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# Data Aggregation for Wealth Management

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Overcome the barriers.  
Acquire a competitive edge.

PURΣFACTS

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# Introduction

In today's data-driven world, wealth management firms rely on vast amounts of data to make informed decisions. For this process to be effective, a multitude of data sources have to be aggregated so that business leaders can readily extract meaningful insights from their data.

Data aggregation provides a centralized source of information that firms can use for predictive and other advanced forms of analytics. Firms that adopt effective data aggregation practices and transform their data into actionable insights will propel their businesses forward and gain a competitive edge.

They can also leverage these insights to increase market share. With a better understanding of their clients, they can introduce new products, solutions or market innovations that meet changing client expectations.

However, aggregating data is still challenging for many wealth management firms. In this White Paper, we look at how you can use technology to establish an effective data aggregation platform. You'll also get an overview of the benefits, barriers and opportunities for wealth management firms that implement data aggregation solutions.



# Data aggregation in wealth management

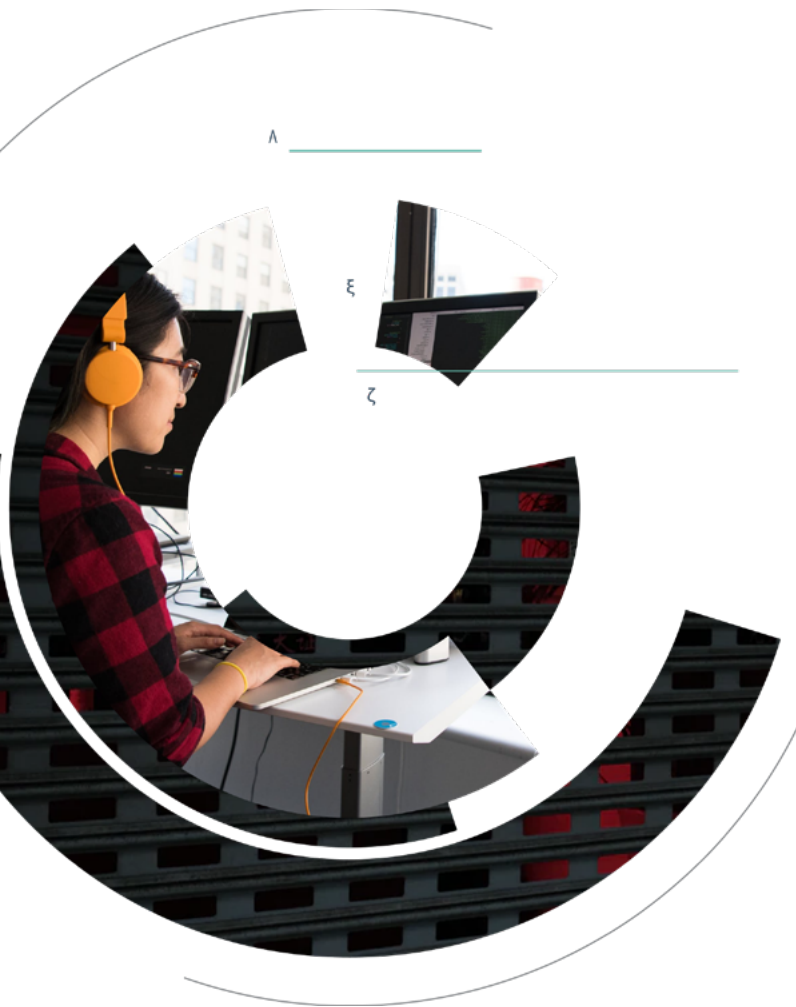
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## What is data aggregation

Data aggregation is the process of gathering, defining and processing data from multiple data sources and presenting it in a summarized format for analysis. Data aggregation is the bridge between data and analysis.

Without effective data aggregation, a wealth management company's ability to analyze and gain meaningful insights from their data to make crucial decisions is severely limited.





## How it works

### Sourcing

Collect a large enough amount of high-quality, accurate data to produce reliable results

### Migration

Reconcile target data with source data to verify it was transferred correctly

### Processing

Normalize, aggregate, cleanse and validate data to ensure its accuracy

### Analysis

Summarize and present data as a report for analysis

*"Beyond excelling at collecting streams of information, the winners will excel at interpreting data and turning insights into action at scale."*<sup>1</sup>

Data aggregation speeds up the process of analyzing large amounts of data. Given the ever-increasing quantities of data that wealth firms deal with, there are significant advantages to implementing an automated solution for seamless data collection, aggregation and validation. It will save time and improve efficiency for your operations team, while also reducing the risk of manual processing errors.

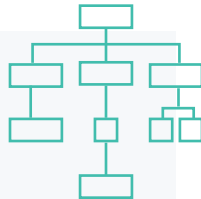
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### Where the data comes from

Wealth management firms typically draw data from a wide variety of sources. This can include owned, publicly available, or purchased sources of structured or unstructured data.

