

Adopting 21st Century Technology by Indians for Financial Planning & Advisory

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Abstract

Financial Planning & Advisory generally refers to how an individual, a group or an organization manage their earnings and assets efficiently. The FP&A Services generally consists of certified financial planners, wealth managers, investment advisors, and certified public accountant, but with 21st century technology one can achieve similar results in less time and its own capacity. Today, AI & Automation, Big Data Analytics, and Blockchain, together play a vital role in managing data, generating insights and decision making in the financial world. In this paper, we would like to present, what is the current state and future expectations of using 21st century technology for financial planning and advisory in India.

Keywords: Finance, Planning, Advisory, Investments, Technology, Artificial Intelligence

1.Introduction:

The concept of Financial Planning & Advisory in India was introduced by SEBI. According to SEBI *“Investment advice is advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolios containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.”* Hence, with SEBI being the regulator, Financial Planning & Advisory formed a great shape in today's India with more than 70% of Indians working with professional financial advisors. While SEBI regulates the FP&A services companies, Technology has also played a major role in easing the lives of Indians. FinTech, which is short for financial technology, is a sizable and expanding segment of the financial services market in the twenty-first century. A FinTech startup can provide multiple financial services with technology being its base for providing solutions to the market. The term is used as a catch-all to encompass small start-ups and companies that provide financial technology infrastructure. FinTech goods today are seen as disruptive breakthroughs. These products make use of customer data and digital technology, combining the two to provide completely new financial services offerings.

2.Current Status:

With India being one of the most culturally diverse countries, the mindset of the investor keeps on evolving as it witnesses the changes not only across the markets but also across the nation with respect to different events occurring throughout the year. For example festive season in India is known highly for sale of jewelry, electronics, fashion accessories, etc., and to take its maximum advantage investors start building a strategy months before the season occurs. Based on a survey conducted by the CFA Institute, though two out of three Indians are confident of their ability to invest independently, it was found that 70% of Indian investors work with professional advisers compared to 54% globally. The survey also revealed the following important statistics:

- **71%** of Indian investors completely trust or trust the financial services sector as against 44% globally
- **31%** investors are listening to primary advisers.
- **30%** depend on online research.
- **19%** take advice from friends and family.
- Younger investors in 25-34 years age group are more trusting. 55% trust financial service providers, compared to 35% in 45-54 year bracket and 40% among those aged above 54 years.
- **31%** seek someone who will act in their best interest.
- **21%** want someone who can achieve high returns.
- **17%** lay a lot of emphasis on ethical conduct.
- **12%** opt for advisers recommended by others
- **41%** would quit if there was a data or confidentiality breach.
- **39%** will not tolerate underperformance.
- **37%** can dump an adviser if communication is poor.

Trust is tied to value and together they are a function of credibility and professionalism

Limitations of different types

● **Less Awareness**

Awareness of financial planning in India is low, but this is pretty consistent with the state of awareness in a lot of other countries where we have our programs. Consumers do not understand what financial planning is and, due to which, they don't value it.

The key element to a financial planning certification is financial literacy, which makes it important to improve overall literacy levels. As wealth increases it tends to change the mindset. When consumers are in a state of subsistence, wherein they live on a day-to-day basis, it is hard to plan your finances. As wealth increases you have something you need to protect or multiply.

While awareness levels are currently low, we are seeing an improvement globally, including India. Consumers are living longer and in retirement than as part of the workforce. Regulators and governments are pulling away from guaranteed pensions and employers are pulling away from offering lifetime employment. Consumers now need to take on the responsibility (of creating wealth).

● **The unexpected loss of income source**

- Losing a job or having your salary slashed is scary and stressful.
- Medical conditions or illnesses, like a heart attack, cancer or kidney failure, may be unexpected and sudden. Such medical emergencies may also require a significant amount of funds to be treated. The cost of treating cancer or performing heart surgery, for instance, may run into several lakhs of rupees.
- A natural calamity, an accident or even a fire can cause major and severe damages to your house or your vehicle. The cost of restoring your house to its original, livable condition may go up to several lakhs of rupees.

● **Mismanagement of income and expenses**

- 1. There won't be a way to understand if your business is even profitable

If you are not tracking your business revenue and expenses, you have no idea if your offers are even profitable. If you are in that arena, you are in dangerous territory. The primary purpose of being in business is to make money, so if you are operating your business at a loss, your business will not sustain itself for the long term.

