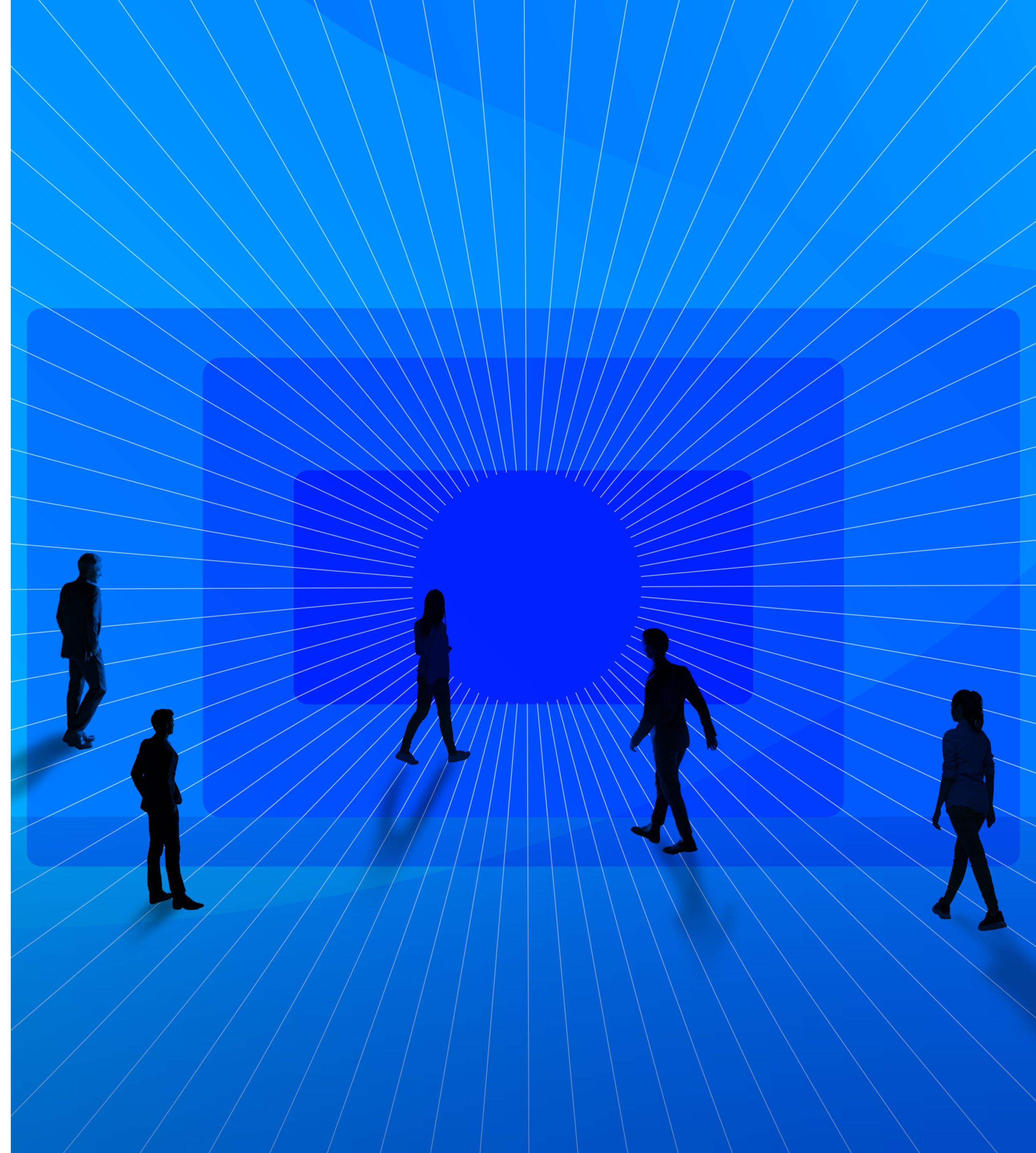


# 2024 AdviceTech: Building a culture for digital transformation



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# Executive summary

## So, is your business digitally mature?

This year, Netwealth's AdviceTech 2024 research wanted to understand the maturity of advice firms when it comes to technology, and then identify the levers a business can pull to improve this.

With our partner CoreData, we surveyed over 350 advice firms analysing attributes of businesses, including their leadership, culture, digital strategy, and their process of change.

### Some of the key findings were:

1. Leadership and culture should focus on continuous improvement, risk taking and experimentation.
2. A business needs to have an open-minded team with diversity, who are empowered with knowledge.
3. The digital strategy of a firm should be well planned with a real allocation of capital. And it must consider client needs, where the industry is going, and of course emerging technologies, like AI.
4. To remember the importance in project execution, that is, intent and ideas are only as good as their execution – which takes planning, prototyping and a feedback loop.

By reading the report, you will learn how to benchmark your business against the AdviceTech Stars, who are the top performers in terms of revenue, profitability, and technology adoption.

You will also discover the best practices and tools to help you overcome the challenges and barriers to rolling out technology and digital projects.

You will gain insights and inspiration from various case studies from innovating companies, and examples of how other businesses have achieved digital transformation.

Don't miss this opportunity to learn from the AdviceTech Stars and become one yourself; to stay ahead of the curve and to harness the power of technology to create a competitive advantage and deliver value to your clients.

# Introduction

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Part 1.0

# Introduction

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The media tell us disruption is just around the corner, and our peers challenge us to stay ahead of the curve. Technologies like AI are bringing disruptive changes to society and business at a rapid pace.

There is an explosion of new technologies being released, making it challenging for businesses to navigate. Never before have we had so many options and so much opportunity. While technology has, in a sense, become easier to grasp and use, it has also become more complex due to the multitude of choices available.

As an industry, we are grappling with this, with the majority of firms using at least 15 pieces of technology in their practice according to the [2024 Netwealth AdviceTech research](#).

We are challenged by integrating these systems, with only one in 10 advice firms able to maximise the benefits of integration and reduce double-handling of data, avoid context switching between software with different interfaces, or leverage the power of data for insights, workflow triggers, and AI.

We are also not meeting the expectations of our clients who use social media, search engines, mobile apps, and other online tools almost constantly, with only one in 10 firms able to claim that their technology is pervasive in all client engagement interactions.

This special report is based on Netwealth's 2024 AdviceTech research, which surveyed over 350 advice firms and examines how the best businesses continually invest in, deploy, implement,

and roll out technology. How they make business and technology decisions, and how they structure their business for technology success and digital transformation.

We hope it challenges the way you think about technology adoption in your business and its digital maturity.

“ We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction.”

**Bill Gates**



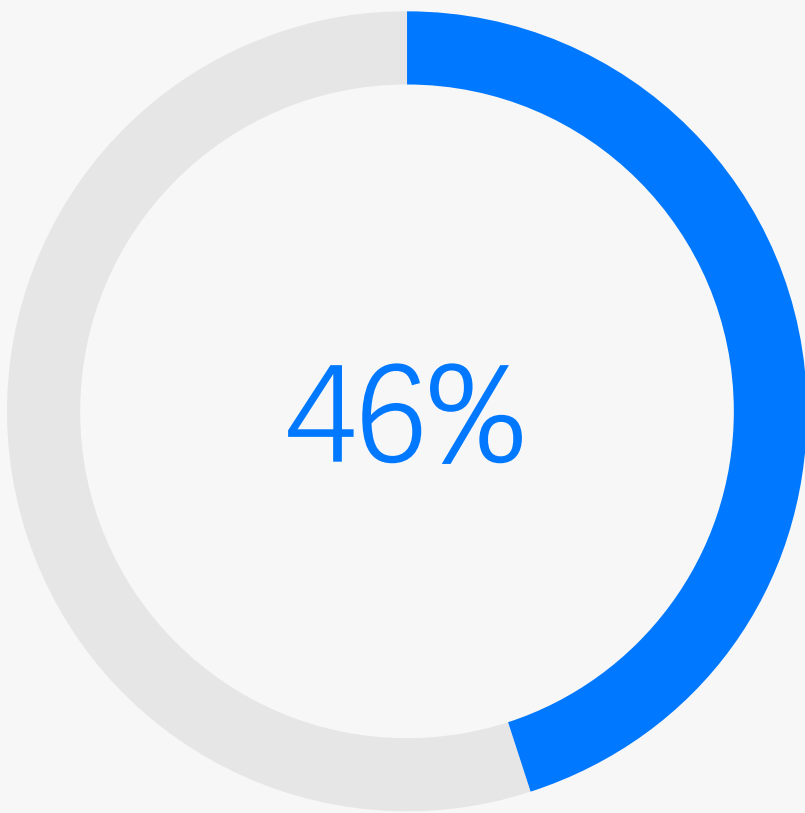
# Why is technology adoption hard?

## In the age of digitalisation many practices struggle to roll out digital projects

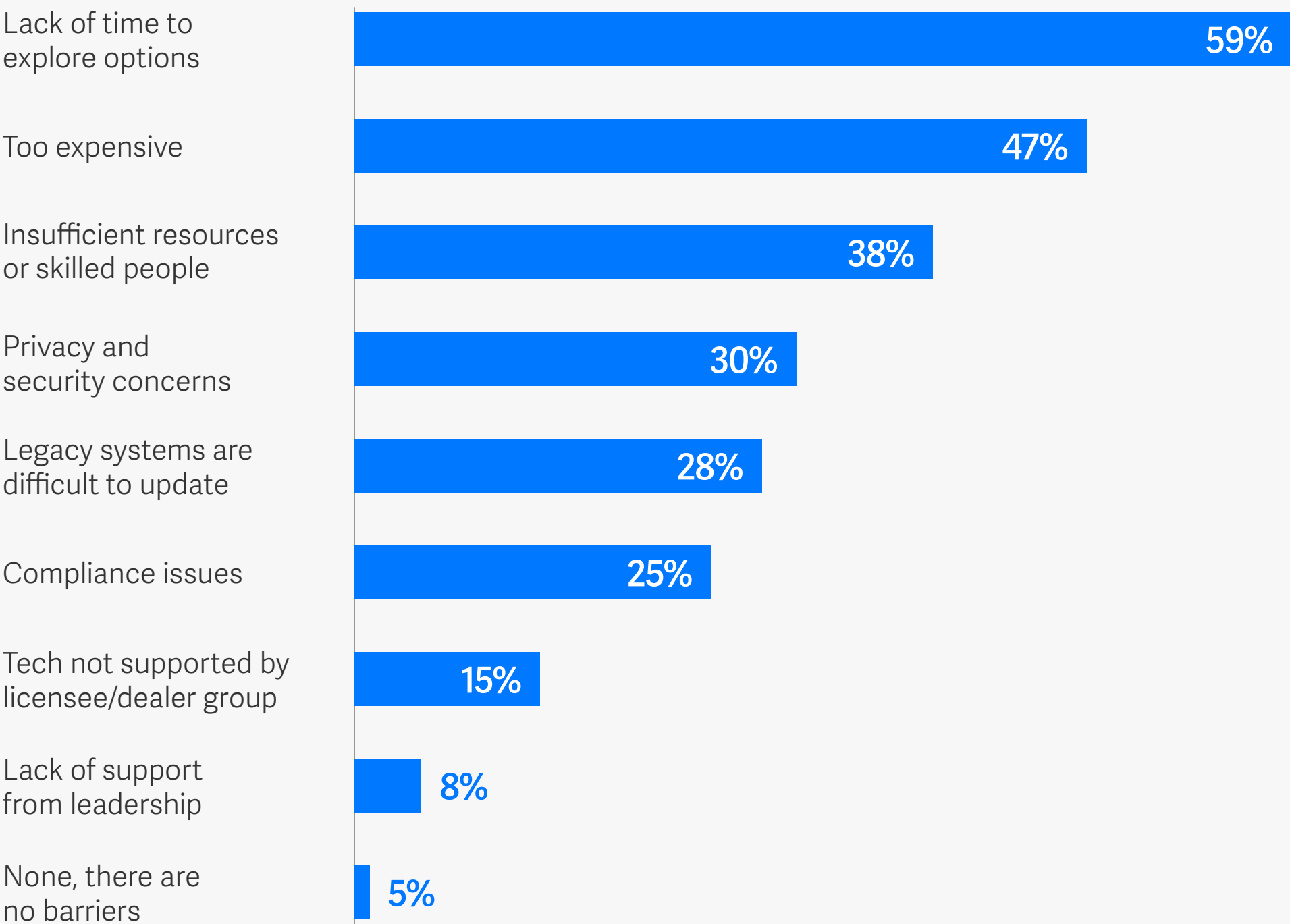
In 2024, less than half of advisers agreed that their practice was successful in implementing new digital technologies more often than not (46% of all advice firms). With increased pressures placed on advisers such as compliance requirements, coupled with an increase in demand for advice, technology implementation can often take a back seat.