*By 2040, tens of billions of connected devices will likely churn out zettabytes of data and refresh those streams at dizzying speeds.<sup>2</sup>*

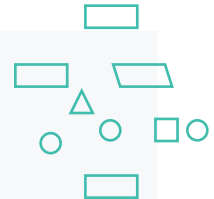
### Here are some examples:



#### Structured data

*(Clearly defined, easily searchable)*

- portfolio management platforms
- retail banking data
- accounting records
- CRM databases
- market performance indices
- custodial data



#### Unstructured data

*(Formats not usually as searchable)*

- client communications
- audio and video files
- website statistics
- industry news
- social media
- customer demographic
- behaviour metrics

# Benefits of data aggregation

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$\alpha$

## Make more informed decisions for a competitive edge

Data aggregation enables deep insights to make more informed, strategic decisions. You can use these insights to improve all your core management processes — such as prospecting, financial advice, portfolio construction, asset allocations, risk management, fee capture, sales, and supervision.





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**Data aggregation: Overcome the barriers. Acquire a competitive edge.**

 $\beta$ 

## Acquire a 360-degree view of your client

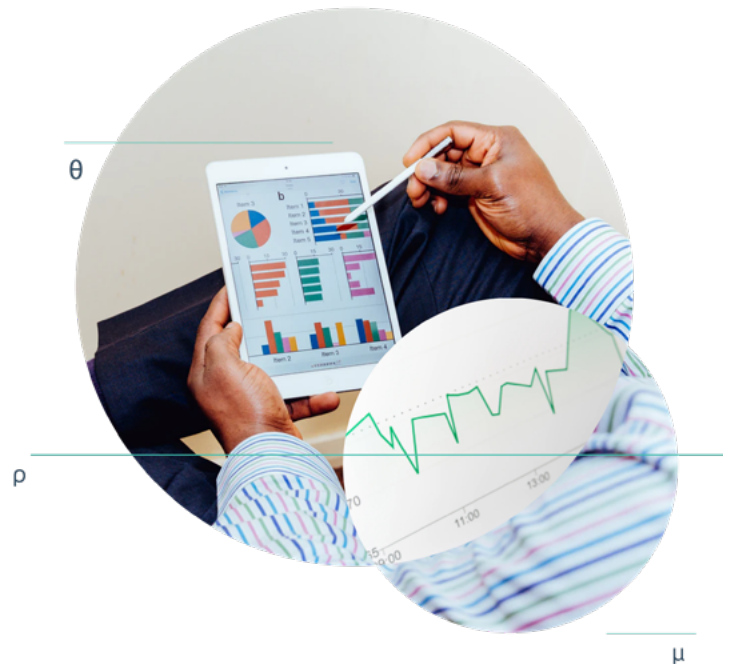
With a clean, aggregated data source in one place, you get a 360-degree view of the client. This enables your advisors to create a more personalized client journey and provide better outcomes. The right data process lets you readily respond to market realities and adapt to changing client needs.

*"We expect to see firms develop more descriptive and predictive analytics that combine structured and unstructured data to create more complete and insightful client profiles."*<sup>3</sup>

 $\gamma$ 

## Foster collaboration

Aggregated data stimulates collaboration between employees, as well as trading partners. The automatic flow of information impacts your business positively in the near and long term.





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**Data aggregation: Overcome the barriers. Acquire a competitive edge.**

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## **Minimize human error, maximize efficiency**

Manual data collection and processing is not only slow, it has a relatively high margin of error. Automating data aggregation with technology minimizes human error while maximizing efficiency. So your operations team can spend their time where it matters most.

 $\epsilon$ 

## **Ensure data accuracy**

The better the quality of the data, the better the insights. Effective data aggregation solutions help you reconcile, normalize, aggregate and cleanse data to the finest level of accuracy. This instills confidence in the accuracy of your data and mitigates risk.

 $\alpha$  $p$

# Barriers to becoming a data-driven organization

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Wealth management firms that adopt effective data aggregation practices and transform their data into meaningful insights will prove their worth and remain competitive. However, the implementation process is still challenging for many businesses.

## Here are four common barriers

### 1

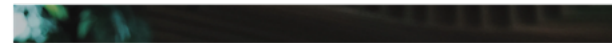
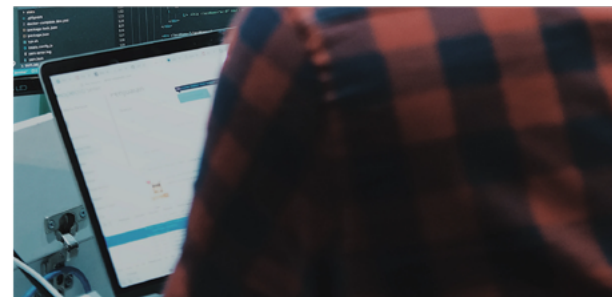
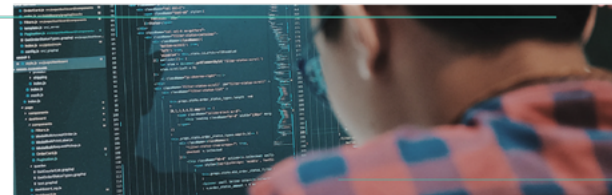
#### Understanding the overall data aggregation process

There can be a lack of clarity on what data types are required, the sources, the integration systems, the analysis to be done, and update frequency. These concerns should be sorted out for a successful aggregation process.

