

AVOID TECH MISTAKES WHEN GOING SELF LICENSED

IMPACTS OF SUBOPTIMAL TECHNOLOGY CHOICES

FINANCIAL IMPLICATIONS

- Direct costs: Money lost in investments that don't yield returns.
- Hidden expenses: Additional resources spent on training, implementation, or switching costs.

OPERATIONAL SETBACKS

- Downtime: Disruptions in business operations due to system failures or transitions.
- Productivity loss: Time wasted on learning new systems that may not fit the workflow.

STRATEGIC RISKS

- Provider instability: Risks of tech providers going into Voluntary Administration.
- Long-term misalignment: Tech that doesn't scale with business growth or shifts in strategy.

REPUTATIONAL DAMAGE

- Client trust: Erosion of confidence from clients due to service inconsistencies.
- Brand image: Long-term harm to the brand due to perceived instability or incompetence.

TRUE COST OF POOR TECHNOLOGY DECISIONS



EMPLOYEE MORALE AND RETENTION

- Frustration among employees using inadequate tools can lead to lower job satisfaction and higher turnover.
- Recruitment challenges and potential salary premiums to attract talent willing to work with inferior systems.

OPPORTUNITY COSTS

- Missed opportunities for growth due to the limitations of the chosen technology.
- Lost competitive edge due to slower response times and inefficiency.

DATA RELATED COSTS

- Potential data loss during migration to or from an inadequate system.
- Costs of data breaches if the chosen technology has poor security measures.

INTEGRATION ISSUES

- Costs arising from the need to customise or retrofit systems to work with existing technology.
- Limitations in functionality due to the inability of systems to properly integrate.

MOST BAD TECHNOLOGY DECISIONS WERE AVOIDABLE

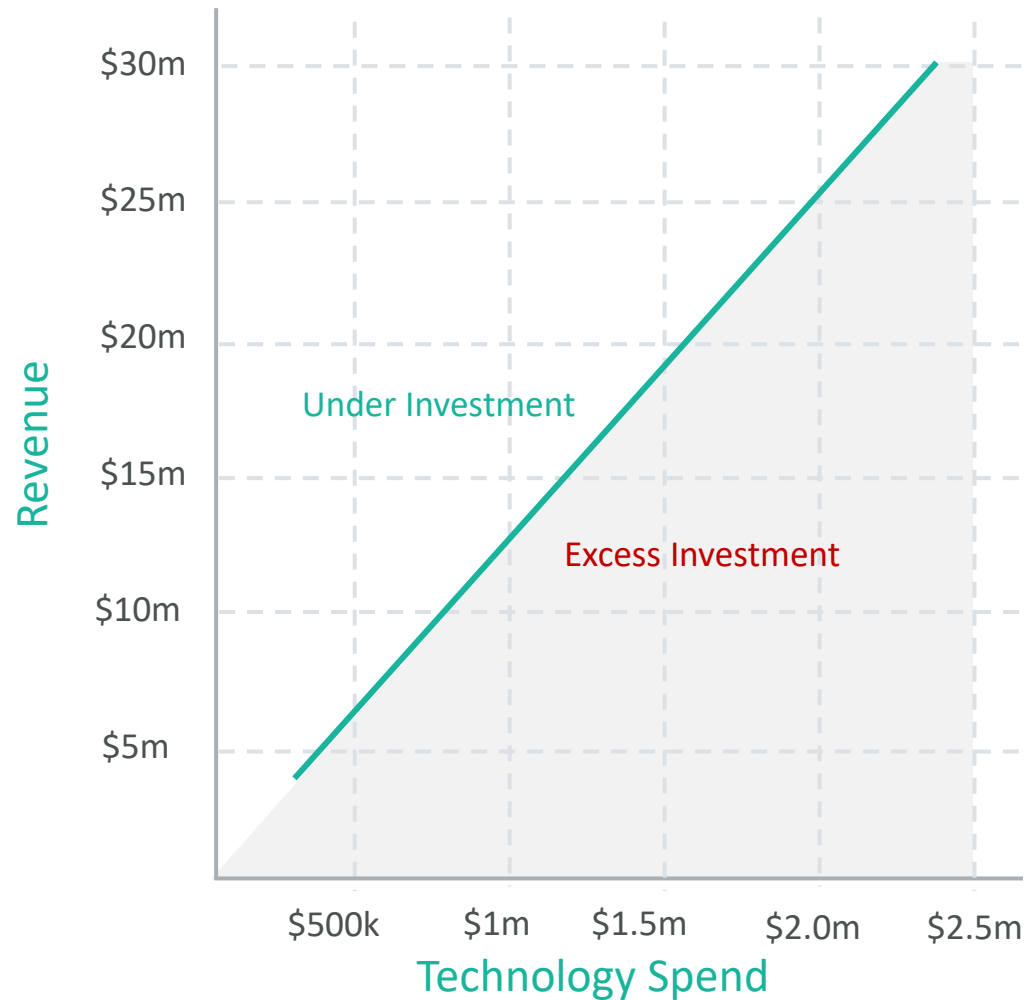


HOW BUSINESSES THINK ABOUT TECHNOLOGY

Attributes	Practice	Firm	Enterprise
Ownership	1-3 Owners	Multiple Owners, 3-5 have majority	Range of shareholders
Governance	Nothing Formal	Largest Owners are Directors	Formal Board with Independents
Management	Ownership = Management	Some delegated authority, Imported Skill (CFO, COO)	Ownership & Management are separate
Formal Strategy	Little documented	Typically lacks clarity or commitment	Formal strategy driven by management and approved by Board
Benefits of Scale	None (maybe licensee scale)	Some	Scale with significant cost & capability benefits
Growth	Founder – Led	Adviser- Led Some Marketing Resources	Brand-Led
Technology	Cost focused, usually sourced by licensee. No defined strategy	Cost focused, but more aware of dependency & capability gaps. Lack a CTO function	Dedicated CTO team. Both CAPEX and OPEX investment.



ADVICE TECH SPEND IS LOW RELATIVE TO PEERS



Industry spend relative to peers' average of Opex



RIA Firms

15% – 20%



IFA Firms

8%

What's included

Software licenses
Maintenance & Support
People
Consultants/Config
Partners
Training

TECHNOLOGY CHECKLIST FOR IFAS

TECHNOLOGY CHANGE COSTS	✓
NEW SOFTWARE LICENSES	✓
BUDGET FOR CONFIG & IMPLEMENTATION	✓
CYBERSECURITY RESPONSIBILITIES	✓
TECHNOLOGY DUE DILIGENCE	✓
RESOURCING & RESPONSIBILITIES	✓