For most advice firms, this is because there are many barriers – a lack of time to explore options (cited by 59% of advice firms), a lack of appreciation for the cost and its potential value (47% of advice firms), or insufficient resources or skilled people (38%). Other challenges include privacy and security concerns (30%), compliance issues (25%), or having legacy systems that are difficult to update (28%).

Percentage of advice firms that agree that we can successfully implement new digital projects more often than not



What barriers exist in selecting and implementing technology in your business?



# Netwealth's Digital Maturity Framework

## The drivers of digital maturity

This year, we wanted to understand how advice firms can overcome the challenges they face in rolling out technology and digital projects.

From our research, we identified that leading advice firms, 'AdviceTech Stars', overcome IT and digital barriers by focusing on four main areas of their business.

1. Leadership – having leaders who are invested, see the benefits of technology and digital transformation, and are willing to take reasonable risks.
2. Culture – having a culture that is flexible with empowered staff that experiment and use technology for the benefit of the business.
3. Digital Strategy – having a medium to long-term plan for digital transformation and allocating appropriate capital to it.
4. Process of Change – having an organisation that has processes and doesn't assume technology deployment is easy but knows it takes work and resources to get right.

### The four key pillars for digital maturity are:



#### Leadership

Leadership's willingness to support digital transformation, being open to innovation while simultaneously understanding that digital success requires ongoing commitment. Additionally, being perceptive of the importance people play in successfully delivering digital projects is key, alongside maintaining an understanding of market and industry trends and the changing needs of clients.



#### Culture

Culture includes the business's willingness to embrace flexibility and adaptability, with staff encouraged to drive innovation. Openness to sharing feedback on both successes and failures is crucial, fostering a constant feedback loop of data-driven decision-making and continuous learning in the technology space.



#### Digital strategy

Digital strategy captures and quantifies the degree to which the business has a documented strategy and roadmap for technology. This includes the length of time accounted for, and ongoing revisions in accordance with need. The focuses of the strategy are also important, including improving client satisfaction and engagement, driving business growth across various metrics, and overall alignment with business strategy.



#### Process of change

The ability of the business to recognise that change does take time and resources, and both are adequately allocated to the implementation of technology within the practice. New projects are given time to mature, adjusted where needed, and importantly does not significantly disrupt the usual flow of business.

# Netwealth’s Digital Maturity Framework

## The drivers of digital maturity

When we explore this a little further, we found that there were 40 drivers within these 4 pillars, some more important than others. For instance, we found that 81% of AdviceTech Stars say their business has a culture of sharing new ideas, or 66% of Stars say their leaders are open to taking risks on new technology.

Percentage of AdviceTech Stars that agree with the following statements												Culture	Strategy	Leadership	Process of change
We have a culture of teamwork and cooperation		We have a culture of sharing new ideas		Our digital and tech strategy is aligned with our business strategy		Our technology strategy is shared widely with the greater business		Leadership are committed to continuous improvement and staying ahead in terms of innovation		Leadership communicate the importance of innovation to the rest of the team					
87%		81%		82%		71%		82%		81%					
Staff are open to adopting new technologies and innovation		We embrace flexible and adaptable processes		The greater business in embraces our digital strategy		The greater business understands our technology strategy		Definitely going to invest in the FY compared to this FY?		Leadership strongly support digital transformation		Leadership motivate the organisation to pursue innovation			
79%		73%		69%		59%		49%		79%		78%			
Staff are encouraged to experiment test and learn	Staff are provided continuous learning on new technologies and digital skills	Our staff of different diversity of thought, skills and backgrounds	We are currently managing its book of client base for strategic growth – (aiming for specific types of new clients)	We have a dedicated in-house technology manager?	We have an annual budget for technology spend	We collect feedback from our clients regularly and feed it into our digital/tech strategy	Leadership spend time trying to understand the changing needs of clients		Leadership are open to taking risks on new technology						
			45%	43%	39%	37%	76%		66%						
Staff feel they have the support and resources needed to adopt to digital changes	Decisions are regularly made using data	Staff are encouraged to take risks with new ideas	We have a technology roadmap/strategy but it is not clearly documented	We have a technology roadmap/strategy for at least two years or beyond	Our technology strategy has clear KPI's for success	Our technology roadmap/strategy is clearly documented	Our leadership group are aligned when it comes to IT/digital initiatives		Leadership equate business success with digital success						
			43%	43%	33%	30%	73%		55%						
We don't let new tech project significantly disrupt our 'business as usual'	We typically run pilots of new technologies before rolling them out to the entire business	Before a digital project begins, we clearly communicate its goals to staff	We allocate adequate time and resources to implementing technology changes	We recognise and reward when tech projects are successfully implemented	We can successfully implement new digital projects more often than not	We have a formal change management process for digital and IT initiatives									
69%	63%	63%	58%	58%	49%	37%									
We share feedback of both failed and successful experiments	We are a tech pragmatist (and will use stable but not yet common technology to develop a competitive advantage)	We are a tech early adopters (and will work with vendors/suppliers on leading edge tech to fundamentally reshape the business)	We always measure the success of the technology change												
61%	46%	21%	49%												



# AdviceTech Stars

## Some businesses are more digitally mature than others

Netwealth has undertaken research in the AdviceTech space since 2017, and we understand that practices in our industry can differ across their ability to successfully adopt and integrate technology into their business, as well as their revenue and profitability. These differences allow us to segment practices into three cohorts: AdviceTech Stars, Adopters, and Conservatives. The segments are based on their a) business success score and b) technology adoption score.

Both AdviceTech Stars and Adopters share a similar mindset and appetite for technology in that the majority (67% and 63% respectively) say they are forward-thinking companies that strategically leverage both cutting-edge and stable, but not widely available, technology to drive business transformation and gain a competitive advantage. On the other hand, AdviceTech Conservatives are typically (62%) cautious, focusing on using established technology to reliably deliver their services or to just cut costs. They are not looking for the disruptive impacts of technology.

As a result Conservatives use less technology in their business, with less than a quarter (23%) using 15 different technology items, a vast difference from AdviceTech Stars and Adopters at 90% and 91% respectively.

Percentage of advice firms that are:

### AdviceTech Stars

The top-performing firms in terms of revenue, profitability, and technology adoption. They strategically leverage both cutting-edge and stable technologies to drive business transformation and gain a competitive advantage. Stars have a higher level of revenue, with 81% having more than \$1,000,000 in revenue (year ending 30 June 2024), and they are more likely to have a higher number of active clients and staff.

They focus on continuous improvement, innovation, and have a documented digital strategy that aligns with their business goals.

23%

### AdviceTech Adopters

These firms share a similar mindset and appetite for technology as the Stars but are not as advanced in their business success and technology adoption. They strategically leverage technology to drive business transformation but are less likely to plan their technology spend, with fewer having documented an IT roadmap and tend to spend less on technology as percent of revenue. Often, they run smaller practices with fewer staff and clients, and may not have the same level of revenue growth and profitability as the Stars.

40%

### AdviceTech Conservatives

These firms are typically cautious and focus on using established technologies to reliably deliver their services or cut costs. They are not looking for the disruptive impacts of technology and use less technology in their business compared to Stars and Adopters. Conservatives tend to run smaller practices with fewer staff and clients, and their revenue growth and profitability are lower. They prioritise stability and reliability over innovation and may face challenges in integrating new technologies into their operations.

37%

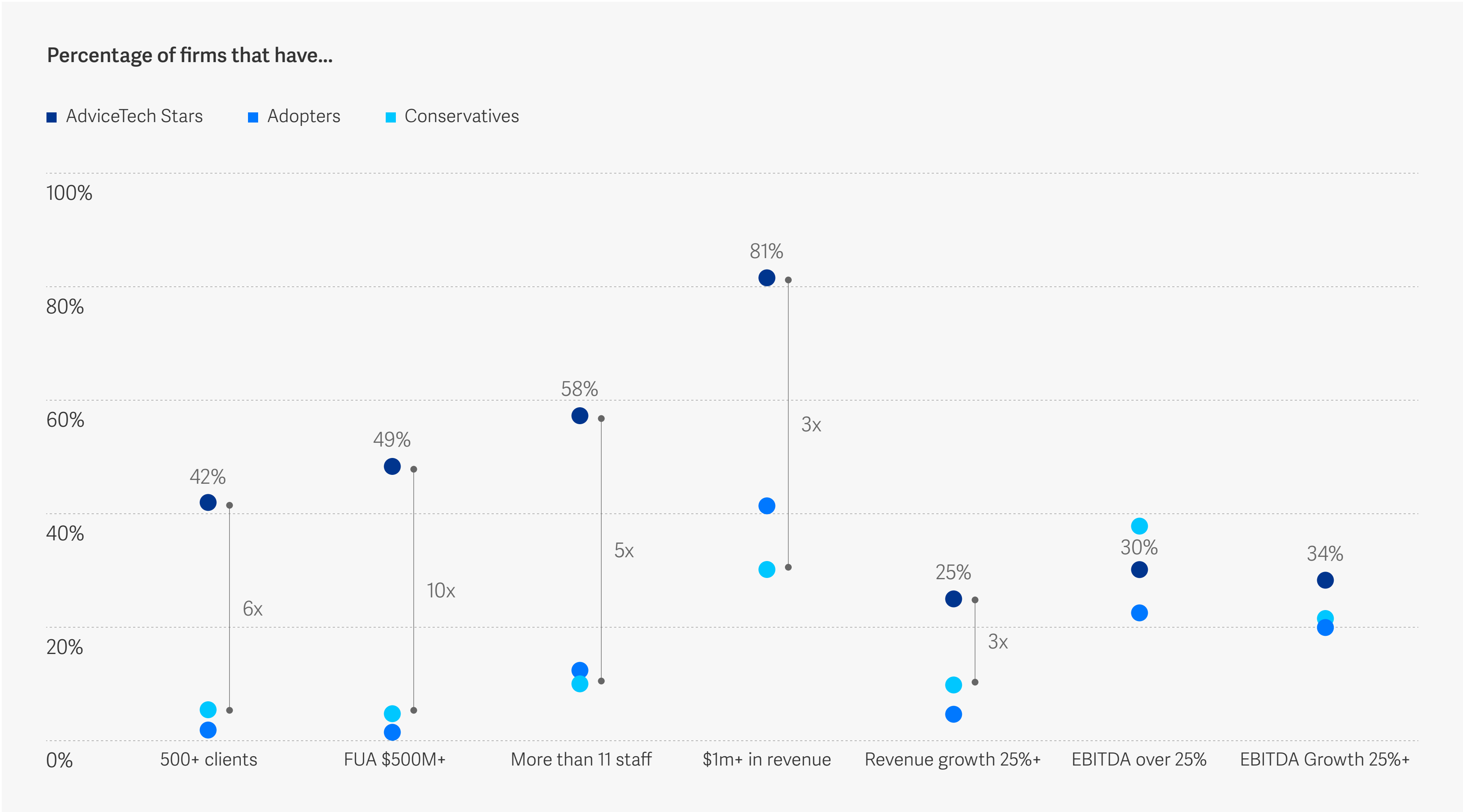
# AdviceTech Stars

## Some businesses are more digitally mature than others

Where Stars really do differ from both Adopters and Conservatives is their business success and arguably their ability to leverage technology for scale.

For example, Stars are more likely to have a higher level of revenue as compared to the other segments, with 81% having more than \$1,000,000 in revenue. This is almost twice that of the Adopters at 41% and almost three times Conservatives (30%). This revenue for AdviceTech Stars is also growing at a more rapid pace, with a quarter posting 25% or higher year on year growth (25%, as compared to 9% of Adopters and 6% of Conservatives). Importantly, this growth in revenue is paralleled by positive EBITDA increase for AdviceTech Stars, with a third (34%) indicating that it has increased by 11% or higher in the last financial year (as compared to 20% of Adopters and 21% of Conservatives).

Both Adopters and Conservatives tend to run smaller practices, with the majority having on average seven staff and eight staff respectively, compared to Stars who have 31 staff. They also tend to serve fewer clients than Stars, with four in 10 Stars (42%) managing over 500 active clients whilst only 2% of Adopters and 6% of Conservatives manage the same, instead the majority manage 200 or fewer active clients (61% of Adopters and 73% of Conservatives).



