

Number of active clients is greater than 2000
20.0%
5.6%

Avg. portfolio balance of clients is greater than $1M
44.4%
18.2%

Have a technology roadmap for next 12 months
49.8% 68.9%

Funds under management is greater than $500M
64.5%
11.9%

Have their own AFSL
75.6%
46.2%

A quick refresher on AdviceTech Stars

AdviceTech Stars generate greater business benefits from AdviceTech than do other firms.
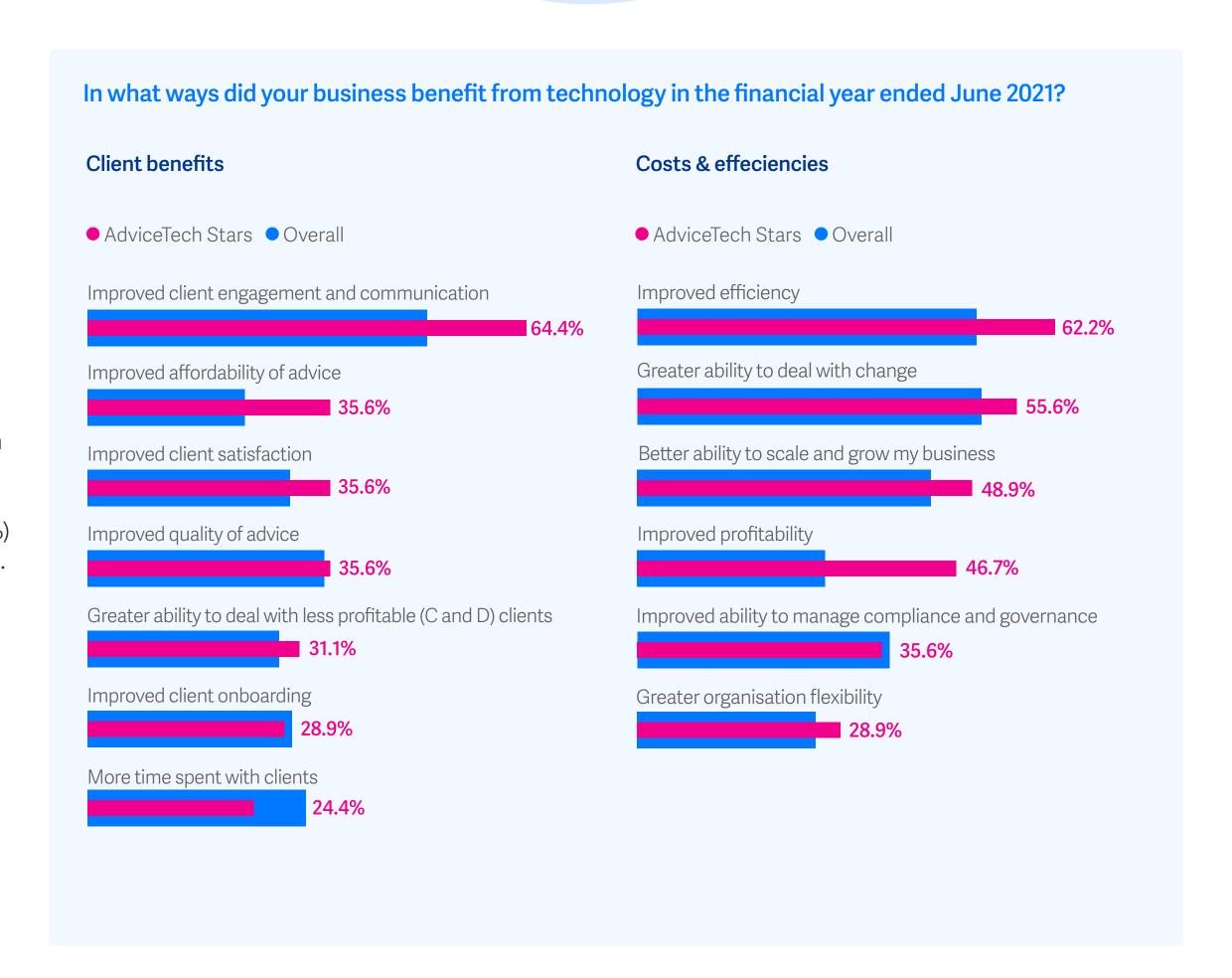
Almost two-thirds (64.4%) report improved client engagement and communication (compared to 49.8% of firms overall), growth in client numbers (44.4% versus 37.3%), growth in revenue (46.7% versus 37.3%) and growth in funds under management (37.8% versus 24.1%) – and all this helps underpins a greater proportion of AdviceTech Stars 46.7% versus 26.7%) who say technology leads to better profitability.

AdviceTech Stars also believe their AdviceTech makes them more efficient (62.2% versus 49.4%) and better able to adapt to changing circumstances (55.6% versus 50.2%)

AdviceTech Stars frequently utilise technology to stay engaged with their clients, with seven in 10 (68.9%) posting to social media monthly or more frequently, and more than half (51.1%) adding content to their website monthly or more.

They are comfortable using technology to aid and augment their business, but not letting it replace the adviser relationship. More than eight in 10 (82.2%) AdviceTech Star businesses describe the experience they offer clients as one where technology aids, but is not the focus of, the client engagement experience.

AdviceTech Stars are on average, more likely to be larger, more established firms. However, this is not to say that size is a pre-requisite to being an AdviceTech Star. More than one in six (17.8%) are small firms, and about one in ten (11.1%) have been in operation for less than seven years. A key difference separating AdviceTech Stars from most advice firms is that a large proportion hold their own AFSL (75.6%) rather than being authorised by an external licensee.

In what ways did your business benefit from technology in the financial year ended June 2021?

Client benefits

● AdviceTech Stars ● Overall

Improved client engagement and communication — **64.4%**

Improved affordability of advice — **35.6%**

Improved client satisfaction — **35.6%**

Improved quality of advice — **35.6%**

Greater ability to deal with less profitable (C and D) clients — **31.1%**

Improved client onboarding — **28.9%**

More time spent with clients — **24.4%**

Costs & effeciencies

● AdviceTech Stars ● Overall

Improved efficiency — **62.2%**

Greater ability to deal with change — **55.6%**

Better ability to scale and grow my business — **48.9%**

Improved profitability — **46.7%**

Improved ability to manage compliance and governance — **35.6%**

Greater organisation flexibility — **28.9%**

1 AdviceTech and the staff experience

AdviceTech and staff satisfaction

An often-overlooked employment benefit to attract and retain great staff is giving them the tools they need do their job effectively.

With fee compression, increased regulatory burden and negative media, we have seen a trend of more than 10,000 advisers having exited the industry[1], and a perceived lack of qualified advisers coming through from the universities. This presents a challenge for advice firms, as it becomes increasingly challenging to attract and retain top talent.