- 2. You won't manage your expenses

Quite often, what kills profitability is expenses that run too high. When you are aware that you are overspending, you can make adjustments. If you know there are money leaks in your business; then you can plug them. When you

understand how the volume of sales and expenses affect your bottom line, also known as your profit line, you can make adjustments so that your business becomes profitable.

○ 3. You could run out of cash

Part of sound financial management habits is monitoring your cash flow to ensure that you have enough money flowing into your business to keep current with your financial obligations. Cash supply drying up is one of the biggest reasons for business failure. Small Business Trends stated 29% of small businesses fail due to cash shortages.

○ 4. You make decisions that damage your business

If you are running a business without being financially informed of its performance, you are essentially driving blindly. You will have no idea if the decisions you are making are the right business decisions.

○ 5. You won't be able to obtain a business loan

Any investor and bank will require your financial statements when considering to invest or loan money to your business. Without accurate financial statements, which cannot be produced without reliable bookkeeping records, you will not obtain the cash infusion that you are looking for in your business.

● **Underperformance of Investments**

○ If your portfolio contains market-linked investments, you need to be aware of the risk that comes along with such securities. While market-linked financial products have the potential to deliver significant returns over the long term, they may also result in huge losses if the market dips by a large margin.

Top Financial Advisors of India

The most accurate investment advice from some of the best financial advisors in India.

1. BAJAJ CAPITAL LIMITED

The best financial advisors in India are Bajaj Capital Limited.. Bajaj Capital Limited has offices in New Delhi, Chennai, Mumbai, and Kolkata in addition to its corporate office in New Delhi. In addition, the firm's purpose is mainly to assist the investor with investment plans and other insights from the investor's perspective. Additionally, its portfolio management services include portfolio management of securities, real estate, pensions, bonds, IPOs, mutual funds, and post office schemes.

2. B. T. S. INVESTMENT ADVISORS LIMITED

B. T. S. Investment Advisors Limited developed out of a need for the country to grow in terms of capital and investment potential. They aim to be the leading growth capital provider in the country and for this purpose prioritize confidentiality, integrity, and fairness. Although the company is headquartered in Zurich, Switzerland, its India office is located in Mumbai. Several enterprises in India allegedly benefited from the company's financial advice by growing and expanding.

3. D. S. P. MERRILL LYNCH LIMITED

In addition to being a subsidiary of Bank of America Corporation, D. S. P. Merrill Lynch has its operating headquarters in Mumbai. This firm serves as a strategic advisor to the government, various institutions, companies, and individuals in India as one of the best financial advisors in India. Its clients also rely on it for research, mergers and acquisitions, trading, sales, and other services related to raising capital.

4. GO 4 ADVISORY SERVICES

Go 4 Advisory Services is India's one of the best financial advisors in India. Firm is a member of the Go 4 Group and headquartered in Ahmedabad. Besides stockbroking, the company offers business analysis, intelligence, and information stock. Its clients receive expert stock market analysis and information as well by this company. Additionally, the firm has clients that include individuals and reputed organizations, and it provides services in a variety of sectors that include brokerage, financial services, FMCG, market research, real estate, media, automobiles, the Internet, and plastics.

5. KOTAK PRIVATE EQUITY GROUP

Kotak Private Equity Group, popularly known as K. P. E. G. This company is one of India's leading equity firms. In addition to providing strategic planning and capital, they also help mid-sized companies and corporations establish themselves as industry leaders. The company also has its operational office in Mumbai. It has won this year's CNBC Financial Advisor Awards for "Best Performing Equity Broker in India".

6. PAAR TAX AND INVESTMENTS CONSULTANTS LIMITED

Paar Tax and Investments Consultants Limited which is often called P. T. I. C., primarily provides financial services to clients. New Delhi is also the location of its operational office. The advice given by P. T. I. C. to its clients is generally on financial planning, retirement planning, insurance planning, and investment portfolio management. In addition to software companies and professionals, it has clients from a wide range of industries.

7. P. N. VIJAY FINANCIAL SERVICES PRIVATE LIMITED

P. N. Vijay Financial Services Private Limited or P. N. V. F. provides wealth management and portfolio management services of international standards. Through its 'Knowledge Center', along with offering a variety of products, it also educates people about the current Indian economy, market trend, and stock values, thereby enabling them to make wise financial decisions.

8. RIVER BRIDGE INVESTMENT ADVISORS PRIVATE LIMITED

Its objective is to reduce the gap between major investors and aspiring companies. The firm also provides companies with investment services to increase their capital. An experienced team from IIM Bangalore founded the company in Chennai. These professionals also have backgrounds in banking, finance, and credit rating. Their services include Capital Raising, Acquisition, Divestment, and Strategic Relationships, as well as Financial Advisory Services.