# 10 insights that matter

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Part 2.0

# Insight 1

## Leadership that is committed to innovation

In 1957, the Soviet Union launched the satellite Sputnik, and the space race was on. Five years later, in 1962, President John F. Kennedy’s bold aspiration to “go to the moon in this decade” motivated a nation to unprecedented levels of innovation. Although very ambitious at the time, this far-reaching vision was a compelling catalyst for innovation. Within seven years, on 21 July 1969, American astronaut Neil Armstrong became the first person to walk on the moon.

Like JFK did for the nation, business leaders need to be committed to innovation and set ambitious, quantifiable targets for the organisation. They need to set a north star for innovation and ensure their team feels comfortable living it.

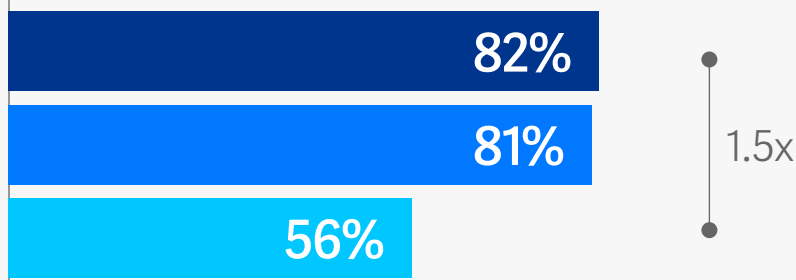
**This is a clear characteristic of AdviceTech Star leaders, who demonstrate this through:**

- 1. A commitment to continuous improvement and staying ahead in terms of innovation (82% of Stars and 1.5 times more likely than Conservatives).
- 2. Motivate the organisation to pursue innovation (78% and 1.8 times more likely).
- 3. Communicate its importance to the rest of the team (81% and 1.9 times more likely).

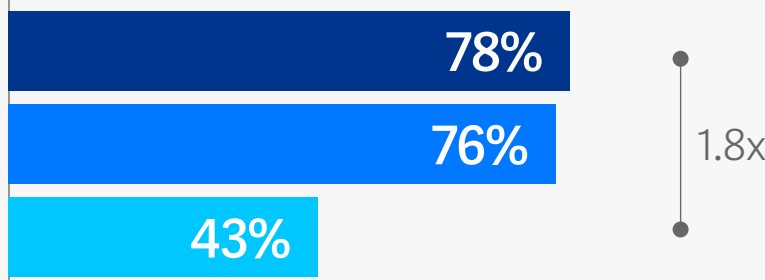
**The leadership of the business I work in...**

■ AdviceTech Stars   ■ Adopters  
■ Conservatives

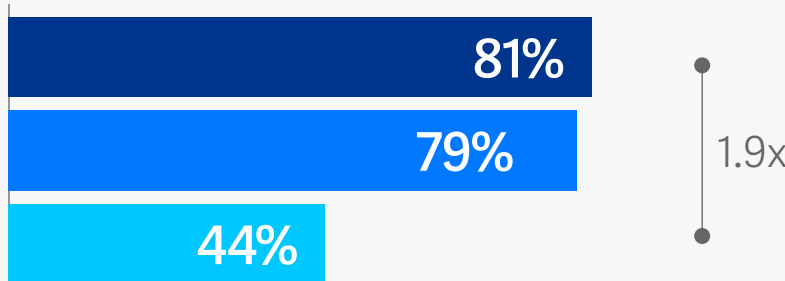
Are committed to continuous improvement and staying ahead in terms of innovation



Motivate the organisation to pursue innovation



Communicate the importance of innovation to the rest of the team





# Insight 2

## An appreciation that there are risks in digital transformation

Pixar is one of Hollywood’s greatest success stories having produced a list of unforgettable and Academy Award winning movies from Toy Story, A Bug’s Life, Finding Nemo, Cars, and more. This didn’t happen just by chance. Rather, they had a deep-seated culture of innovation. One of many defining characteristics was an appreciation that there are risks in digital transformation. Pixar’s co-founder Ed Catmull says on this topic, “It is not the manager’s job to prevent risks. It is the manager’s job to make it safe to take them<sup>1</sup>.”As technology projects are often about dealing with ambiguity, digital maturity requires levels of experimentation and risk.

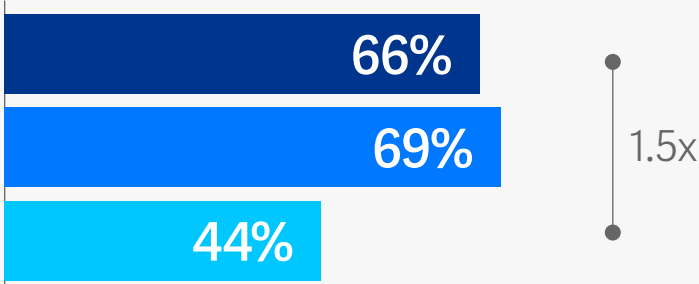
**AdviceTech Star businesses recognise this, with:**

- 1. Leaders being open to taking risks on new technology, (66% of Stars, 1.5 times more likely than Conservatives).
- 2. Staff are also encouraged to take risks with new ideas (58%, 1.6 times more likely).

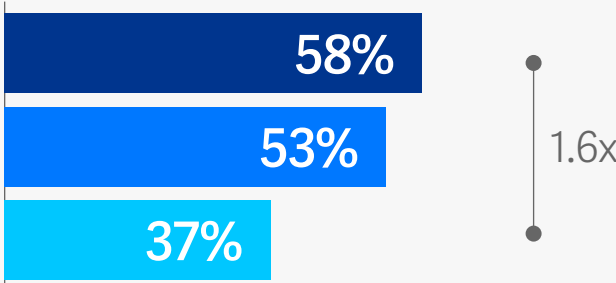
**Percentage of firms that agree with...**

■ AdviceTech Stars   ■ Adopters  
■ Conservatives

Leadership are open to taking risks on new technology



Staff are encouraged to take risks with new ideas



<sup>1</sup> Creativity, Inc.: Overcoming the Unseen Forces That Stand in the Way of True Inspiration by Ed Catmull

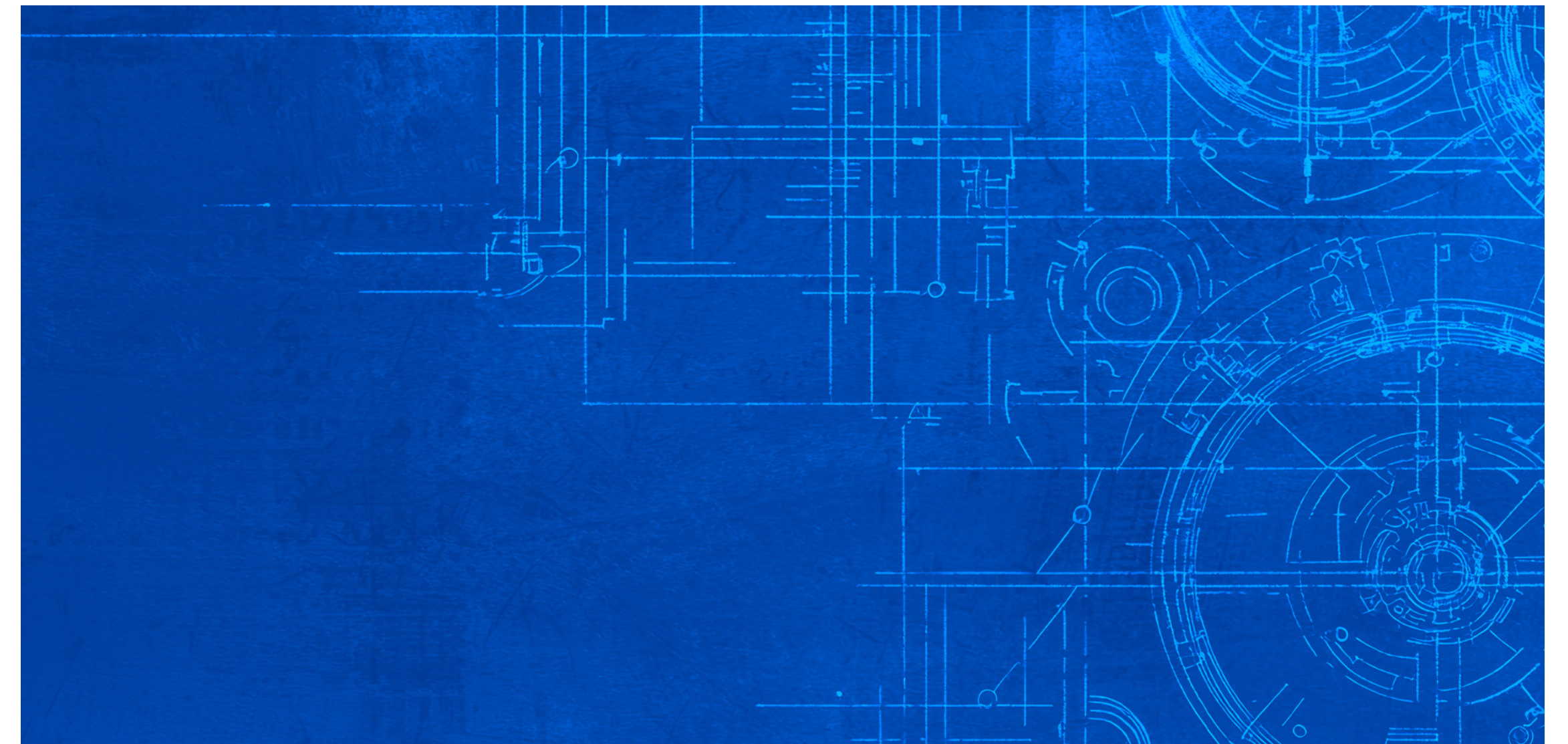
## Insight 3

# A culture of experimentation

James Dyson is a prominent experimenter who, in 1978, became dissatisfied with the declining performance of his vacuum cleaner. Upon disassembling it, he found that the bag was becoming clogged with dust, reducing suction. He had recently constructed an industrial cyclone tower for his factory that used centrifugal force to separate paint particles from the air. He pondered if the same concept could be applied to a vacuum cleaner. After five years and 5127 prototypes, he invented the world's first bagless vacuum cleaner.

Jeff Bezos, founder of Amazon, suggests one area where Amazon is distinctive. He says, it is their appetite for failure, stating, "Failure and invention are inseparable twins. To invent, you have to experiment, and if you know in advance that it's going to work, it's not an experiment."

Both James Dyson and Jeff Bezos epitomise one of the most important characteristics of digital maturity, experimentation.



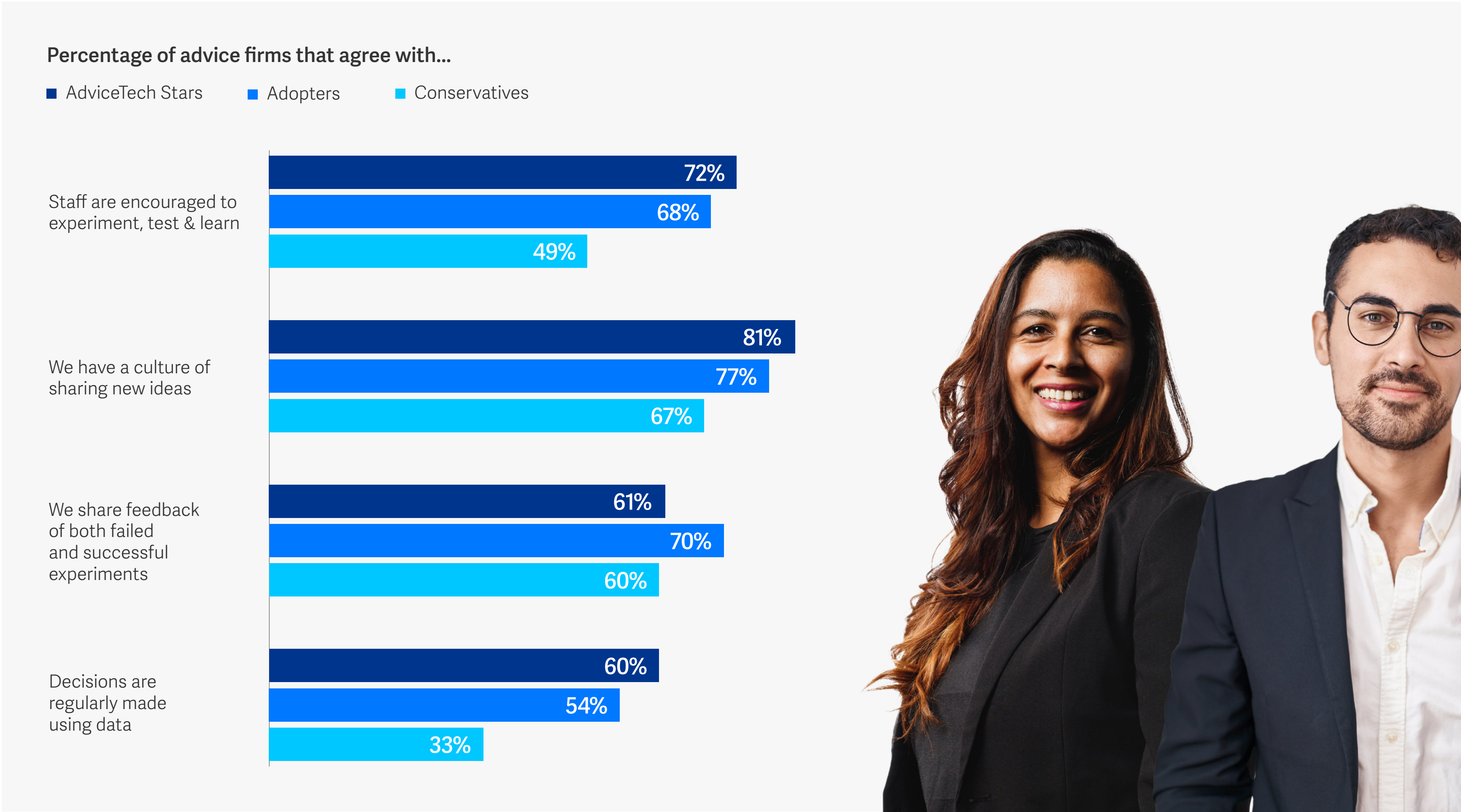


# Insight 3

## A culture of experimentation

Our 2024 AdviceTech research reveals that AdviceTech Stars explain their culture of experimentation through four attributes:

- 1. Staff are encouraged to experiment, test and learn (72% of Star businesses do this and 1.5 times more likely than Conservatives).
- 2. The business has a culture of sharing new ideas (81% of Stars).
- 3. Staff share feedback on both failed and successful experiments (61% of Stars).
- 4. Experiments have a hypothesis to test, typically made up of a set of assumptions and tested against an outcome using data. Stars agree, with six in 10 stating that the business they work in typically makes decisions regularly using data.



# Insight 3

## A culture of experimentation

### Sharing ideas with respectful dissent

On the topic of sharing new ideas, at Atlassian, one of Australia’s largest software companies, they encourage ‘respectful dissent’ when sharing. This means people should be able to share ‘out-there’ ideas, ask the “dumb” questions, and engage in respectful dissent without fear of reprisal<sup>2</sup>.

Like Atlassian, Ray Dalio, a successful hedge fund manager and author, believes the culture should encourage thoughtful disagreement and weigh opinions based on credibility. To achieve this, he suggests establishing a system for anonymous idea submissions to reduce bias, and developing a structured process for evaluating ideas based on merit rather than hierarchy<sup>3</sup>.

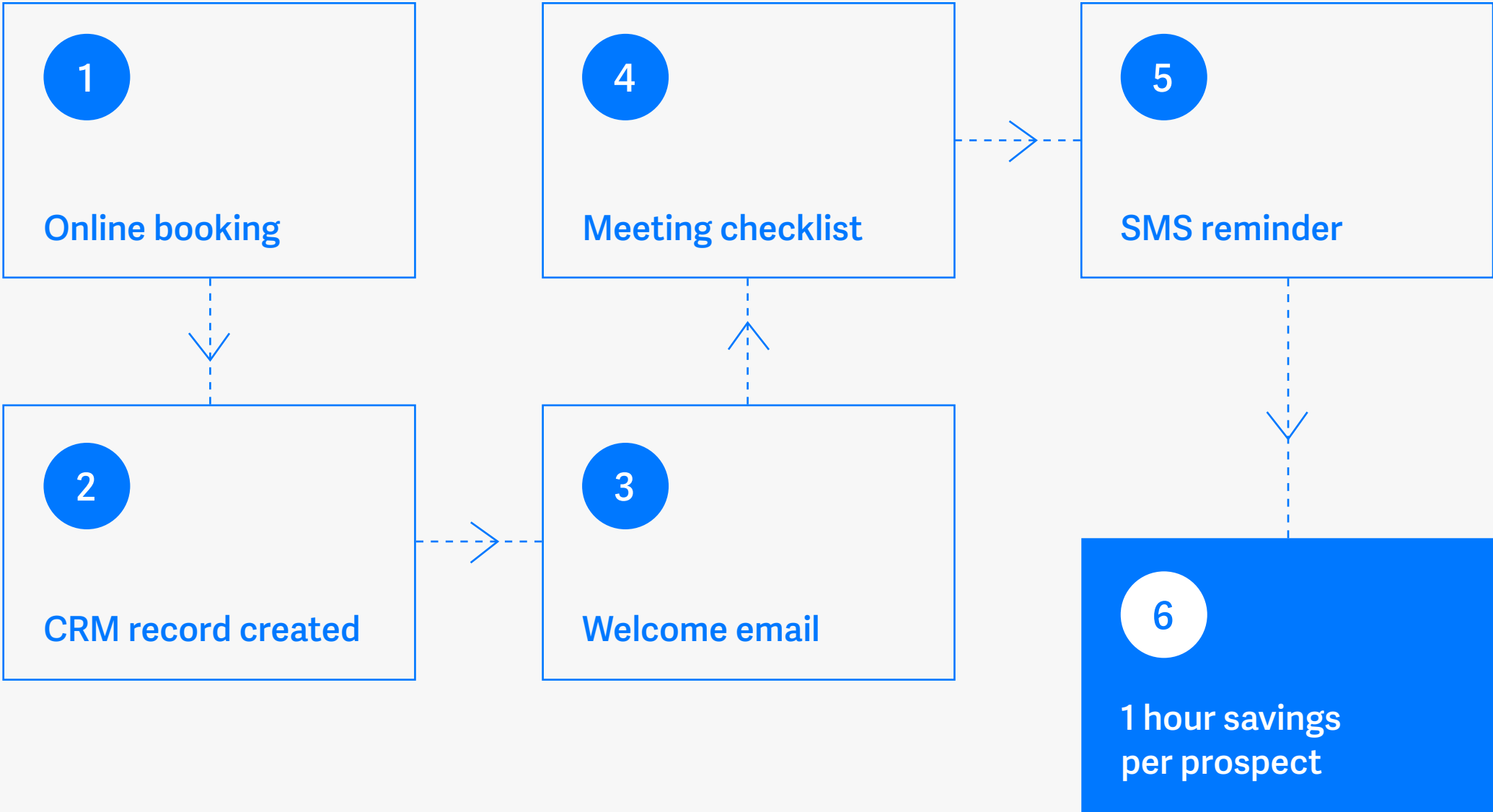
<sup>2</sup> <https://www.atlassian.com/blog/inside-atlassian/how-to-build-culture-of-innovation-every-day>  
<sup>3</sup> <https://thegrowthfaculty.com/articles/pain-to-progress-interview-with-ray-dalio>

### Process automation of appointment booking for a potential client

#### Testing experiment hypothesis with data

Take for example this scenario where process automation has been implemented for prospects to book an initial introductory appointment. The experiment that was set up is as follows:

1. A social media post encourages a potential client to get in touch with the advice firm. The prospect books an appointment via an online booking system and then automations can trigger the following:
2. The creation of a record for the prospect in the CRM.
3. The sending of an email to the prospect with a welcome video.
4. A ‘1st meeting’ checklist emailed to the adviser, to be used in preparation for that meeting, and
5. An SMS reminder to the prospect 24 hours prior to the appointment with the time and location of the meeting.
6. Whether it be a saving of 15 mins or one hour per booking, using time tracking data the firm will be able to determine the success (or failure) of this experiment.





# Insight 4

## Empowering your team with knowledge

Consider Microsoft, in 2014 prior to Nadella Satya taking on the job as CEO. They had failed in the race to become the operating system for mobile phones, failed in their desire to overtake Google Search with Bing, as well as losing considerable market share in the browser wars to Google Chrome and lost the email wars to Google Gmail. At that time, Microsoft’s share price was \$36.35. As at the beginning of August 2024, it hovered around \$410, representing an increase of over 1,000%.

In the past decade, Satya has transformed a business, and a fundamental reason is that he supported a growth mindset culture, or as he once put it: “turning everyone into ‘learn-it-all’ instead of ‘know-it-all’<sup>4</sup>”. So, the next element of digital maturity is to empower your team with knowledge.

**AdviceTech Stars do this well, in that they:**

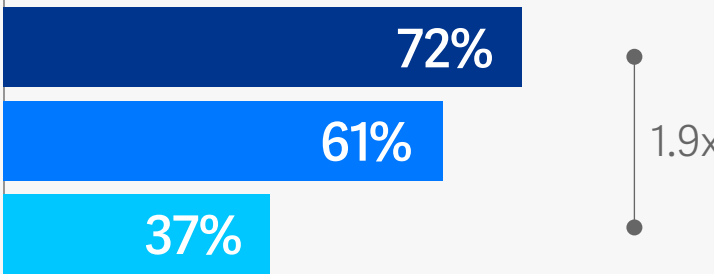
- 1. Provide continuous learning on new technologies and digital skills to staff (72% compared to only 37% of Conservatives).
- 2. Ensure staff feel they have the support and resources to adapt to digital changes (70% compared to 46% of Conservatives).

Formal training for developing these skills is one approach, but cultivating an environment that allows on-the-job learning may be more effective – through experimentation, practice and experience.

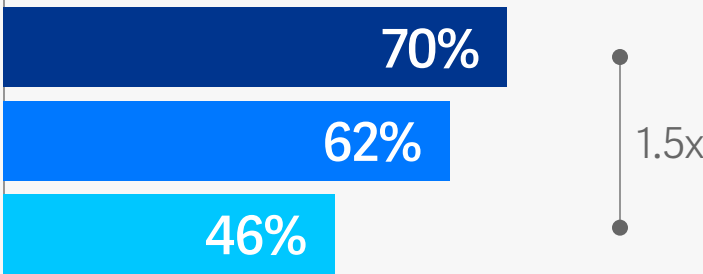
**Percentage of advice firms that agree with...**

■ AdviceTech Stars   ■ Adopters  
■ Conservatives

Staff are provided continuous learning new technologies and digital skills



Staff feel they have the support and resources needed to adopt digital changes



4 <https://fortune.com/2024/05/20/satya-nadella-microsoft-culture-growth-mindset-learn-it-alls-know-it-alls/>

# Insight 4

## Empowering your team with knowledge

### On the job digital training and experimentation ideas

#### Adobe Kickbox

Imagine getting a \$1,000 pre-paid credit card to fund any idea you want. That's what Adobe did with its Kickbox program in early 2013. Employees were given a bright red box containing a \$1,000 credit card, a Starbucks gift card, candy bars, and action cards that outlined the next steps.

The program itself had six phases, each with a separate box containing a set of actions that employees complete to reach the next level. In the first phase, employees were encouraged to find supporters, define goals, gather relevant data, and pick a date to launch their project. By the last phase they pitch their idea to the leaders. If successful, employees were then provided a mysterious blue box. Nobody knew what's in the blue box because each one was different to match the needs of the successful project.

Within the first two years of launching, Adobe had distributed around 1,000 red boxes globally and 23 blue boxes<sup>5</sup>.

Fast forward to today and Kickbox is one of the world's most popular open-source innovation frameworks based on this methodology. Kickbox which can be accessed by anyone online, includes innovation best practices, customisable templates, and a wealth of online resources<sup>6</sup>.

#### Google 80/20 time

The story of how Gmail came to be is a fascinating journey in empowerment. Many of you would be aware of The Google 80/20 rule, which allows employees freedom and autonomy to pursue their passion projects one day a week<sup>7</sup>.

In the early 2000s, email services were prevalent, but many of them had limitations in terms of storage capacity, search functionality, and overall user experience. Paul Buchheit, an engineer at Google, created Gmail during his “20% time.” According to research from MailChimp<sup>8</sup>, Gmail is now the largest email provider, in 2021, it accounted for 36.5% of emails that were opened globally.

Other breakthrough projects achieved via the 80/20 program include AdSense, one of Google's main generators of advertising revenue, and Google Maps.



<sup>5</sup> <https://www.forbes.com/sites/mzhang/2015/08/19/adobe-kickbox-gives-employees-1000-credit-cards-and-freedom-to-pursue-ideas/>

<sup>6</sup> <https://kickbox.org/>

<sup>7</sup> <https://medium.com/@nareshnavinash/googles-20-time-policy-60d5706084be>

<sup>8</sup> <https://mailchimp.com/resources/most-used-email-service-providers/>  
<https://medium.com/@nareshnavinash/googles-20-time-policy-60d5706084be>



# Insight 4

## Empowering your team with knowledge

### Hackathons

Another way you can achieve ‘on the job’ learning (and perhaps less time-intensive than Google’s 80/20 approach) is via hackathons.