There are many things a business can do to retain and attract talent, from improving remuneration and rewards, adding wellbeing benefits, having a solid training and mentoring program, and demonstrating an active commitment to the community and the environment. However, an often-overlooked benefit is the tools provided to staff to do their job effectively.
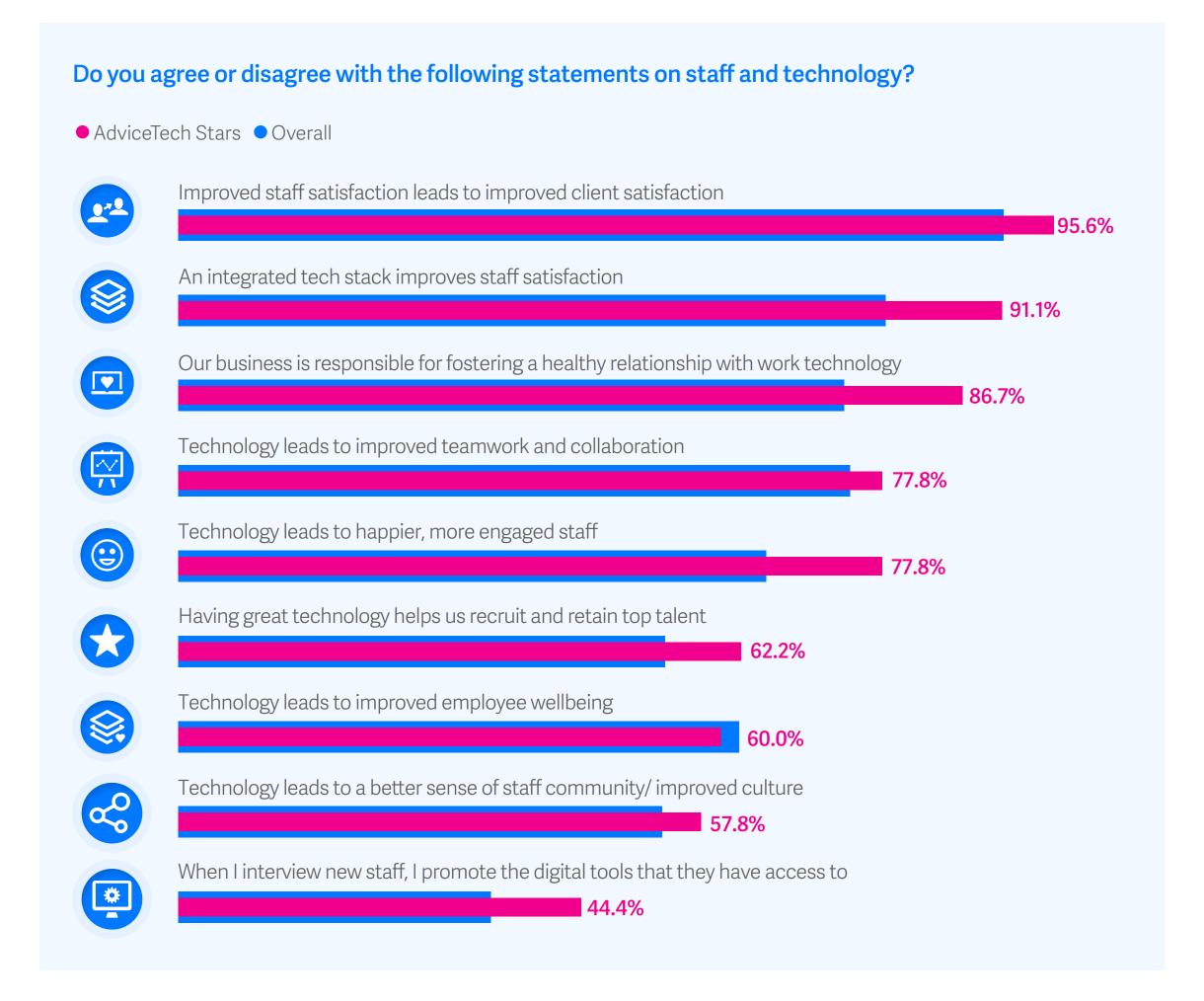
For knowledge workers, the tools are typically digital and technological in nature.

Many firms recognise this, with more than six in 10 Stars (62.2% vs 53.8% overall) agreeing that having great technology helps them to recruit and retain top talent. Further most Stars (86.6% vs 73.6% overall) agree that their business is responsible for fostering a healthy relationship with work technology.

High-performing advisers want to know that they'll have access to tools or a technology stack that will set them up for success, with younger financial professionals who were born into the digital age considering technology an essential part of their productivity and brand.

The importance of optimised technology systems is not lost on advice firms, with more than eight in 10 Stars (84.4% vs 81.8% of firms) recognising that improved systems lead to improved productivity and efficiency among staff. However, they recognise the many benefits of technology go well beyond simply improving productivity. The majority of Stars (77.8%) acknowledge that these improvements will lead to improved teamwork and collaboration, happier and more engaged staff (77.8%), as well as improved mental wellbeing of employees (60.0%). Ultimately firms agree that an integrated tech stack improves staff satisfaction (91.1% of Stars vs 78.2% overall).

1 Australian Financial Review - https://www.afr.com/companies/financial-services/ten-thousand-people-quit-this-industry-and-now-it-might-be-too-late-20211217-p59iht

Do you agree or disagree with the following statements on staff and technology?

● AdviceTech Stars ● Overall

Improved staff satisfaction leads to improved client satisfaction
95.6%

An integrated tech stack improves staff satisfaction
91.1%

Our business is responsible for fostering a healthy relationship with work technology
86.7%

Technology leads to improved teamwork and collaboration
77.8%

Technology leads to happier, more engaged staff
77.8%

Having great technology helps us recruit and retain top talent
62.2%

Technology leads to improved employee wellbeing
60.0%

Technology leads to a better sense of staff community/ improved culture
57.8%

When I interview new staff, I promote the digital tools that they have access to
44.4%

Staff satisfaction has a direct impact on client satisfaction

There is a correlation acknowledged by businesses between happy and satisfied staff and happy clients, with nearly all Stars (95.5%) and more than eight in 10 advice businesses (86.8%) agreeing that the improved satisfaction of staff leads to improved client satisfaction.

Salesforce Global Customer Growth and Innovation Evangelist, Tiffani Bova, has echoed this finding, stating "the fastest way to get your customers to love your brand is to get your employees to love their jobs".

Employees who love their jobs feel safe, Bova says. "They feel empowered. They feel they have the tools that they need."[2]

The clear connection between staff and client satisfaction should drive all advice businesses to equip and train their staff with the best tools.

The challenge facing firms is that their staff are only somewhat satisfied with their businesses' technology systems. Just one in 10 firms and AdviceTech Stars alike (13.2% and 11.1% respectively) believe that their staff are very satisfied with the technology systems in place.

Furthermore, just over half (51.2%) of firms agree that their staff are happy with the IT helpdesk and support they get. Of equal concern is that only half (55.8%) agree their staff get appropriate training on new software or software upgrades, and just a third (35.6%) say their staff would consider themselves a master of all software systems that they use.

Tactics for building a successful technology culture

However, there is plenty of work to do to improve staff satisfaction.

As advice firms recognise the benefits in improving their technology systems for staff, several tactics have been identified in order to assist them drive better outcomes, which include:

01. Supporting flexible working arrangements with the right technology and support.

02. Simplifying core AdviceTech and introducing staff specific tech

03. Training - more time to learn technologies, better processes and guides.

2 https://www.salesforce.com/news/stories/salesforce-future-of-work/

Putting yourself in the shoes of staff members, how satisfied overall do you think they are with your business' technology systems?

● AdviceTech Stars ● Overall

11.1%
13.2%

% Very satisfied

2 Supporting flexible working arrangements with the right technology and support

Hybrid working has real benefits

Work is something you do, not a place you go

Due to the pandemic, one of the most noticeable changes to the AdviceTech landscape is the shift towards working from home or other remote working arrangements. This has a real impact on the technology staff use, with businesses rethinking many AdviceTech areas from remote access to key applications, cybersecurity policies and hardware provisioning.

Although many businesses are making the transition to returning to the office, remote working is here to stay with eight in 10 businesses (79.3%) allowing regular working from home for staff. AdviceTech Stars have especially noticed the potential benefits, with nearly nine in 10 (88.9%) allowing regular remote working for their staff.