9. SONG INVESTMENT ADVISORS INDIA PRIVATE LIMITED

Investment management is what SONG Investment Advisor does. The investment advisory body also focuses on creating a model to show that investing in Small and Medium Enterprises (SME) generates good stakeholder returns along with being profitable, along with catalyzing sectoral investment. Additionally, the company provides the entrepreneurs with capital as well as strategic market insight in order for them to realize their dreams. Meanwhile, the investment firm advises the investors to invest their money in projects that will enable them to earn more than they invested. As a result, a balance between both sectors is achieved.

10. UNIT TRUST OF INDIA

Unit Trust of India popularly known as U. T. I, is a financial company that provides financial products as well as investment advisory services. Also, the 'learning center' of U.T. I is also an online platform that serves as an online financial guide to clients.

The 10 best financial advisors in India will provide advice on how to pick the right investments for your business. Additionally, they can help you make the right decisions regarding finance and wealth management.

Financial planning software

Software for financial planning is used to create detailed financial plans for clients, as the name implies. It's a useful tool that can be used to keep track of earnings, outgoings, investments, and debts, as well as to make a budget and monitor the development of one's financial objectives.

There are numerous options available. The majority of packages, meanwhile, may be divided into two groups: those that are useful for general financial planning and those that are more focused. Software programmes for general financial planning, such as MoneyGuidePro and RightCapital, typically cost between \$1,000 and \$1,500 annually per advisor. With tools like goal-setting, investment tracking, and budgeting, these programmes are made to be complete. There are packages that focus on certain areas if you're seeking for something more particular, such as retirement or estate preparation. However, the cost of those packages will probably be higher. To choose a software package that will help you achieve your goals, sit down and evaluate your needs before picking which programme to employ.

Cube

Cube is the only FP&A platform that is native to spreadsheets and enables teams to improve planning and performance without altering their current workflow. Our cloud-based FP&A software platform enables finance teams to collaborate and plan with the utmost speed and assurance. We natively interface with both Google Sheets and Excel.

You can delegate all of the labor-intensive aspects of your preparation to Cube: All of your source systems, including your ERP, HCIS, and other systems, are connected to Cube, which gathers all of this financial data into a single source of truth. Use the native integration for Excel (or Google Sheets) to organise and pull that data into the setting of your choice.

Your numbers are accurate, you know, because there is only one source of truth. You can dig down into individual cells in Cube to view all the transactional information that makes them up.

Using Cube, you can foresee and plan to stay ahead in the competitive business environment of today. Financial forecasting software features like customizable forecasting dashboards and reports, thorough scenario planning and analysis, and bidirectional native Excel and Google Sheet integrations lead to simpler reporting, more accurate forecasting, quicker close and consolidation cycles, more control, and fewer errors.

Features:

- Data from many sources can be connected for automated rollups and drilldowns using automated data consolidation.
- Multi-scenario analysis: Enables you to simulate the smooth effects of modifications to key assumptions on overall outputs.
- Continuous integrations Google and Excel spreadsheet integrations, accounting and finance, human resources, applicant tracking systems, billing and operations, sales and marketing, and business intelligence.
- Customized dashboards: Offers you complete freedom to create and distribute unique dashboards.
- Google Sheets and Excel native integration: Bi-directional and compatible with any spreadsheet
- Multiple-currency assistance Analyze your financials in both the reporting currency and your home currency.
- User-based controls: User controls, validations, and an audit trail make sure that the correct information reaches the appropriate individuals at the appropriate time.
- KPIs and centralised formulas: Maintain a single source of truth for all of your calculations and make management decisions from there.
- Drilldown and audit trail: With just one click, quickly access the transactions and history behind a single data cell.

Pros:

- Strong reporting and KPIs aid in automating and analysing crucial data.
- Simplify manual data collection, lower mistake rates, and enhance teamwork for quicker, more informed business decisions.
- Working with award-winning support staff and industry-leading FP&A professionals is simple.
- dozens of application integrations.

Cons:

- Cube is not a personal finance app; it functions best for mid-sized corporations.

Pricing:

- Beginning at \$1250 per month for small financial teams and \$2,450 per month for growing businesses. See pricing information.

Sage Intacct



Sage Intacct is a cloud-based software programme that enables users to plan, budget, and do analyses. The subscription service provides services for managing employees, such as syncing employee data and processing payroll, as well as financial consolidation, revenue recognition, project accounting, and staff administration.