A hackathon is a cross-functional event that brings together people from different parts of the business to brainstorm and solve a challenge, create a prototype or conduct a case study.

Although typically the domain of IT companies, like Netwealth and Atlassian, you too can use Hackathons in your business too, to solve real business problems.

“The constraints of topic and time limit provide enough freedom to think of wild ideas that would be impossible to implement, along with a sense of urgency around converging on ideas that are feasible.”

Dominic Price, Atlassian Work Futurist  
says of Hackathons<sup>9</sup>

The principles of a good hackathon are:



Get small teams together to create anything from practical to inspiring, simple to insane, technical to non-technical.



Encourage as many people from the firm to get involved, not just IT people.



The output doesn’t always have to be a working solution, it can be a prototype that mimics the outcome and tests a hypothesis.



Try and get feedback from real clients on the prototype, so the team can get early feedback to share.



Create a short elevator pitch to senior leaders to get their buy-in and support for future development.

<sup>9</sup> <https://www.atlassian.com/blog/inside-atlassian/how-to-build-culture-of-innovation-every-day>

# Insight 5

## Staff that are open-minded with diversity of thought

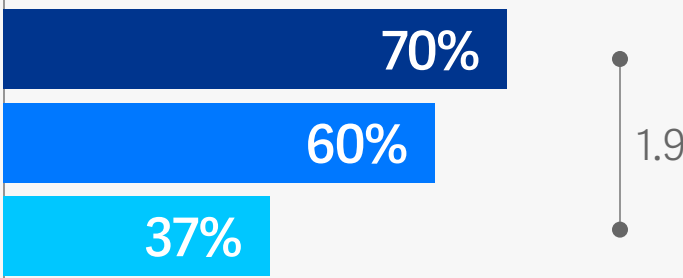
Atlassian says “demographically diverse teams tend to generate more creative solutions and stronger outcomes...So their goal is to have people with a variety of identities, life experiences, and skills on each team<sup>10</sup>.”

AdviceTech Stars share a similar approach, with their staff having a diversity in thought, skills, and background (70% of Stars, 1.9 times more than Conservatives). Not surprisingly this means that their staff are more open to adopting new technologies and innovation (79% of Stars, 1.5 times more likely than Conservatives).

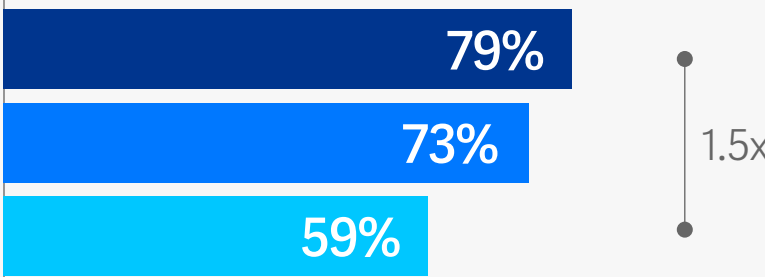
### Percentage of advice firms that agree with...

- AdviceTech Stars
- Adopters
- Conservatives

Our staff are of different diversity of thought, skills and background



Staff are open to adopting new technologies and innovation



10 <https://www.atlassian.com/blog/inside-atlassian/how-to-build-culture-of-innovation-every-day>



# Insight 5

## Staff that are open-minded with diversity of thought

### Encouraging a growth mindset

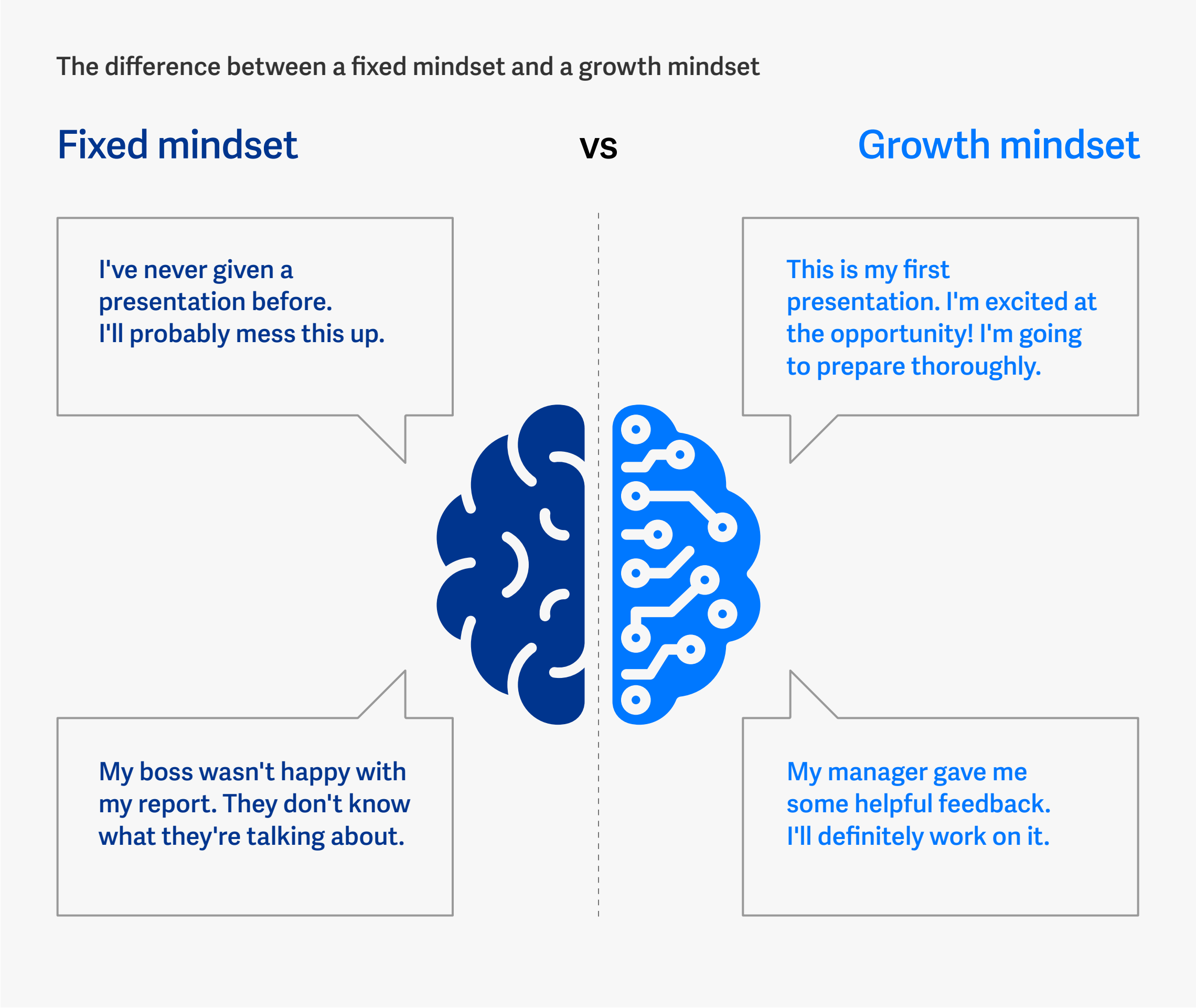
One way to encourage open-mindedness is through the concept of a growth mindset. To explain a growth mindset, think about these examples.

A fixed mindset person will say, "I've never given a presentation before. I'll probably mess this up." Versus someone with a growth mindset who will say, "This is my first presentation. I'm actually quite excited at the opportunity! I'm going to prepare thoroughly."

Another example is, "My boss wasn't happy with my report. They don't know what they're talking about." Where someone with a growth mindset will say, "My manager gave me some helpful feedback. I'll definitely work on it."



Read more in our  
IQ Bites article on  
growth mindset ➔



# Insight 6

## A documented roadmap for the future

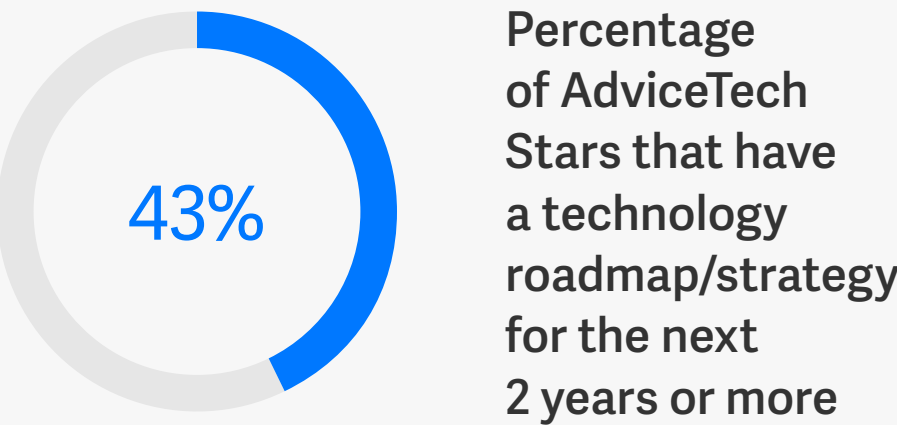
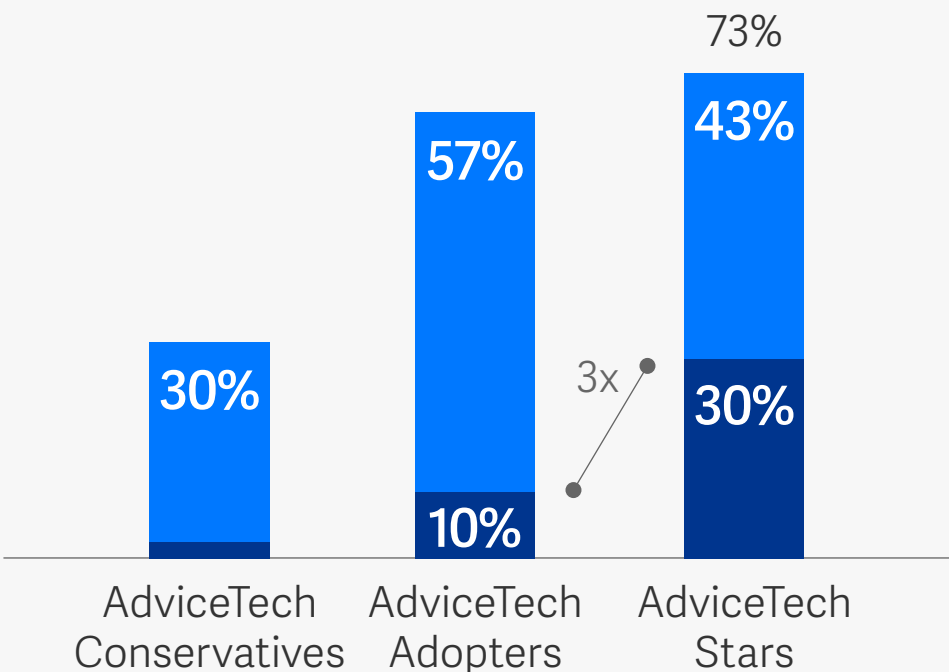
Because digital efforts often affect so many parts of the business, and most businesses have limited resources and capital, having a clear strategy is a sign of digital maturity. With insufficient planning and alignment, you could be wasting valuable resources and time.

**AdviceTech Stars get this and are more superior planners than others:**

- 1. Almost three quarters (73%) have a technology roadmap or strategy, of which 30% articulates and documents it. This is probably one of the main differences between AdviceTech Stars and Adopters, in that Stars are better planners, being around three times more likely to have a documented roadmap.
- 2. Four in 10 (43%) Stars have a strategy for at least the next two years or beyond, recognising that it's not just about what you do in the short term.