Among firms that allow regular working from home, they are on average working 2.2 days per week remotely (2.1 days for AdviceTech Stars).

When considering an ideal post-pandemic world, advice businesses would like their staff to work an average 1.7 days from home, whilst AdviceTech Stars recognise the benefits of getting staff together in the office and would like less, preferring 1.4 days.

The benefits of working from home are clear

Advice firms indicate they have seen many benefits from remote working, with Stars having managed the transition more effectively and have enjoyed an outsized share of the benefits – perhaps because of their better systems.

Firms agree that remote working has helped their staff – it has led to improved work/life balance (66.7% of Stars vs 57.4% overall), improvements in staff mental health (35.6% of Stars vs 29.0% overall). Productivity of staff has improved in many instances for firms (46.7% of Stars vs 30.4%), supported by improved team communication (31.1% of Stars vs 17.8% overall).

Surprisingly, and more likely with Stars, innovation has become easier for four in 10 (42.2%) AdviceTech Stars, as has implementing change (such as new processes) for one in three (31.1%) of Stars.

What has got easier/improved as a result of staff working at home/remotely?

Improved work/life balance

66.7% Stars **VS** 57.4% Overall

Improvements in staff mental health

35.6% Stars **VS** 29.0% Overall

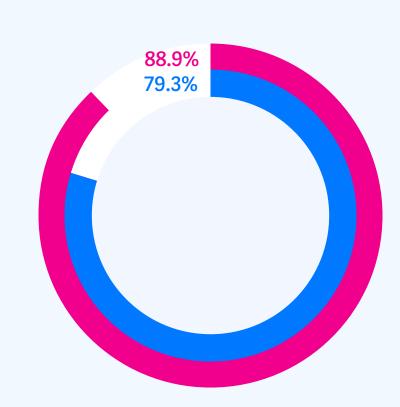**Productivity of staff has improved in many instances for firms**

46.7% Stars **VS** 30.4% Overall

Improved team communication

31.1% Stars **VS** 16.5% Overall

My business allows regular working from home or remote working for staff

● AdviceTech Stars ● Overall

88.9%
79.3%

Our staff is working from home

	Ideal days per week	Current days per week
Stars	1.4	2.1
Overall	1.7	2.2

Hybrid working can impact how we collaborate

Yet working from home has plenty of downside

The shift to remote working has not been without its issues as there are fewer casual interactions, more video meetings, and a perceived pressure to be constantly online. Screens create miscommunication, and being glued to email and chat can disrupt productivity.

It seems the human-side to staff interaction and management has somewhat been lost.

Onboarding staff is seen as harder by over one in three (34.3%) firms and more so for Stars (48.9%) as is staff training (29.4% of firms vs 40.0% of Stars). Teamwork has suffered to (27.7% overall vs 51.1% of Stars), which includes deteriorated team communication (24.1% vs 22.2% of Stars) and running workshops or brainstorming sessions (38.6% overall vs 53.3% of Stars).

Even with the greater flexibility and productivity offered by technology and working from home, some staff are working longer hours beyond their work day, over the weekend or even while sick. This does not necessarily result in better work, and can lead to burnout, lack of sleep or mental issues, the latter being an issue experienced by more than one in five businesses (22.1% vs 35.6% of Stars) shifting to remote working.
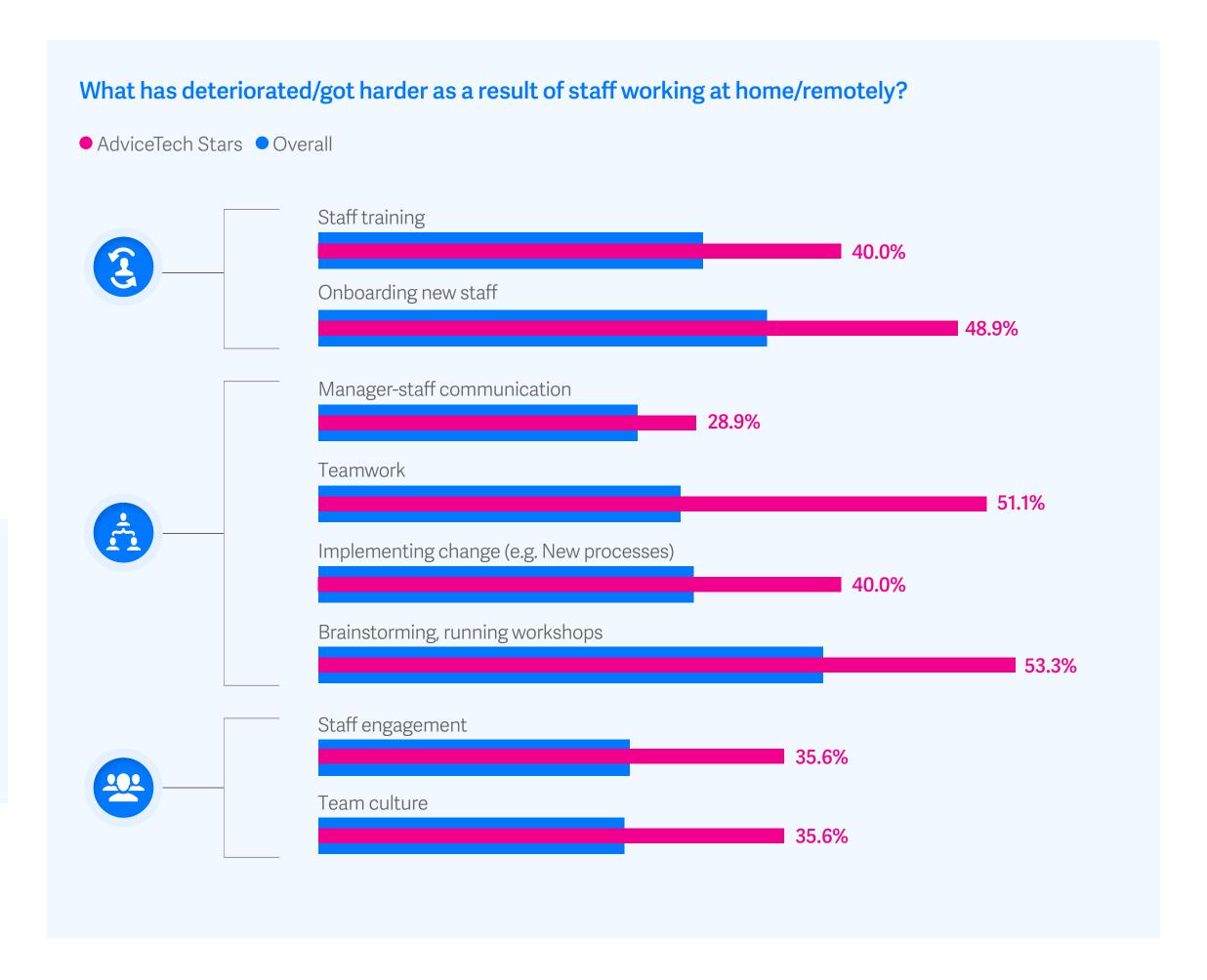
The manager-employee relationship has become more important than ever

Of interest, almost one in four firms (24.4%) have indicated that manager-staff communication has become harder.

For hybrid and remote employees, their managers are often the most important connection into the organisation – whether that be keeping them up to date and managing feedback or conflict.

For advice firms, this is an important watch-out – where designing that face-to-face manager/staff catch up becomes even more critical.

1 in 4

Almost one in four (24.4%) of firms have indicated that manager-staff communication has become harder.

