



Helen Yang: ChatGPT is a wake-up call for financial advisors

NEXT GEN CLIENTS WANT FINANCIAL ADVICE, BUT ARE LESS CONCERNED ABOUT THE SOURCE: ACCORDING TO A STUDY BY ACCENTURE, “YOUNGER INVESTORS ARE AT LEAST TWICE AS LIKELY AS OLDER INVESTORS TO TRUST FINANCIAL ADVICE GENERATED BY AN ALGORITHM MORE THAN ADVICE PROVIDED BY A HUMAN ADVISOR.”

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As client attitudes shift, advisors must emphasize meaningful human connections and building trust. One key to this approach lies in the power of personalized service.

With AI capabilities rapidly expanding, the industry needs to rethink the definition of personalized service, says Andes Wealth Technologies CEO Helen Yang.

Helen Yang
CEO of Andes Wealth

People have talked for years about delivering personalized services. But that's not remembering people's birthdays and their pet names. Those are things that friends do for each other for free.

How do you provide personalized services that are truly meaningful? Let me put it this way – the launch of ChatGPT is a final wake-up call that traditional cookie-cutter service is not going to cut it anymore. The challenge is, what does truly personalized service look like? And how do you deliver that? That is the biggest challenge facing the industry.

Behavioral finance has been key in developing personalized services, but that's not enough. If you think about using behavioral finance, the core methodology itself needs to be customizable. Only then can we infuse it with behavioral finance insights so that a personalized client approach is delivered to the advisor.

People ask, 'Is that going to take a lot more effort?' My answer is, **if you have the right technology, it's going to be systematic, it's going to be structured and it's going to be semi-automated.** You're just going to cruise at a much higher level.

If you think about the client journey, it starts out with a risk tolerance assessment, then the proposal and then the investment policy statement. How can you personalize that process?

For example, for a risk tolerance test – if you use model sets, etcetera – how do you provide a way to use your own model sets to power their risk tolerance, so that it's going to be a meaningful choice for your clients? When they select a choice, it's going to match one of your models. That is the first way to start personalizing. Also, how do you generate meaningful investment policy statements that are deeply personalized in an automated way?

That would be a good start to establish a client relationship.