

# REINVENTING A ROBO ADVISOR PIONEER

## THE CLIENT

An early robo advisor pioneer recognized that several of its once-leading competitive advantages had been whittled away or were under threat from competition because of the changing role of digital advisory platforms across the wealth management industry.

The company knew that attracting a broader client segment required reprioritizing its product roadmap in response to evolving trends. What they didn't know was how to do it.

## THE CHALLENGE

When the company began, younger, tech-savvy clients with smaller accounts were the primary target market for robo advisor platforms. Now, these platforms are an integral component of hybrid digital advisor-assisted solutions. They also drive efficiencies in broker-dealer middle and back offices – and digital solutions are increasingly sought after in the bank/broker-dealer channel, where a single, comprehensive wealth management platform carries a higher value than multiple solutions.

In addition, robo advisors face increasing competition from Turnkey Asset Management Platforms (TAMPs). Although initially slow adapters of new technologies, TAMPs are now taking big strides forward digitally.

Given these industry trends, the company needed to add more TAMP-like offerings to its platform and, at the same time, increase functionality.

The company also had to consider adding features – such as advance rebalancing capabilities and “Rep as PM tools” – so the platform could be a stand-alone offering.

## THE SOLUTION

The company sought Mink Hollow Advisors' strategic marketplace insights to:

- Identify new sustainable competitive advantages.
- Deploy scarce resources to better serve existing business and garner new clients.

To begin, Mink Hollow leveraged its deep knowledge of TAMPs and competing digital platforms to deliver a detailed deep dive and analysis of the company and its platform's capabilities.

By examining the platform's functionality and competitive positioning, this fundamental analysis uncovered misconceptions regarding differentiators and future opportunities. It also served the project team throughout the engagement and became the foundation for subsequent analyses.

Mink Hollow then created a heat map of platform gaps relative to broker-dealer segments, since each segment of the marketplace values the components of a digital platform differently. This analysis formed the basis for a determination of what was required to market effectively to specific clients.

To further improve the company's “right to win” in targeted segments, Mink Hollow provided comprehensive competitive insights.

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We also conducted a market-sizing exercise to help the company understand which market segments were most lucrative; this exercise also identified market-entry strategies. The result? A slate of the most rewarding industry subsectors for the company to pursue.

With newfound knowledge, the company had confidence to set its sights on deploying scarce resources to address functionality gaps and pursue new market opportunities. Mink Hollow created financial models to determine project returns and conducted build/buy/partner analyses. To facilitate vendor selection discussions, Mink Hollow also created comprehensive scorecards, based on a vector analysis that ranked vendors on several factors.

After prioritizing initiatives, Mink Hollow assisted the company in developing a strategic plan that met its internal budgets, capabilities, and time constraints. In addition, the company is in partnership discussions with companies with complementary product and service offerings.

Mink Hollow continues to advise the company as it moves forward with these strategic initiatives.

## ABOUT US

Mink Hollow Advisors is a strategy consulting firm that serves wealth management enterprises with ambitious growth and transformation agendas. Our clients turn to us for cost-effective product, enterprise, and technology strategies that will drive their long-term success.

We take our name from the beautiful Mink Hollow Trail in NY's Catskill Mountains. More than just an extraordinary place, Mink Hollow is emblematic of our approach to solving our clients' greatest challenges: step outside any constraints in current thinking, reinvigorate with a fresh perspective, and define an achievable pathway to success.

## PROJECT DELIVERABLES

### Renewed Strategic Focus

Sharpened the company's focus on the most desirable new market opportunities through a thorough analysis of all market segments.

### Competitive Intelligence

Examined competitor platforms, which included market share, product strengths, and integration abilities.

### TAMP Market Overview

Evaluated the growth of TAMPs, managed accounts, and the industry's top players, including the value proposition of technology- and product-based TAMPs.

### Model Marketplace Overview

Analyzed the model marketplace segment and identified areas in which digital providers can compete.

### Wealth Management Platform Mapping

Identified the functionalities required to offer a completely centralized wealth management platform, illustrated with a simple-to-digest chart.

### Wealth Management Feature Inventory

Produced a comprehensive inventory of the platform's existing features.

### Partner Analysis

Performed an in-depth analysis of industry partners who could fill gaps in the company's existing product offering.

To learn how we can help your company enjoy greater revenue growth and enhanced cost savings, please contact us: [info@minkhollowadvisors.com](mailto:info@minkhollowadvisors.com).