What has deteriorated/got harder as a result of staff working at home/remotely?

● AdviceTech Stars ● Overall

Staff training — 40.0%
Onboarding new staff — 48.9%

Manager-staff communication — 28.9%
Teamwork — 51.1%
Implementing change (e.g. New processes) — 40.0%
Brainstorming, running workshops — 53.3%

Staff engagement — 35.6%
Team culture — 35.6%

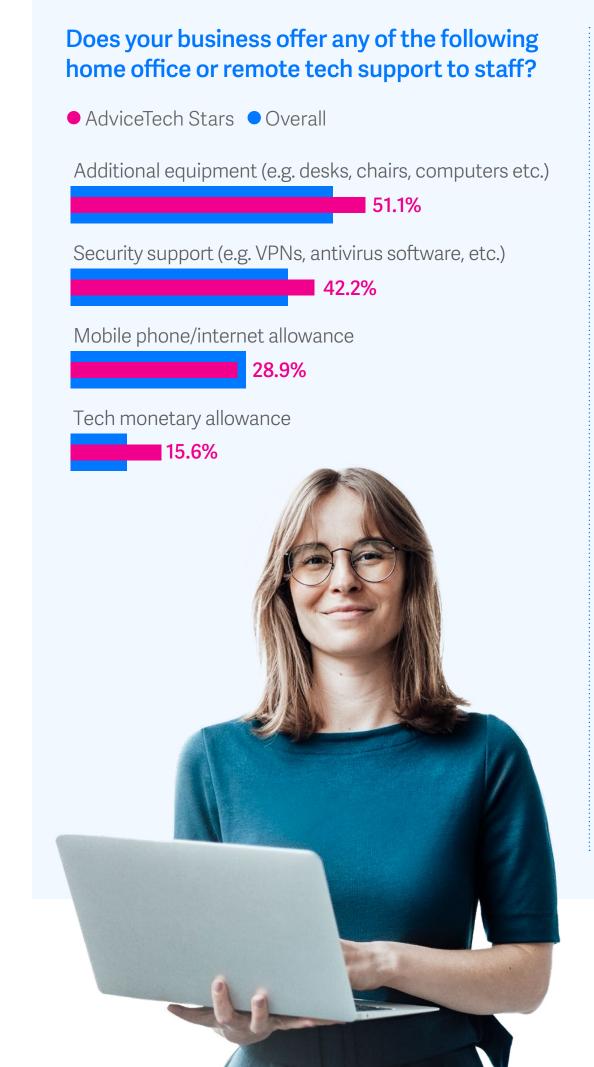# How AdviceTech can make hybrid work more satisfying

The crucial focus of this transformation to hybrid work is to find a solution that balances the needs of your business and of your team, supported by technology, accessibility, and common-sense work practices.

AdviceTech Stars lead the way in these activities and have introduced various items and policies for remote working.

Staff working in AdviceTech Star firms say they are more likely to do their job effectively from home (80.0% vs 69.0% overall).
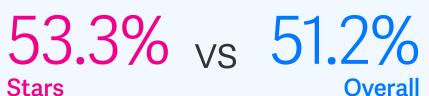
They offer their staff additional equipment like desks, chairs and computers (51.1%), security support like VPNs and antivirus software (42.2%), and mobile phone and internet allowances (28.9%).

Does your business offer any of the following home office or remote tech support to staff?

● AdviceTech Stars ● Overall

Additional equipment (e.g. desks, chairs, computers etc.)
51.1%

Security support (e.g. VPNs, antivirus software, etc.)
42.2%

Mobile phone/internet allowance
28.9%

Tech monetary allowance
15.6%

Employees of Stars do their job more effectively from home as they are more likely to:

be happy with the IT helpdesk and support they get
53.3% vs **51.2%**
Stars Overall

have access to appropriate software from home
84.4% vs **72.6%**
Stars Overall

have access to important files and information from home
86.7% vs **69.0%**
Stars Overall

have an appropriate desk setup from home
66.7% vs **58.7%**
Stars Overall

have good internet speed and connectivity at home
66.7% vs **57.8%**
Stars Overall

Simplifying the core tech stack for improved satisfaction

Advice businesses overwhelmingly agree that an integrated tech stack improves staff satisfaction (78.2%).
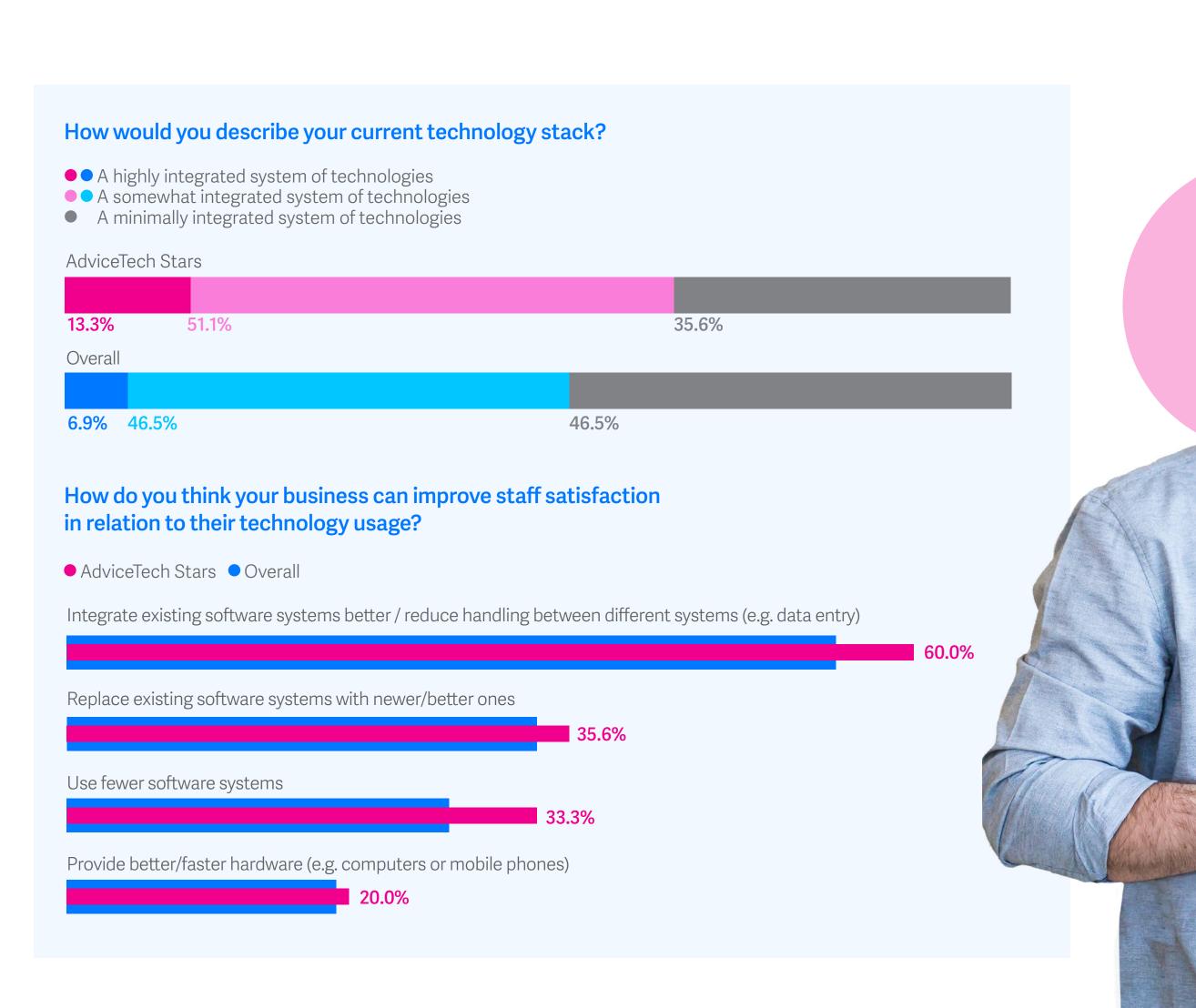
However, only 6.9% of firms overall (and 13.3% of Stars) describe their technology stack as 'a highly integrated system of technologies.' The majority have a somewhat or minimally integrated system of technologies (93.1%).