Features:

- Interactive dashboards and reporting for accounting and enterprise resource planning
- Payroll and HR analytics solutions

Pros:

- More than 200 ready-made visuals
- thorough inventory management
- Simple integration of collaboration with Cub

Cons:

- Promises to do away with the use of spreadsheets, which can be difficult to execute, as opposed to integrating what you already use.
- Higher learning curve

Best for: Any size business, from startups to public companies.

QuickBooks



A financial planning programme aimed at expanding small businesses is called QuickBooks. One of the many business and financial solutions offered by Intuit, a leading worldwide technology company, is QuickBooks. Because of this, many of the tools may be used in tandem with one another, such as when you connect your marketing and finances with QuickBooks using Mailchimp.

Features:

- Full-service payroll
- monetary reports
- Inventory management
- Invoicing and billing
- Analytics and reporting

Pros:

- Using QuickBooks, many people can work together. A sizable add-on library and custom report possibilities are available.
- Customized invoices and reports
- Combines with Cube

Cons:

- Programs can be complicated.
- It may be challenging to undo or undo a mistake once it has been made.

Pricing:

- Simple Start costs \$12.50 per month.
- Monthly cost for the essentials plan is \$25.
- The additional plan costs \$40 per month.
- Cost of the advanced plan per month is \$90.

Portfolio accounting software

This tool is used to keep track of investment portfolios by both individuals and organisations. The pricing, contributions, and payouts for each investment can all be provided in detail by this software. Software for portfolio accounting can also be used to compute returns, track progress, evaluate risks, and produce reports that are useful for both tax and investment purposes.

The most expensive software expense for financial advice businesses is often portfolio accounting software, in part because advisors are frequently compensated by account. Let's say that each account costs \$60. Your annual portfolio would be \$12,600 if you have 70 clients and each client has an average of three accounts. Nonetheless, the advantages of this software solution frequently outweigh the disadvantages. The decision-making process for investments can be streamlined with the aid of portfolio accounting software, which can also offer insightful information on investment performance and risk. Also, a lot of portfolio accounting programmes come with automatic reporting capabilities that can save advising firms a lot of time and money.

1. Establish a niche

To reach the widest potential market, several financial counselling businesses offer a variety of services to their clients. Although while this tactic works well in generating potential clients from almost anyone, you are essentially in direct competition with every other financial advisory firm on the market.

A better strategy is frequently to become an authority in a specific field, such as helping retired sportsmen or the software industry. By specialising in a specific area, you can more easily set yourself apart from the competition, enjoy lower levels of competition, win over more clients, and possibly charge more.

2. Have a strong rapport with your customers

One of the best ways for financial advisors to get business is through referrals from current clients, yet the majority of companies are happy to provide standard services and wait receptively for any referrals. These actions over time may cause your clientele to be eaten up by various forms of competition.

Your customers will be more willing to endorse your business and make uninvited introductions if you go above and beyond expectations. Referrals can be a fantastic approach to grow a clientele because most people trust recommendations from individuals they know, according to numerous studies.

3. Don't Skimp on Quality or Pricing

Running just about any kind of business, especially those where customers have several options, price is a difficult topic. Many financial advisors worry about boosting rates for long-term clients even while they continuously offer new services that make that higher prices justified.

Price shopping becomes more challenging to measure and there is less client pushback from rising rates when you can clearly articulate how you are assisting clients in achieving their long-term goals. The key is emphasising the areas in which your company goes above and beyond standard services and provides clients with higher long-term value.

4. Develop the Company's Branding

Many financial advisors who work for smaller organisations typically have quite lax branding policies. An outdated LinkedIn page, for instance, could mislead clients into thinking that a financial adviser isn't affiliated with a specific financial advice firm.

Clients can gain more trust in the financial advising firm, its staff, and its partners by maintaining websites, social media profiles, and other elements of your online presence in an up-to-date and consistent manner. Growing an audience and raising brand awareness over time can also be facilitated by keeping up an instructive blog or uploading educational content to media platforms like YouTube.

5. Create a Special and Loyal Network

Several financial advisory firms offer standardised services that are little distinguishable from those offered by competitors. There are several ways that financial advice businesses can go above and beyond client outings, which offer excellent networking opportunities, such as going out to dinner or a wine tasting.

Financial advisors should prevent situations where people feel pressured to network by restricting clients and avoiding big, impersonal events. Financial advisers should also make sure that at least 25% of attendees are ardent supporters who are inclined to promote the company to invited potential clients.