**We have a technology roadmap/strategy which is...**

- Clearly documented
- Not clearly documented



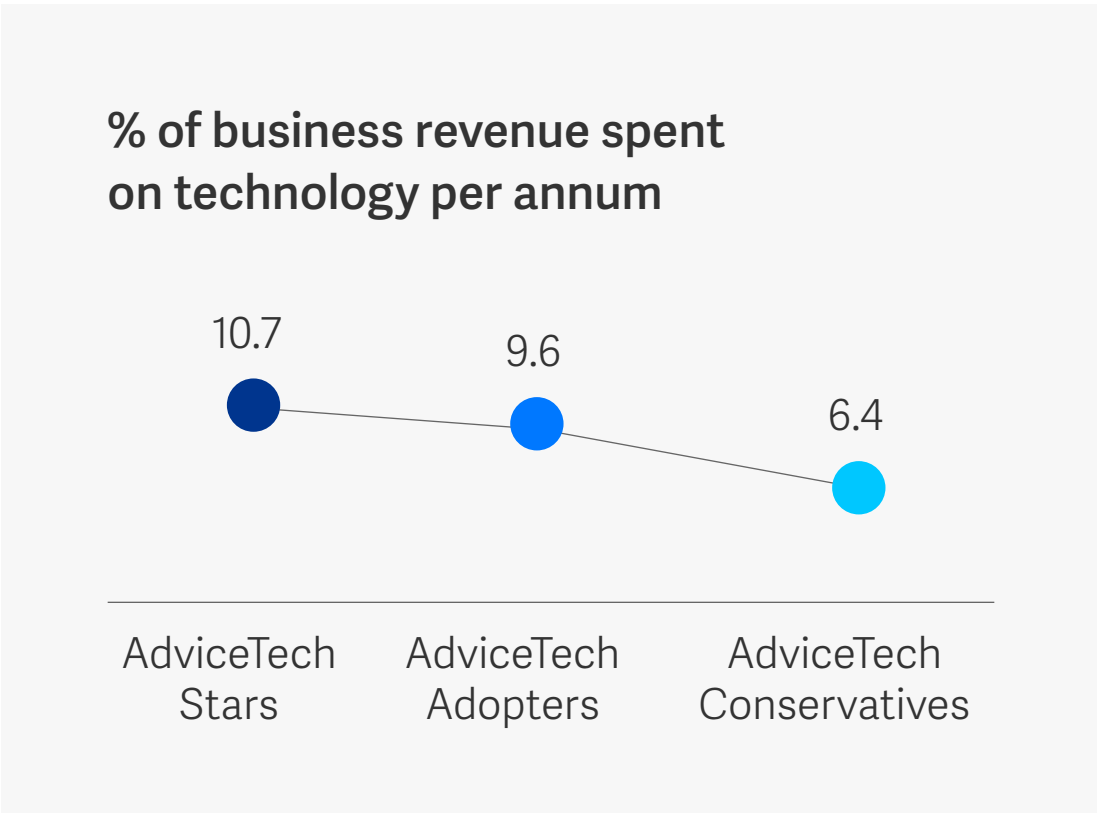
# Insight 7

## A dedicated allocation of capital and resources

Part of the digital and IT plan requires a commitment of appropriate resources and capital.

**AdviceTech Stars accept this, which sets them apart from the Adopters in that they:**

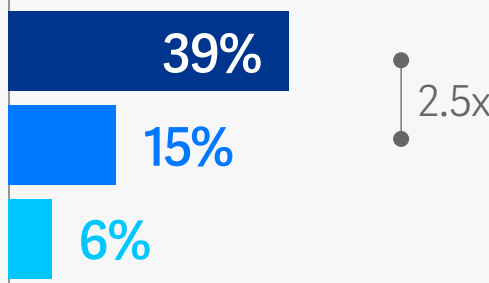
- 1. Have an annual budget (39% compared to 15% of Adopters and 6% of Conservatives).
- 2. Plan to invest more in technology in the coming year compared to the last (49% compared to 26% and 15%).
- 3. Spend of 10.7% on technology as a percentage of their business revenue (compared to 9.6% and 6.4%).
- 4. Allocate capital to having a dedicated in-house manager (43% compared to 27% and 13%).



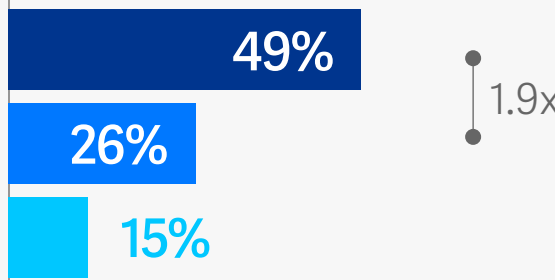
**Percentage of advice firms that agree with...**

■ AdviceTech Stars ■ Adopters ■ Conservatives

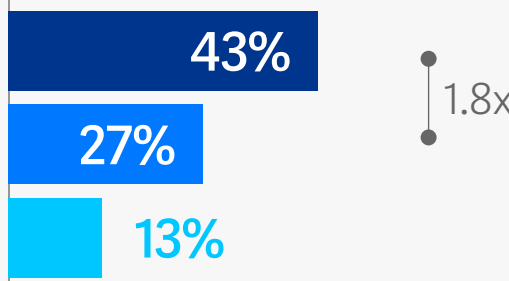
We have an annual budget for technology



Definitely going to invest more in tech in the next FY compared to this FY?



We have a dedicated in-house technology manager?



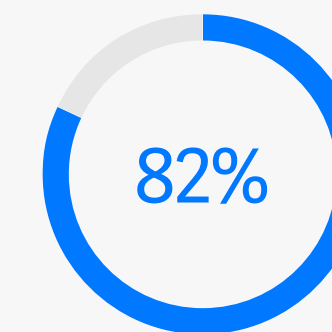
## Insight 8

# Digital strategy = business strategy

When it comes to the strategy itself, we see that over half (82%) of AdviceTech Stars align the digital and technology strategy with their overall business strategy, and over half (53%) say they equate “business success to digital success.”

This seems obvious, but for some, it’s often easy to get sucked into the latest ‘shiny new toy’ or technology without it having a true business purpose.

Percentage of AdviceTech Stars that say they align digital strategy with business strategy





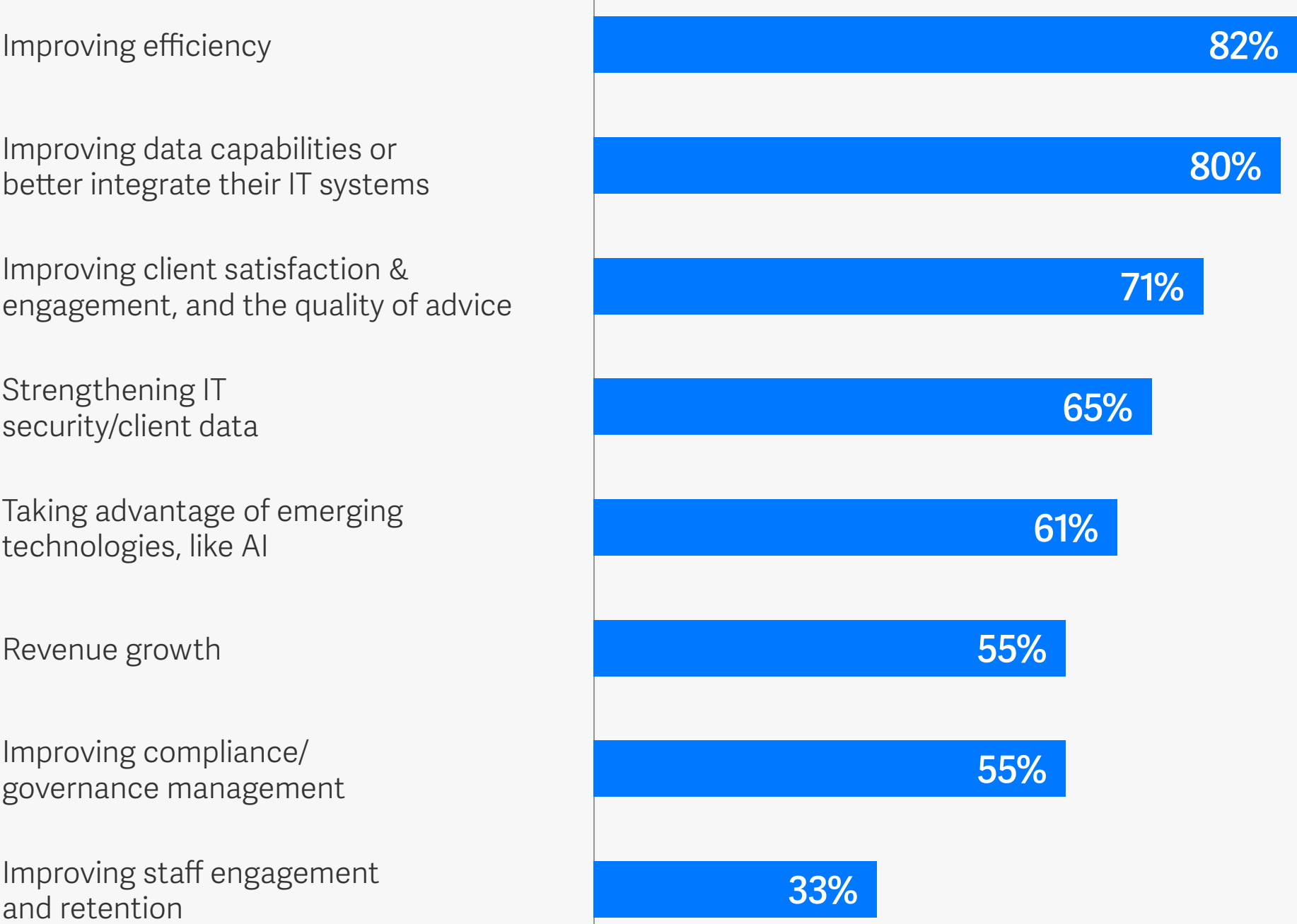
# Insight 8

## Digital strategy = business strategy

AdviceTech Stars, our benchmark, tell us the following business-related areas are the focus for their technology initiatives:

- Eight in 10 (82%) are looking to improve operational efficiency.
- Eight in 10 are looking to improve their data capabilities or better integrate their IT systems.
- Seven in 10 (71%) are looking to improve client satisfaction, engagement, or enhance the quality of their advice.
- 65% want to strengthen their IT security and protect client information.
- Six in 10 (61%) want to take advantage of emerging technology like AI.
- Just over half (55%) want to grow revenue either with more clients or a new customer base (e.g. younger clients or different geography), or new services through the use of technology.
- Just over half (55%) want to improve their ability to manage compliance and governance.
- And one in 3 (33%) look for technology to help improve staff engagement and retention.

Percentage of AdviceTech Stars that say the focus of their technology strategy is... (Top 8)





# Insight 8

## Digital strategy = business strategy

### Prioritising business and technology initiatives

So how do you prioritise business and technology imperatives. There are numerous prioritisation models, but a simple model you might want to use is a prioritisation matrix.

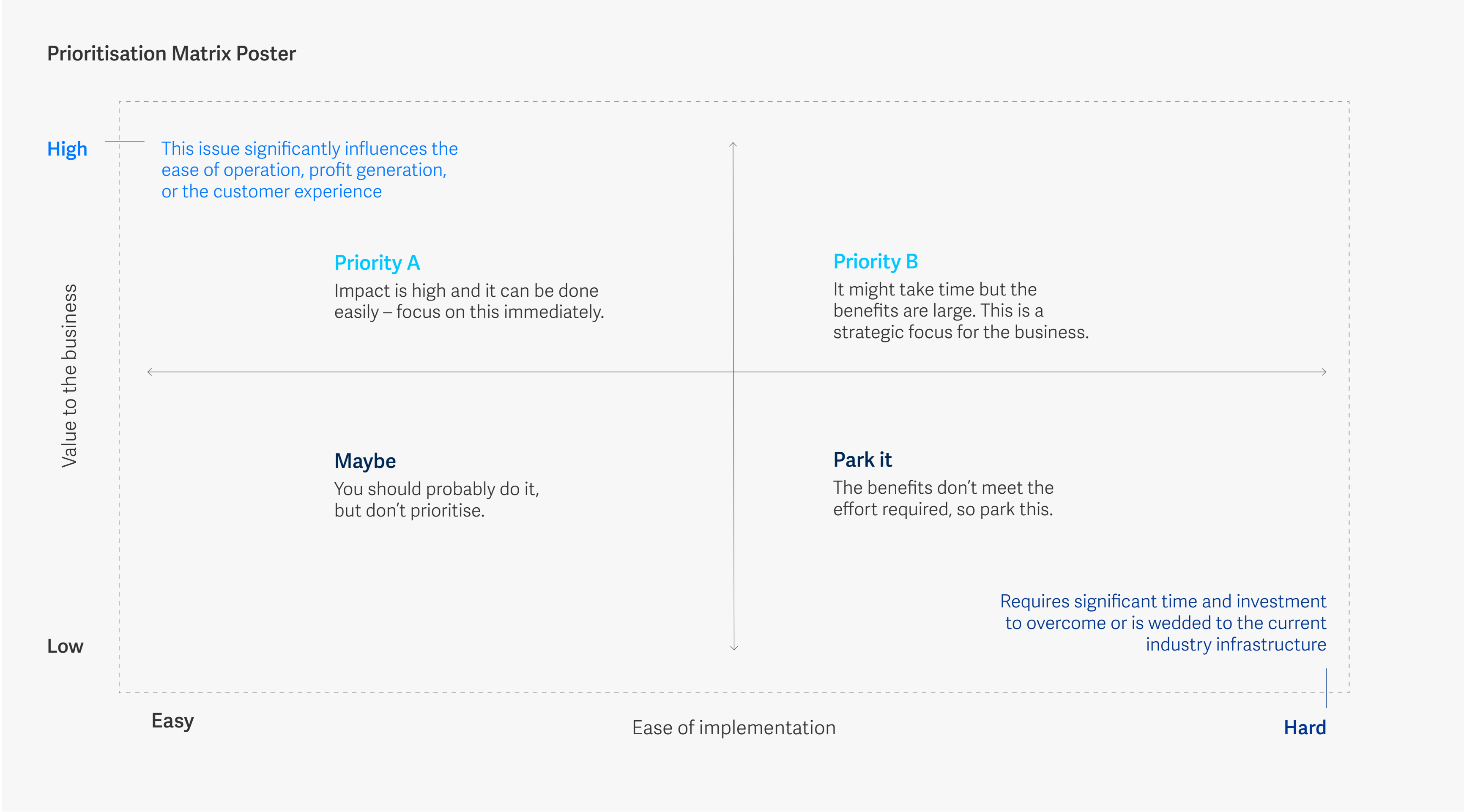
On one axis you can list the ease of implementation – which should be a construct of capital, resources and time, and the other axis, the size of the business benefit – which might be business efficiency, improved customer experience or new revenue streams. You can then plot the technology against this.