So it is not surprisingly, that some of the tactics firms have identified to improve staff experience is to integrate existing software systems better with the view to reduce handling between different systems (54.5% overall vs 60.0% of Stars cite this).

Technologies such as Xeppo, used by almost a quarter (24.1%) of those that rely on integration technologies can help.

For some, they also consider the use of fewer software systems (27.1% overall vs 33.3% of Stars) as a way to improve staff satisfaction.

There is also some consensus that some AdviceTech is in needed of an upgrade, to newer/better ones (33.3% overall vs 35.6% of Stars).

How would you describe your current technology stack?

- ● A highly integrated system of technologies
- ● A somewhat integrated system of technologies
- ● A minimally integrated system of technologies

AdviceTech Stars

13.3% 51.1% 35.6%

Overall

6.9% 46.5% 46.5%

How do you think your business can improve staff satisfaction in relation to their technology usage?

● AdviceTech Stars   ● Overall

Integrate existing software systems better / reduce handling between different systems (e.g. data entry)

60.0%

Replace existing software systems with newer/better ones

35.6%

Use fewer software systems

33.3%

Provide better/faster hardware (e.g. computers or mobile phones)

20.0%

Staff-specific AdviceTech to help improve satisfaction

Although businesses are often trying to use less, not more AdviceTech, there are a range of technology solutions that should be considered to improve staff satisfaction, teamwork, culture and productivity.

These include:

- Productivity, communication and collaboration tools
- Engagement, motivation and wellbeing tools
- Training tools
- People management technology
- Security tools and protocols

The challenge is selecting them and properly integrating them into your practice.

Internal task/activity management software

These tools, like Trello or MS Project, allow people to collaborate, communicate and coordinate projects by managing tasks, processes, and workflows.

The benefits include improved project planning and more effective team communication and collaboration. These tools enable greater transparency on progress to project goals, and enhance the ability to optimise resource allocation and delegate tasks. In addition, they help standardise project delivery and centralise project reporting.
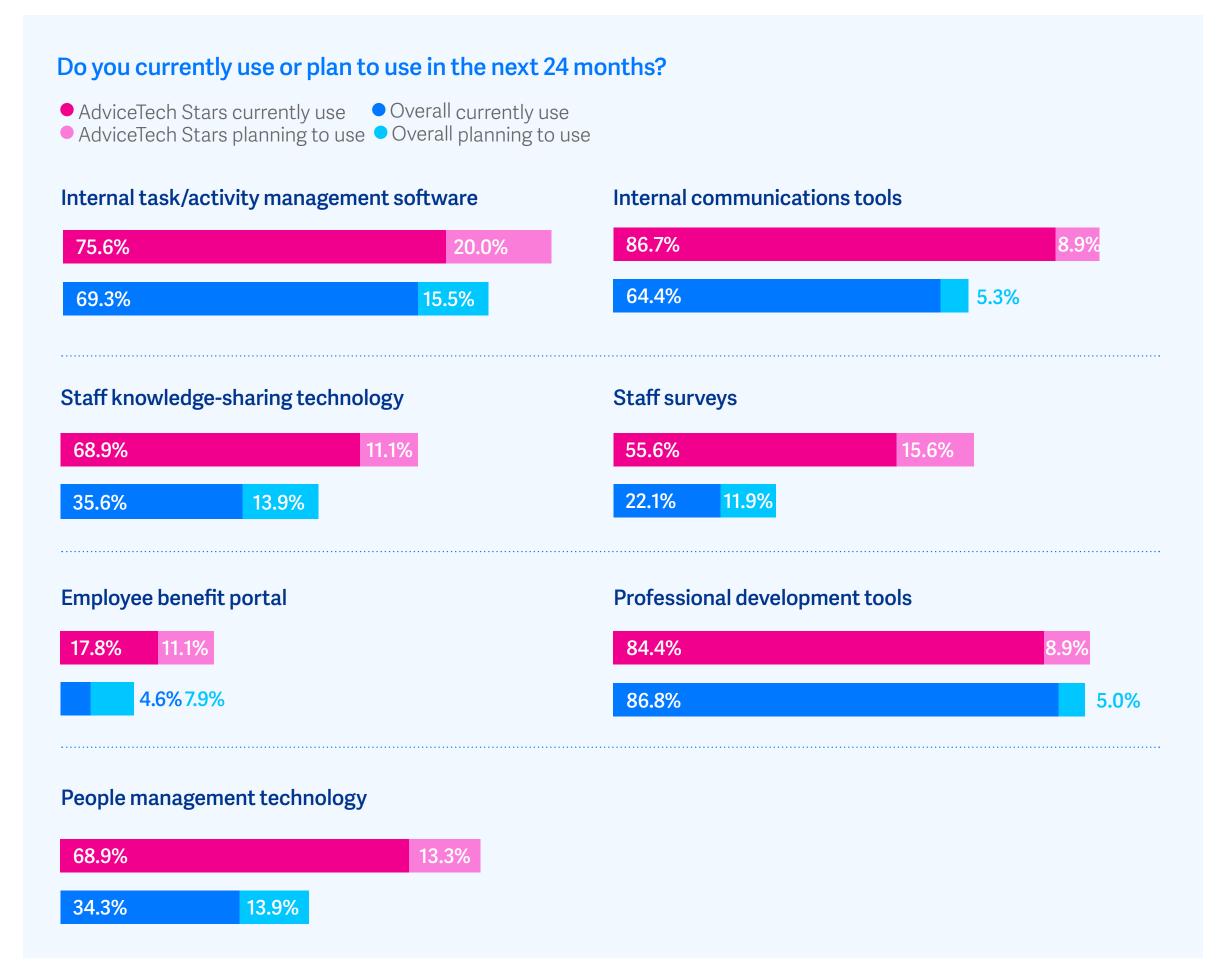
Internal communications tools

AdviceTech, such as MS Teams or Slack, enable efficient and effective communication within companies – across all employees, and across members of defined teams or other groups.

Typically, they help keep staff members informed and up to date with the progress of projects and on work-related issues, improving communication, teamwork and knowledge-sharing.

These tools can be used to set up social community groups (eg. pet-lovers society) and can be used by management to broadcast important business or strategic messaging.

Supporting the fundamental interconnectedness of staff means they can also provide ideas to their employer about competitors, or potential product and service developments.

9 in 10

Currently almost nine in 10 Stars (86.7%) use internal communication tools (vs 64.4% overall).

Do you currently use or plan to use in the next 24 months?

- AdviceTech Stars currently use
- AdviceTech Stars planning to use
- Overall currently use
- Overall planning to use

Internal task/activity management software
- 75.6% | 20.0%
- 69.3% | 15.5%

Internal communications tools
- 86.7% | 8.9%
- 64.4% | 5.3%

Staff knowledge-sharing technology
- 68.9% | 11.1%
- 35.6% | 13.9%

Staff surveys
- 55.6% | 15.6%
- 22.1% | 11.9%

Employee benefit portal
- 17.8% | 11.1%
- 4.6% 7.9%

Professional development tools
- 84.4% | 8.9%
- 86.8% | 5.0%

People management technology
- 68.9% | 13.3%
- 34.3% | 13.9%

Staff-specific AdviceTech to help improve satisfaction

Staff surveys

This technology helps firms to create online surveys to gather staff feedback on a range of staff or operational-related issues, including performance feedback and engagement scores. You can build your own surveys using simple tools like CultureAmp or Surveymonkey or even work with specialist consultants.