### 2

#### Data mapping

Knowing how to map data from one source to another, and understand the source systems and analysis process, as well as the business rules of the source systems.

 $\omega$  $\phi$  $\beta$

### 3

## Syncing data sources

Data from one source may not be as current as data in another source. This calls for a comprehensive syncing process where the older data is superseded by the fresher source. Syncing external data may be difficult if a vendor restricts data sharing across the organization.

### 4

## Compliance

The security of personal financial data is a serious responsibility. Any breach is a legal risk and a deep blemish to a brand's reputation.

# Successful data aggregation in six steps



Identify the business problem you want to solve for.

1

Gather data from all available and relevant sources.

3

Create a plan to manage the entire lifecycle of your data, including:

2

- IT infrastructure, processes and controls to ensure data accuracy and integrity.
- Data architecture for classification systems to increase data searchability and usage.
- Governance to oversee access, handling, privacy, security and service-level standards for data.

Reconcile migrated data for accuracy.

4

Process data to normalize, aggregate, and cleanse to make it usable.

5

Analyze the summarized data to extract valuable insights to address your business problem. You can use AI and machine learning to gain even deeper insights.

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# How PureFacts helps



Data aggregation and transformation is challenging. We know that. As a market leader in financial data aggregation, we've been aggregating wealth management data and furnishing insights for over 10 years. It's the backbone of our wealthtech platform.

We're that unique combination of caring business partner and passionate data expert. We understand you. We understand wealth management. And yes, we have great solutions for fees and reporting. But importantly, we understand the barriers to data-driven success. And how to solve them.

With our expertise, you can aggregate your data quickly and effectively. We'll help you automate the tasks of data mapping, transforming, and cleansing, as well as set up analysis and flows to help you mine insights.



## Here's what we can do for you

### Simplify complex data

We make it easier for you to move terabytes of complex data to a single platform and turn it into something meaningful. With centralized data, you'll make better business decisions and unleash your organization's best capabilities.

### Add value to data

We structure your data in one format, for your qualitative and quantitative analysis. With one easy-to-use format, the departments across your organization will serve clients better and make faster business decisions.

### Reconcile data for accuracy

Whenever you aggregate data from multiple sources, it raises the question of the quality of the aggregated data. That's why we leverage our technology to reconcile your aggregated data and ensure the data is normalized, aggregated and cleansed. The result is data aggregation accuracy you can trust.

### Reduce margin of error

Data integrity translates into minimizing or eliminating the human error associated with manual processing across diverse data sources. The task is done faster and the overall business moves more quickly. The time savings in reducing error handling alone is significant.



## Seamlessly integrate APIs

As wealth firms and fintech startups alike move to an open banking environment, APIs are needed to handle the data requests. We seamlessly integrate the APIs into your systems to provide a trusted source of aggregated data.

## Host in the cloud

While we still host some of our clients' solutions on-premises, the majority are hosted in the cloud. We manage terabytes of client data in a secure and scalable fashion, while being fully compliant with banking standards. Working within the Microsoft Azure environment, we can easily move your on-premises systems to the cloud with minimal coding. If your firm wants the agility to adapt and change direction quickly, we can equip you with a hybrid cloud infrastructure that uses a combination of public clouds, on-premises computing, and private clouds in your data center.



## Advanced analytics in action

Here are some of the ways PureFacts is helping wealth management firms translate data into successful outcomes.

### Enhance client personalization

Use data aggregation to create truly personalized solutions for clients, such as on-demand reports and personalized fee offerings.

### Determine long-term value

Wealth firms can use the predictive insights from data aggregation to determine the long-term value of their existing clients. This helps them better manage their client lifecycle.

### Ask for the answer

With Natural Language Processing (NLP), your advisors can get accurate information from their data just by asking a question. No need to know a structured query language (SQL) or other programming language to find the information they want.

### Detect data anomalies

A common problem when processing large volumes of data is being able to detect anomalous behaviour. An algorithm can be used to monitor the data and identify irregular behaviour. For wealth firms, this approach can help them proactively identify errors with their fee calculations and prevent leakage or regulatory fines.

### Retain clients

Use AI/ML models to predict with accuracy which client is most likely to leave, and identify the right actions to take to retain them. When an advisor is able to be proactive, rather than simply reactive, they're better able to engage clients and respond to their changing expectations.

# Accelerate your business success with data aggregation.

## Get in touch

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## Learn more

[purefacts.com/insights-as-a-service](https://purefacts.com/insights-as-a-service)

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### Sources

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<sup>1</sup> Global Wealth 2020, The Future of Wealth Management

<sup>2</sup> AI and the Modern Wealth Manager: How Artificial Intelligence Is Creating a Personalized Investing Experience

<sup>3</sup> 10 Disruptive trends in wealth management, Deloitte

Photo sources: Unsplash & Pexels