



Disrupting the **FUTURE**

The financial services industry is not being disrupted by one emerging technology. A combination of technologies are working together to change the face of the industry as we know it.

Intermediaries need to gear up to be ready for the new normal.

Isolated analysis

Businesses are very good at talking about disruptive technologies in isolation and predicting the impact that these technologies are going to have on the financial services industry.

They say that the Internet of Things (IoT) will change the way we understand our consumers. Another assumption is that peer-to-peer networks are changing the way that people relate to one another.

They say that Artificial Intelligence (AI) and machine learning will alter the way that computers deliver services, and that blockchain technologies will allow transparency of transactions in a way that was never possible before.

Key convergence

In reality, having an in-depth understanding of how some emerging trends will impact the financial services landscape, I believe that it is not a single technology that is going to disrupt the face of the financial services industry. Rather, it will be the convergence of multiple technologies.

We have been hearing about how the mass of data generated by IoT is going to give us untold insights into consumer behaviour. It is even going to predict everything from weather events to the likelihood of a couple's divorce.

But the data alone is not enough. We need to be able to analyse it to make sense of it.

That is where AI comes in. Machine learning is able to not just process the data, but to make intelligent analyses based on what it learns along the way.

Driven disruption

Peer-to-peer platforms are already driving some of our best-known industry disruptions.

Think of Airbnb connecting a tenant with a landlord. These different, unrelated parties are brought together towards mutual benefit. There are even more variables involved; information from calendars and bank accounts are brought together to provide a wealth of extremely useful information.

Finally, to keep track of the exchanges and transactions driving all of this, Blockchain technologies can deliver a verifiable level of transparency.

Blockchain is well known as the underlying technology of cryptocurrency, but perhaps what is less well known is that the technology has the ability to store the terms of a contract in a digital smart contract.

Some of these technologies are already working together in many of the disruptive environments we all already use. Peer-to-peer networks, IoT and machine learning are behind Uber and Airbnb. When blockchain enters the scene, you have a level of transparency to the platform that would allow customers to see where their money goes.

What does this mean?

What all of this will mean for the financial service industry is hard to predict.

IoT is already allowing financial services providers to track the behaviour of their clients and AI is making it possible to make certain predictions about their future. Peer-to-peer networks are making it possible for clients to purchase their own financial products without the need of an intermediary at all.

Three things can happen at this point for the intermediary. They can fail to adapt and die. Or they can become the intermediary, not between the company and its client, but between the client and the technology.

They can hold their clients' hands through tough decisions. They can present, explain and support solutions to their clients' needs. They can serve more clients with the time saved by smart investment technology.

Finally, they can become the people behind the technology.

It is an exciting time in an exciting space. Do not be afraid of what is coming but learn to work with it so that you can ride the disruption train into the future.



Grant Field
Chief Executive Officer
FedGroup