By surveying staff, you are demonstrating to your team that you value their opinion, you also might get feedback on aspects of the firm's operations that may not be apparent to management or get insights and ideas on improving processes, client service and other aspects of how the firm is run.

Currently over half of Stars (55.6%) use staff surveys (vs 22.1% overall), with a further 15.6% planning to use them in the next 24 months.

Employee benefit portals

This tool provides staff with online access to a range of employee benefits, that can range from deals and discounts (such as discounted gym membership or health insurance), to free perks (such as health check ups), to access to volunteer days and charities. They give rewards to staff over and above their salary.

The benefits of such programs include happier staff, greater staff satisfaction plus the ability for firms to attract future employees.

Currently almost one in five of Stars (17.8%) use employee benefit portals (vs 4.6% overall), with a further 11.1% planning to use them in the next 24 months.

Staff knowledge-sharing technology

This technology helps to facilitate the sharing and development of knowledge among staff about company policies, processes, how-to's & FAQs, philosophies and more.

Having a central and common repository means that they can be easily accessed by staff and can be easily reviewed and updated.

Common technology used for this includes intranets and Wiki boards. Currently almost seven in 10 Stars (68.9%) use such tech (vs 35.6% overall) with a further 11.1% of Stars planning to use them in the next 24 months.

People management technology

These tools help employees and HR staff track and administer staff-related issues, such as:

- staff recruitment

- updating employee information

- applying for jobs in different departments

- performance feedback

- peer-to-peer (P2P) recognition of other staff

- booking flights, accommodation, etc.

- approving expense reports

- managing leave

- payroll information.

By centralising general HR and support tools, it simplifies the sometimes challenging and time-consuming administration of such tasks.
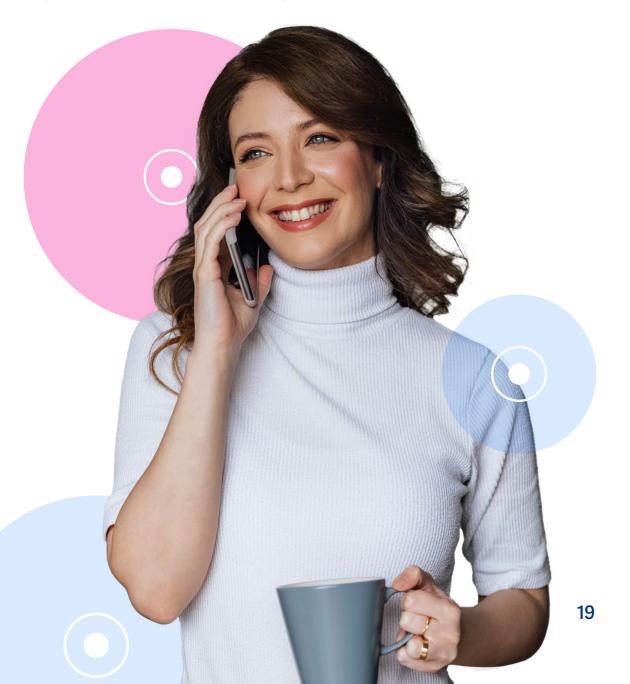
Currently almost seven in 10 Stars (68.9%) use such tech (vs 34.3% overall) with a further 13.3% of Stars planning to use them in the next 24 months.

Professional development tools

Currently almost nine in 10 Stars (86.7%) use such tech (vs 64.4% overall).

These systems, such as Kaplan, support financial advisers in meeting mandatory continuing professional development (CPD) requirements.

By meeting these mandatory requirements, advisers and staff are kept up to date with latest developments in industry standards (legislative, professional) and best practice.

Cyber-security and staff satisfaction

The shift towards remote working and the digitisation of the advice process and client experience has resulted in increased levels of client and business data being stored in the cloud. As a result, proper security processes and technologies are front of mind for most firms.

The proportion of firms that are very concerned about the risk of online fraud, identity theft or scams that could lead to the loss of client information has increased significantly since last year (55.8% from 40.2%).

Whilst the majority (90.5%) of firms are very or somewhat concerned about the issue (up from 85.0% last year), most firms (85.1%) believe they are prepared to deal with those risks, saying that they have appropriate levels of IT security and confidentiality procedures in place to protect client information. However, this does leave a small proportion of advice businesses that feel their levels of IT security are not adequate.

Last years 2021 AdviceTech Report found that advice firms are most concerned with the threat of organised cyber gangs (71.6%). But a significant proportion – 47.1% of advice firms overall, and 60.0% of AdviceTech Stars – are concerned that unwitting staff actions may result in a cybersecurity breach.

In this context the role of people in protecting firms and clients against cybersecurity threats becomes very important. Yet in 2021 less than half (49.1%) of advice firms (but 60.0% of AdviceTech Stars) had formalised cybersecurity policies and procedures that were regularly updated and followed consistently.
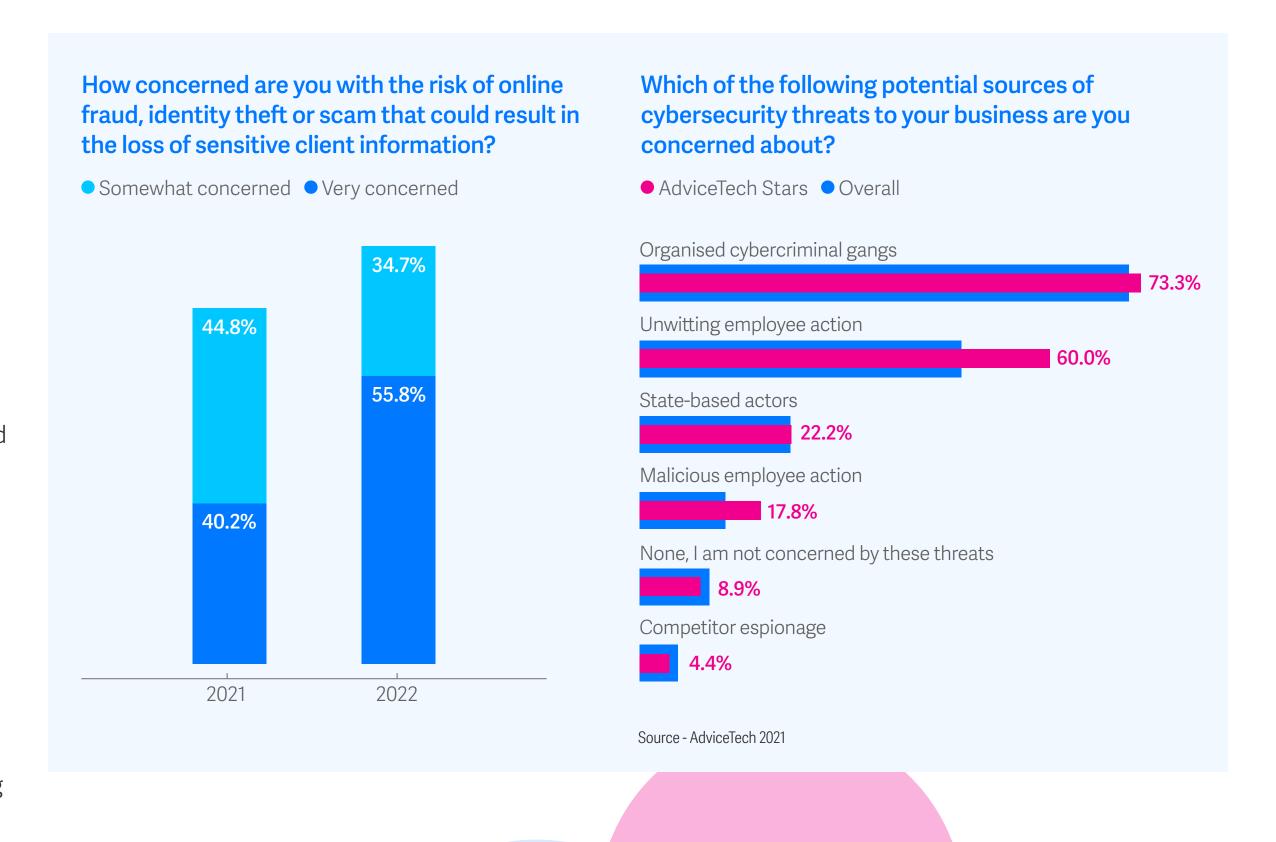
At the other end of the spectrum there were still almost one in three (29.3%) advice firms that had no formalised cybersecurity policies and procedures.