Of note, it is important to have a portfolio of initiatives, some that fit into Priority A and B, so you can get some quick wins whilst you build out those longer-term benefits.

We suggest you prioritise as a team, with diverse backgrounds, experiences and thought.



Download Netwealth's  
Prioritisation Matrix  
Poster to help ➞



# Insight 8

## Digital strategy = business strategy

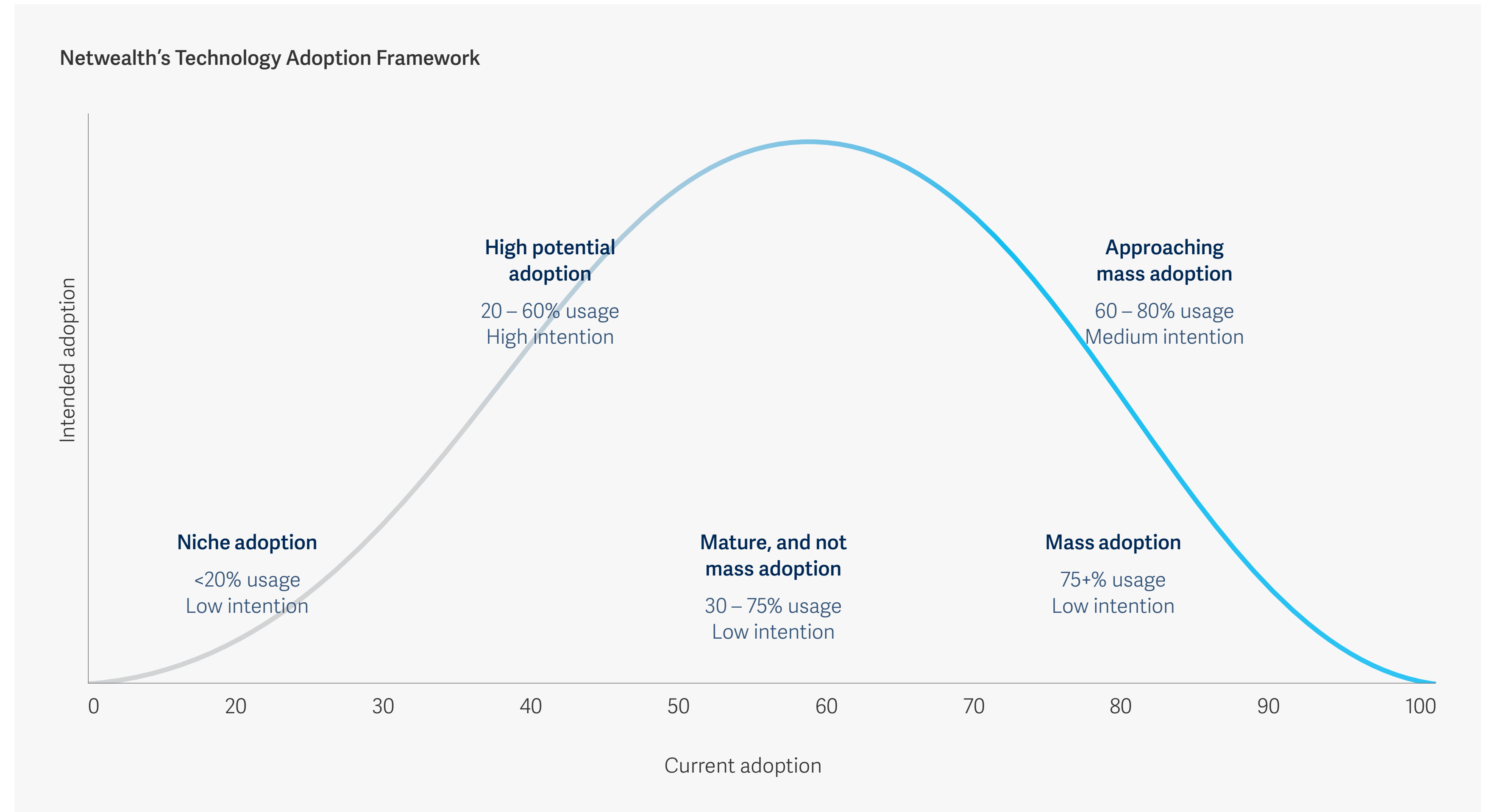
### Netwealth's Technology Adoption Framework

Another tool that you might want to use to help understand the technology landscape and prioritise is Netwealth's Technology Adoption Framework.

We have designed this tool to help you identify the different adoption phases for different technologies.

Specifically, the three adoption phases to consider when building your digital strategy are:

- **Those with high adoption potential.**  
That is, technology experiencing high year-on-year growth or has high intended adoption in the next 24 months (and is coming off a lower base of usage today).
- **Those that are mature but not mass adopted.**  
That is, technology whose year-on-year growth has plateaued, sitting around 30% to 75% usage by both Stars and advice firms in general. Managed accounts are example of such a technology.
- **Those approaching mass adoption.**  
That is, technology used by over 75% of Stars, with high expected adoption by firms overall it in the next 24 months. An example here would be digital signature technologies.





# Insight 8

## Digital strategy = business strategy

### High adoption potential technologies

Technologies that are seen to have high adoption potential by advice are useful to learn more about and consider as part of your medium-term digital strategy.

These technologies can be grouped into three buckets, those that are client related (such as a client portal for client engagement or email newsletter technology), those that provide advice-related benefits (such as technology to manage non-custodial or off-platform assets), and those that offer back-office efficiency benefits (such as integration tools or reporting dashboard).



Access the full list of technologies, their benefits and features, plus key suppliers in Netwealth's AdviceTech Buyers Guide ➔



### Client related technology

- 1. A client portal.
- 2. Website, blog content management.
- 3. Email newsletter.
- 4. Social media networks.
- 5. Social media management.
- 6. Online surveys, review and rating.



### Advice related technology

- 1. Online client (or prospect) information capture, inc. risk profile and fact-find.
- 2. Scaled advice (limited or one-off advice).
- 3. Cashflow, budgeting and account aggregation.
- 4. Non-custodial (or off-platform assets) management.



### Back-office related

- 1. Integration and connection of data sets or internal systems.
- 2. Business-related dashboards/reporting.
- 3. Client-related dashboards/reporting.
- 4. Standalone regtech solutions.



# Insight 8

## Digital strategy = business strategy

### Should you be prioritising AI?

It is interesting to consider where AI sits as part of your digital strategy.

From our research we see that AdviceTech Stars are dabbling in AI, with seven in 10 Stars saying they are using, piloting, or have some limited use of AI today.

The main purposes AdviceTech Stars are using AI for today are:

- 1. Summarising client meetings, (with 64% of Stars using it for this purpose).
- 2. Content marketing (43%).
- 3. Back-office automation (43%).
- 4. As part of the client review process (30%).
- 5. Helping in the preparation of the financial plan or Statement of Advice (21%).



Download Netwealth’s Human’s vs Machines report on how to harness AI ➔

### Percentage of AdviceTech Stars currently using/exploring AI for...



#### Client related

64%	Summarise meetings
20%	Customer service
5%	Identify clients in need



#### Marketing

43%	Content marketing
25%	Digital advertising



#### Administration

43%	Back-office automation
15%	Internal knowledge sharing
8%	Business reporting & forecasting



#### Advice

30%	Client review
21%	Financial plan, SOA production



#### Portfolios

16%	Market research
3%	Choose appropriate clients portfolio/s
3%	Help investment selection



#### Compliance & security

15%	Identify fraud cyber breaches
10%	Identify regulatory or compliance breaches

# Insight 9

## A client-first strategy

“You’ve got to start with the customer experience and work back toward the technology, not the other way around.”

Steve Jobs

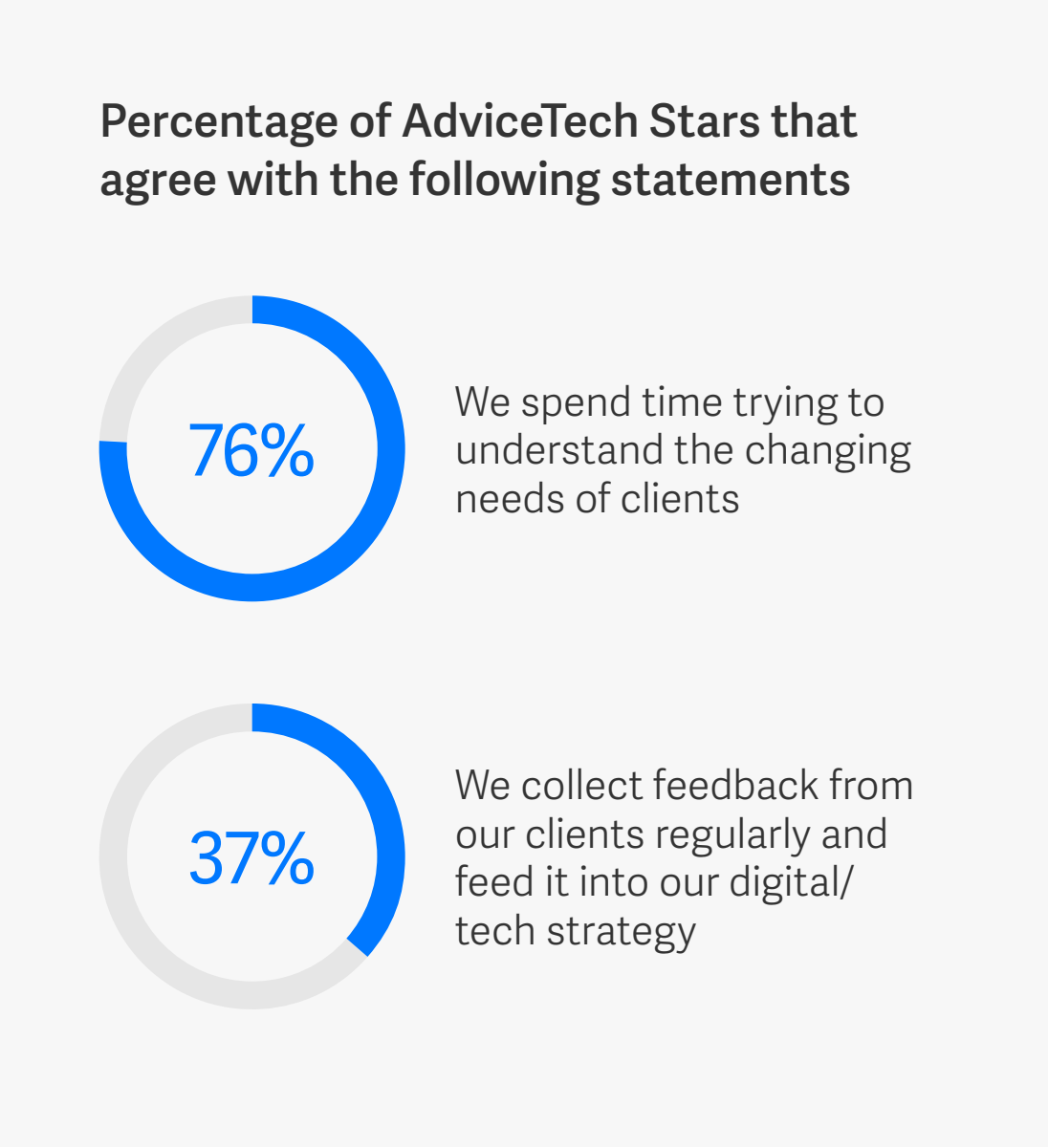
Organisations often say they want to be customer-centric, but their strategy doesn’t always reflect this.

