

# THREE KEY TECH THEMES FOR WEALTH MANAGEMENT FIRMS

*BNY Mellon | Pershing's top tech leaders discuss AI, tech stacks and how to make changing technology less painful.*



**MICHAEL LEWIS**  
Chief Information Officer  
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In recent years, technology has enabled firms and advisors to deliver more sophisticated strategies and innovative services to help their clients carry out their financial plans. At BNY Mellon | Pershing, one of our most important responsibilities is to help firms stay on top of tech trends and anticipate what's coming next. Technology has become our top conversation as we continue to explore and develop ways to help advisors help more people. Here are three themes to consider as you evaluate technology at your own firms.

## 1. ARTIFICIAL INTELLIGENCE (AI) WILL PLAY A VITAL ROLE NOW AND FOR YEARS TO COME

Since OpenAI's ChatGPT burst on the scene in 2022, firms have been looking for ways to use this type of technology to drive their business forward. AI can help advisers automate tasks, provide insights and personalize advice for their clients and also make their practice more efficient. The industry is excited by its potential but also wary of its risks.

"I think every tech leader in the industry would probably agree that generative AI is the hot new tech that we are all exploring," said Dan Adler, chief technology officer for Pershing X. "At BNY Mellon, we formed a centralized [AI Hub](#) that brought together data science, AI and machine learning teams throughout the enterprise to help develop next-generation intelligent applications."

Michael Lewis, Pershing's chief information officer agrees. "Clearly, AI is everywhere and just about every company is trying to determine how to leverage AI to grow revenue and improve productivity," Lewis said. "Within NetX360, we have deployed a number of AI capabilities — from natural language query search to determining the next best action — to help make our clients more productive. We also expect AI to enhance reporting through faster question and answer generation."



**DAN ADLER**  
Chief Technology Officer  
Pershing X

## 2. EVALUATING YOUR TECH STACK IS MORE IMPORTANT THAN EVER

In short, a company's tech stack is a key component of its growth strategy. Companies invest in technology to streamline crucial processes and maintain a competitive edge, but with technology changing so quickly how can a firm keep up? Some experts recommend evaluating tech stack annually, semiannually or even quarterly to assess whether their tools are delivering their intended value.

"The rate of change in technology continues to outpace most companies' ability to stay current," said Lewis. "My advice is to think about what capabilities you currently need and try to leverage open technologies as much as possible. Obviously, cloud native and API-based solutions are best but sometimes one might need to accept a degree of potential lock in. I think that is most evident in the data layer, so careful attention is required in that area."



We need to make upgrading our software as easy as getting a new iPhone."

—Michael Lewis

Adler added, "Within the RIA segment, companies are constantly making buy vs. build decisions. Today, almost all buy decisions also include a data integration component. At the very least, companies want to make sure they retain copies of their own client and advisory data for regulatory, continuity and data mining purposes."

Per Adler, Pershing X's approach has been to offer clients a multitude of choices for gaining access to their own data stored on our data warehouses. In addition to traditional feeds and APIs, Pershing X recently started offering cloud data sharing and customized data marts, which allow clients to avoid the cost of extract, transform and load (ETL).

## 3. UPGRADING TO NEW TECHNOLOGY DOESN'T HAVE TO BE PAINFUL

For many firms, upgrading to new technology typically involves time, training and other unanticipated costs. However, the right tech and the right partner can make it easier for firms to integrate technology with a more streamlined experience.

"We need to make upgrading our software as easy as getting a new iPhone," Lewis said. "Our clients tend to be the larger firms where a best of breed strategy is often preferred. That means we will not own the entire value stream and instead we will need to be part of an ecosystem. An ecosystem where we meet and interoperate with clients and other technology platforms."

"Public cloud is the ideal environment to make this happen coupled with an API-first mindset to integration," Lewis continued. "We also need to build and deploy our software in more consumable bites so our clients do not need to retrain their staff and go through a major conversion process whenever we upgrade our software."

Another challenge lies in the hundreds of products in the fintech landscape that provide point-solutions to specific slices of the advisory value chain according to Adler. Clients are then left with the task of integrating these disparate pieces into a coherent product for their advisors.



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—Dan Adler

“Our approach is to provide an end-to-end solution that still allows integration of best-in-class point solutions through our flexible interoperability layer,” Adler said. “This construct allows RIA firms to offer their advisors an integrated product that they only learn once, while keeping their options open to use innovative products that solve a specific problem well. We believe our integrated approach gives clients the best of both worlds: stability and flexibility.”

**Is your firm evaluating its own technology this year? Pershing and Pershing X can help. Contact your relationship manager to find out more.**



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