VPNs (Virtual Private Networks)

One technology that limits cyber threats for remote workers are VPNs (virtual private networks).

This service creates an encrypted internet connection for sending and receiving data (including client data). A VPN also protects a user's identity online by hiding IP addresses and also allows the safe use of public Wi-Fi hotspots.

Currently almost one in three Stars (31.1%) use VPNs (vs 27.4% overall), with a further 13.3% planning to use them in the next 24 months.

How concerned are you with the risk of online fraud, identity theft or scam that could result in the loss of sensitive client information?

● Somewhat concerned ● Very concerned

	2021	2022
Somewhat concerned	44.8%	34.7%
Very concerned	40.2%	55.8%

Which of the following potential sources of cybersecurity threats to your business are you concerned about?

● AdviceTech Stars ● Overall

Organised cybercriminal gangs — 73.3%

Unwitting employee action — 60.0%

State-based actors — 22.2%

Malicious employee action — 17.8%

None, I am not concerned by these threats — 8.9%

Competitor espionage — 4.4%

Source - AdviceTech 2021

4 How to improve AdviceTech
staff training and support

Training, guides, better processes, and more time to learn

Identifying the right AdviceTech for an advice firm is only the first step in its implementation – the very best intentions can be easily derailed if staff are not adequately trained to use the technology effectively.

This is important not only to recognise greater productivity, but also to keep staff more satisfied.

Most advice firms, even AdviceTech Stars, admit they still have some way to go in upskilling their staff.

AdviceTech Stars are less likely to believe their staff consider themselves masters of the AdviceTech they use (26.7% compared to 35.6% of firms overall); and they're also less likely (53.3% vs 55.8% of firms overall) to believe their staff get appropriate training on new software or software upgrades.

With that said, some more savvy firms have highlighted several strategies that can be undertaken.

01. Provide more hands-on or staff-led technology training.

02. Businesses should look to empower their smart staff with self-service tools as many are keen to do things themselves.

One in three Stars (33.3%) believe Technology training and the use of self-help tutorials, such as FAQ knowledge base, how-to videos and checklists will improve staff satisfaction in relation to their technology usage.

Of interest, seven in 10 (68.9%) of Stars use technology for staff knowledge sharing, FAQs or self-service training (with a further 11.1% planning to use them).
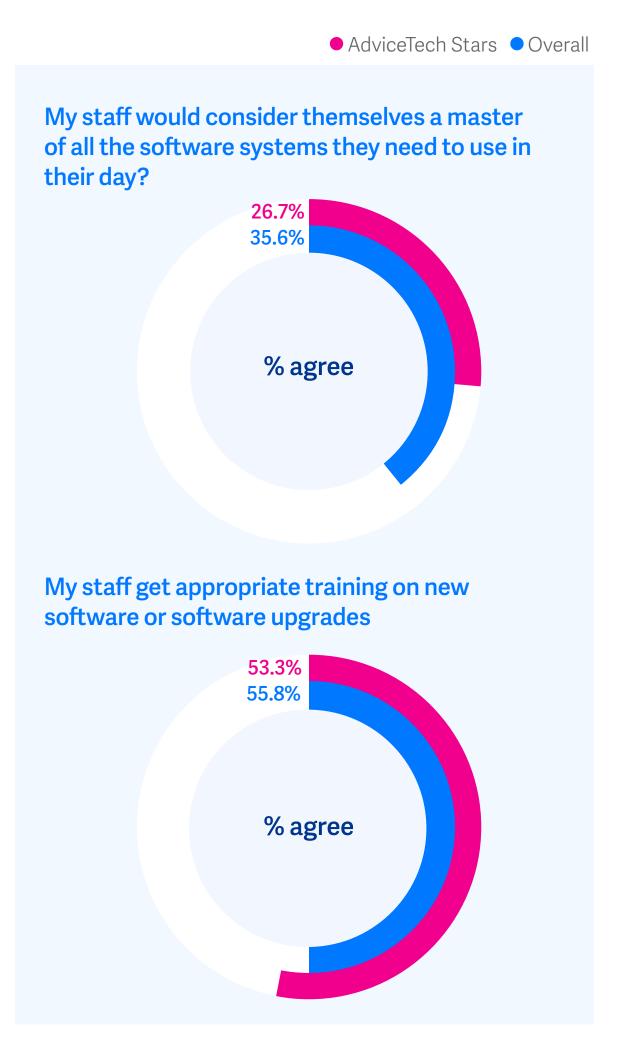
03. Businesses should provide their staff more time in their day to become familiar with the systems and tools that they use.

Almost one in three Stars (31.1%) and one in four firms overall (24.4%) suggest this.

04. Provide ongoing support with technology systems through improvements to their tech and help-desk support.

This tactic is recognised by almost one in four Stars (24.4% and 23.4% overall).

● AdviceTech Stars ● Overall

My staff would consider themselves a master of all the software systems they need to use in their day?

26.7%
35.6%

% agree

My staff get appropriate training on new software or software upgrades

53.3%
55.8%

% agree

Onboarding new staff with technology

With six in 10 (59.4%) firms (and 71.1% of Stars) looking to hire more staff in the next 5 years, training news staff becomes critical in recognising their potential (quickly).

It can take time to get new staff members settled in and up to speed with company policies and procedures, but it is well worth taking the time to do it right and do it early. Technology empowers businesses to make sure the process can be planned and executed quickly and efficiently, even when staff are working remotely.

Technology, including more novel tech like AI and virtual reality, is changing the employee onboarding experience.

Automating some basic and more repetitive tasks allows a business to focus more on personalising the onboarding experience – for example, automating the delivery of (and verification that new staff have read) company policies, or completed signing into an HR portal, means more time can be spent on making sure they have the right IT equipment and software they need to do their specific jobs.