A great example of customer centricity is Steve Jobs. He was known to show up at call centres and make calls to customers to understand their needs. He believed that you’ve got to start with the customer experience and work back toward the technology, not the other way around.

Netwealth’s CEO Matt Heine also believes in this and annually conducts 50+ client interviews to better understand the challenges of advice firms and stay on top of their changing needs.

This is about truly looking for trends in your clients by spotting shifts in customer needs and market conditions. Macro trends like intergenerational wealth transfer or that Gen Ys are the largest working segment or that people are living longer may impact your digital strategy. Or perhaps, and relevant to today’s presentation, regardless of age, technology is now expected by your client in their everyday interactions with you.

- AdviceTech Stars recognise this and:**
- 1. Their leaders spend time trying to understand the changing needs of their clients (76% of Stars).
  - 2. Collect feedback from clients regularly and feed it into their digital strategy (37% of Stars).





# Insight 9

## A client-first strategy

### Using client journey mapping as an input

Understanding the nuances in how clients interact with you and want to interact with you, their motivations, attitudes, and points of frustration can be telling and influence your digital strategy. Client journey mapping can help you do this.

Airbnb’s CEO Brian Chesky recognised this. In 2011<sup>11</sup>, when working on their new mobile experience, he encouraged his team to storyboard the Airbnb customer experience in a comic-like way. The team created a list of steps in the journey as well as the emotional moments that comprise an Airbnb stay, which they then storyboarded.

One of the first insights the team gained from thinking about their customers in narrative terms via a storyboard was that their service is much more than just a website. What they realised was that most of the Airbnb experience happens offline, in and around the homes listed on that website.

Customer journey maps are not just for companies like Airbnb; they can be used by everyone.

The workshop has been downloaded over 400 times, and over the past few years, we have run dozens of workshops with our clients. Groups of six or eight staff members with diverse backgrounds and knowledge get together and map their clients’ customer journey.

This process helps identify points of pain or friction where customers are having challenges or are frustrated with the advice experience. Like Airbnb, these businesses have seen their customers through a different lens, identifying points where they can invest digitally. Through this process, advice practices can typically uncover over 30 areas of improvement for the customer.

Some of the interesting pain points we observed included the inability of some practices to marry the original advice or Statement of Advice (SOA) with the ongoing communications and annual review process. A disconnect emerged between the initial communication at the beginning of the advice journey and what was communicated throughout the year and then again at the annual review.





Download Netwealth’s  
DIY Customer Journey  
workshop ➔

11 <https://www.fastcompany.com/3002813/how-snow-white-helped-airbnbs-mobile-mission>



# Insight 10

## Digital execution requires proper resourcing and processes

“The best big idea is only going to be as good as its implementation”

Jay Samit, International bestselling author of Disrupt You!

Whilst your business will need to come up with great ideas, understand the customer, build a great culture, and have a great plan and strategy, the proof of your success will only be in the project’s execution.

To understand what this looks like, our research points to six attributes that AdviceTech Stars do better than others when it comes to rolling out new technology and executing IT projects, and are more likely to have the following in place:

- 1

A formal change process in place for digital and IT initiatives (37% compared to only 11% of Conservatives) a loss rather than an investment.
- 2

They allocate adequate time and resources to implementing technology changes (58% compared to 25%).
- 3

They typically run pilots of new technologies before rolling them out to the entire business (63% compared to 33%).
- 4

Before a digital project begins, they clearly communicate its goals to staff (63% compared to 42%).
- 5

They always measure the success of the technology changes (49% compared to 25%).
- 6

They recognise and reward staff when tech projects are successfully implemented (58% compared to 19%).

# Workshops

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Part 3.0



# Workshops for innovation and digital success

Here are several workshop ideas which could help your team innovate and integrate technology more effectively into your business.

## 01 Hackathons

Organise a hackathon where teams work intensively over a short period to develop innovative solutions to specific problems. This can foster creativity, collaboration, and rapid prototyping.

5-step plan:

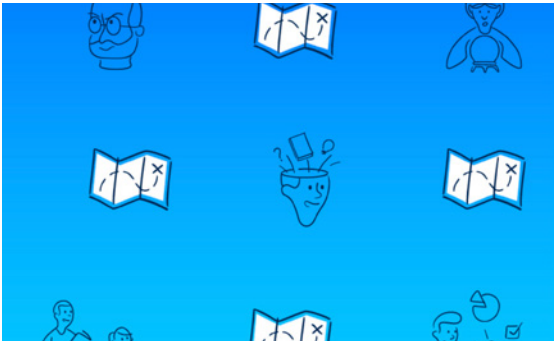
1. **Kickoff meeting:** Introduce the hackathon theme, objectives, and rules. Form teams and provide necessary resources.
2. **Ideation session:** Teams brainstorm and select a problem to solve. They outline their project plan and assign roles.
3. **Development phase:** Teams work on their projects, with periodic check-ins for guidance and support. Typically allow 1-2 days for this.
4. **Presentation preparation:** Teams prepare their presentations, including demos and key points.
5. **Final presentations and judging:** Teams present their solutions to a panel of judges. Winners are announced, and feedback is provided.

## 02 Customer journey mapping

Have teams map out the entire customer journey, identifying pain points and opportunities for improvement. This can help in understanding customer needs better and integrating technology to enhance the customer experience.

5-step plan:

1. **Introduction:** Explain the purpose and benefits of customer journey mapping. Provide an overview of the process.
2. **Persona creation:** Teams create detailed customer personas to represent different segments.
3. **Journey mapping:** Teams map out the customer journey, identifying touchpoints, customer pain points, and opportunities.
4. **Analysis and ideation:** Teams analyse the journey maps and brainstorm solutions to improve the customer experience.
5. **Action plan:** Teams develop an action plan to implement the identified solutions and improvements.



[Download Netwealth's customer journey workshop ➞](#)

# Workshops for innovation and digital success

## 03

### Tech bootcamps

Conduct intensive training sessions focused on specific technologies or tools that are relevant to your business. This can help your team stay up-to-date with the latest tech trends and improve their technical skills.

**5-step plan:**

1. **Needs assessment:** Identify the specific technologies or tools that the team needs to learn. Set learning objectives.
2. **Curriculum development:** Create a structured curriculum with modules, resources, and hands-on exercises.
3. **Training sessions:** Conduct interactive training sessions, including lectures, demos, and practical exercises.
4. **Assessment and feedback:** Evaluate participants' understanding through quizzes, projects, or practical tests. Provide feedback.
5. **Follow-up and support:** Offer ongoing support and resources for continued learning and application of new skills.

## 04

### Innovation labs

Set up a dedicated space where employees can experiment with new ideas and technologies without the pressure of immediate results. This can encourage a culture of continuous innovation.

**5-step plan:**

1. **Lab setup:** Create a dedicated space with necessary tools, technologies, and resources for experimentation.
2. **Introduction session:** Explain the purpose of the innovation lab and how it operates. Encourage open-mindedness and creativity.
3. **Idea generation:** Teams brainstorm and propose ideas for experimentation. Select a few ideas to pursue.
4. **Prototyping and testing:** Teams develop prototypes and test their ideas, iterating based on feedback and results.
5. **Review and next steps:** Teams present their findings and prototypes. Decide on the next steps for promising ideas.

## 05

### Design thinking workshops

Use design thinking principles to guide teams through the process of empathising with users, defining problems, ideating solutions, prototyping, and testing. This structured approach can lead to more user-centred innovations.

**5-step plan:**

1. **Empathise:** Conduct user research to understand the needs, challenges, and desires of the target audience.
2. **Define:** Synthesise research findings to define the core problem or opportunity.
3. **Ideate:** Brainstorm a wide range of potential solutions. Encourage wild ideas and defer judgment.
4. **Prototype:** Create low-fidelity prototypes of the most promising ideas. Focus on quick and inexpensive models.
5. **Test:** Test prototypes with users, gather feedback, and iterate on the solutions.

# Workshops for innovation and digital success

## 06

### Reverse brainstorming

Instead of brainstorming solutions, have teams brainstorm ways to cause the problem or make it worse. Then, reverse these ideas to find innovative solutions. This can help in thinking outside the box and uncovering hidden opportunities.

**5-step plan:**

- 1. **Problem definition:** Clearly define the problem you want to solve.
- 2. **Reverse brainstorming:** Brainstorm ways to cause the problem or make it worse. List as many ideas as possible.
- 3. **Reverse solutions:** Take each idea and reverse it to find potential solutions.
- 4. **Evaluation:** Evaluate the reversed solutions for feasibility and impact.
- 5. **Action plan:** Develop an action plan to implement the most promising solutions.

## 07

### Scenario planning

Have teams create and analyse different future scenarios based on current trends and uncertainties. This can help in anticipating changes and integrating technology in a way that prepares the business for various possible futures.

**5-step plan:**

- 1. **Identify key drivers:** Identify the key drivers and uncertainties that could impact the future.
- 2. **Develop scenarios:** Create a set of diverse and plausible future scenarios based on the key drivers.
- 3. **Analyse scenarios:** Analyse each scenario to understand its implications and potential challenges.
- 4. **Strategise:** Develop strategies and action plans for each scenario to ensure preparedness.
- 5. **Monitor and adapt:** Continuously monitor the environment and adapt strategies as needed.



[Download Netwealth’s speculative innovation workshop ➔](#)

## 08

### Peer learning sessions

Encourage team members to share their knowledge and expertise with each other through regular peer learning sessions. This can help in spreading best practices and fostering a collaborative learning environment.

**5-step plan:**

- 1. **Topic selection:** Identify topics or skills that team members want to learn or share.
- 2. **Session planning:** Schedule regular peer learning sessions and assign presenters.
- 3. **Preparation:** Presenters prepare their materials and resources for the session.
- 4. **Learning session:** Conduct the session, encouraging interaction, questions, and discussions.
- 5. **Follow-up:** Provide additional resources and support for continued learning. Gather feedback for future sessions.



# Workshops for innovation and digital success

## 09

### Innovation challenges

Pose specific challenges to your team and offer rewards for the best solutions. This can motivate employees to think creatively and come up with innovative ideas.

#### 5-step plan:

1. **Challenge definition:** Define the specific challenge or problem to be addressed.
2. **Launch event:** Announce the challenge, explain the rules, and provide resources.
3. **Idea submission:** Teams or individuals submit their ideas and solutions.
4. **Evaluation:** Evaluate the ideas submitted based on predefined criteria. Select the best ideas.
5. **Recognition and Implementation:** Recognise the winners and develop an action plan to implement the winning ideas.

## 10

### Cross-industry insights

Invite speakers from different industries to share their experiences and insights. This can provide fresh perspectives and inspire new ways of thinking about technology integration and innovation.

#### 5-step plan:

1. **Speaker selection:** Identify and invite speakers from different industries with unique insights.
2. **Preparation:** Prepare the speakers and provide context about your business and objectives.
3. **Presentation:** Conduct the sessions where speakers share their experiences and insights.
4. **Q&A and discussion:** Facilitate a Q&A session and open discussion to explore how the insights can be applied.
5. **Action plan:** Develop an action plan to integrate the new ideas and insights into your business.





# Research Methodology

For our 2024 Netwealth AdviceTech Report, we interviewed 350 Australian financial advice firms to get their views on new technologies and the impact on their business. The survey took place in August 2024 via an online quantitative questionnaire with our partner CoreData.

### AdviceTech segmentation methodology

In the 2020 AdviceTech Report, we introduced a segmentation method to split advice firms into different groups based on the success of the business and the rate at which they adopt technology.

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. In 2024, the average Business Success Score is 57.7 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. In 2024, the average Technology Adoption Score across all practices is 56.1 out of 100.

Three AdviceTech segments were determined based on these two scores:

	Tech Score	Success Score	Segment Size
AdviceTech Stars	68	69	23%
AdviceTech Adopters	64	53	40%
AdviceTech Conservatives	39	55	37%

# Speak to Netwealth

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