6 in 10
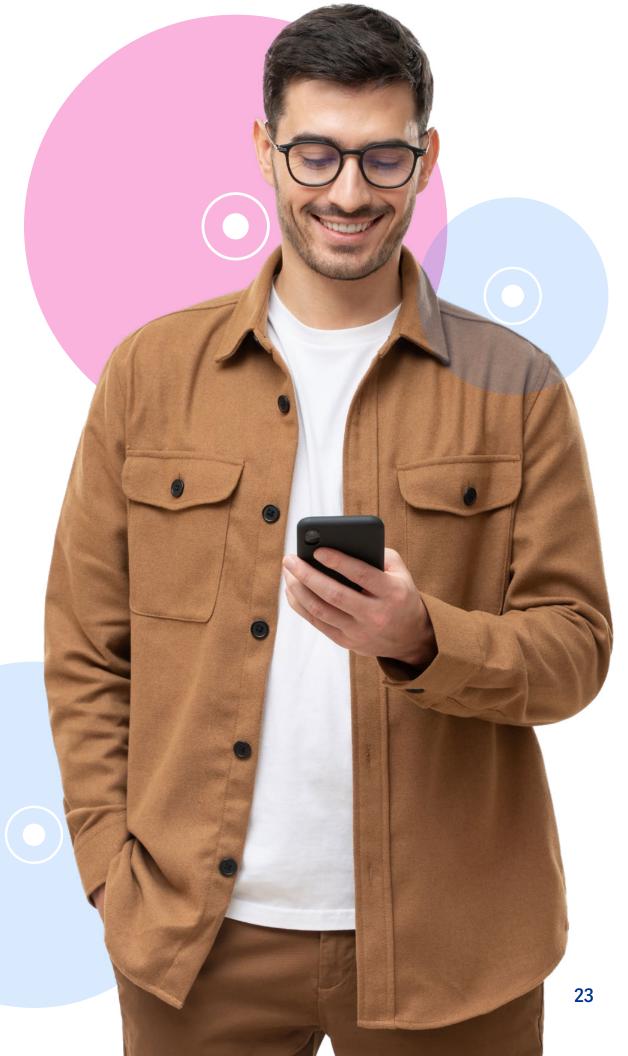
With six in 10 (59.4%) of firms (and 71% of Stars) looking to hire more staff in the next 5 years, training news staff becomes critical in recognising their potential (quickly).

Understanding the training needs of staff

Onboarding a staff member is a one-off activity, but training is an ongoing task and one that is arguably more difficult to get right consistently. Individual staff members respond best to different training approaches – for example, some may prefer the written word, while others prefer a visual presentation or video – so training needs to be flexible in format, as well as in timing and location of delivery.

Technology helps businesses do exactly this, and giving employees a choice of format, timing and location, it is far more likely that employees will look forward to receiving training, and that it will achieve its intended goals.

Methodology

In this year's 2022 Netwealth AdviceTech Research Report we surveyed 303 advice firms. Fieldwork took place from April 13 to May 19, 2022 with our partners CoreData.
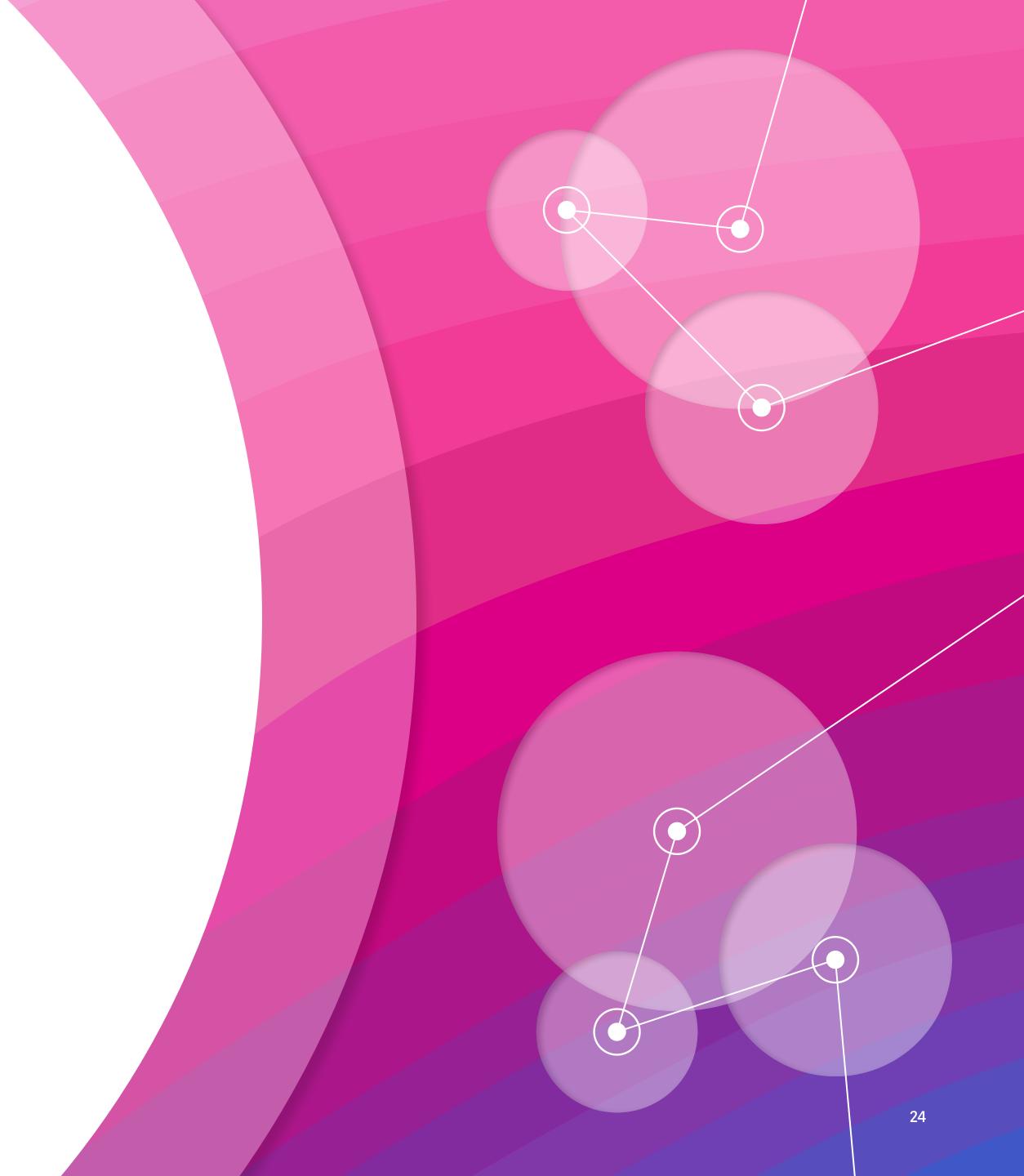
AdviceTech Segmentation methodology

In the 2020 AdviceTech Report, we created a segmentation method to split advice firms into five different groups based on the success of the business and the rate at which they adopt technology. This methodology was replicated in this year's survey. This is how we defined our AdviceTech Stars in the report.

We developed a Business Success Score comprised of measures such as a practice's funds under advice (FUA) and revenue growth or decline from the previous year. We also considered a ratio of FUA to active clients and to length of business operation. Practices that have better business success score higher. The average Business Success Score is 50.1 out of 100 for all practices.

We also developed a Technology Adoption Score, comprised of the number of technologies used by a practice, how many technologies they are considering implementing in the short term, and characteristics about their technology investment and management. Practices that adopt more technology in a planned manner score higher. The average Technology Adoption Score across all practices is 62.9 out of 100.

Five segments were determined based on these two scores:

	Tech Score	Success Score	Segment size
AdviceTech Stars	**76.4**	**70.9**	**17.6%**
AdviceTech Moderate Performers	71.9	54.3	27.7%
AdviceTech Underperformers	47.6	58.6	10.5%
AdviceTech Conservatives	70.2	39.2	24.6%
AdviceTech Laggards	38.7	34.7	19.5%

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