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Q: What's the difference between a human adviser and a robo-adviser?



BY SARAH SIMON

Bill Loftus, Founding Partner

Kevin Burns, Founding Partner

*Jim Pratt-Heaney, CIMA®,
Founding Partner*

Sarah Simon, JD, Associate Advisor

COASTAL BRIDGE ADVISORS

► **The buzz surrounding robo-adviser platforms has led some observers to debate the merits of human advisers over their artificial counterparts.**

Robo-advisers, after all, provide automated investment-management services and, buoyed by an extended bull market, have grown in notoriety.

Certainly, we see the important and fundamental purpose that technology plays in the delivery of value-added services to our clients. But we still believe that the nuances and personal touch a wealth manager provides cannot be replicated by a computer alone.

As a modern-day advisory firm, we recognize the significant and growing function that technology performs for our business. Portfolio reporting, investment analytics, risk analysis, rebalancing and trade-order execution are but a few of the areas where

technology plays a meaningful role in the delivery of efficient, accurate and effective service to our clients.

At the same time, we also understand the profound impact human interaction and emotions can have in delivering peace of mind for our clients. In our estimation, the most successful wealth managers are those who operate in a human-assisted, bionic manner: harnessing the power of technology to augment the insights and care of a trusted and knowledgeable counselor.

No doubt, there are going to be some people for whom the robo-adviser platform is an effective alternative. Those seeking a low-cost solution to buy and sell public securities without any need for a comprehensive financial diagnosis are one such group. Another group are those clients who are looking for a set suite of bespoke services to deliver their financial well-being. In both of these

scenarios, robos can make sense. However, we believe there's a better way.

Robo-advisor technologies are designed to offer a scalable solution to a significant number of simultaneous users. Ultimately, they provide a "one-size-fits-all" approach, to deliver the scale efficiencies required to make the business model work, complete with predetermined multiple-choice questionnaires and fixed-model portfolios.

While these offerings may be convenient and efficient for robo-advisor companies, a comprehensive understanding of a client's financial circumstances and of the considerations built into his or her financial plan cannot be fully captured in this abbreviated manner.

Alternatively, we believe in a more thoughtful and sympathetic consideration of the client's needs and wants, aimed at establishing an investment portfolio that goes beyond a cookie-cutter array of passive investments and adjustments as conditions and priorities change.

At Coastal Bridge Advisors, our process begins with a personal assessment of the client's goals and objectives, concerns and frustrations. We follow this up with a deep dive to fully understand this individual's or family's current financial situation and how we might improve it.

Our considerations include trust- and estate planning, taxes, banking services, insurance, liability coverage, philanthropic matters, family-office services and next-generation planning, just to name a few. Each client is then presented with a tailored solution set. Not only does this financial-planning work involve communication with the client, but we're also actively engaged in discussions with this individual's other trusted advisors (e.g., lawyers, accountants, business managers, insurance agents). This breed of customization is a function that robo-advisors simply cannot perform.

Those who, on the other hand, enlist the services of a robo-advisor must resign themselves to a DIY approach when it comes to service delivery and coordination. Recognizing how busy our clients may be, we at Coastal Bridge Advisors see our role as one of helping to simplify their lives through our quality of care, attention to detail and accessibility.

As the relationships with these clients evolve, we stand ready to adapt to their changing needs, always available to

address their questions and to seek meaningful solutions to the new challenges they may be facing. In this way, the client-service function we provide may range from our performing simple tasks like money transfers and new check requests to more delicate matters, like intergenerational family-wealth transfers and counseling our clients as they undertake divorce proceedings.

In short, a client's well-being often goes beyond algorithms and digital FAQs; it requires professionals adept at dealing with the client's emotions, too.

When a human advisor works with cutting-edge technology, he or she stands to offer the best of both worlds. Technology possesses a great deal of power and certainly has improved the financial-services industry; however, it is limited because it lacks the personal touch, support, care, attention and innovation only a human can provide a client setting forth on the journey to financial well-being. ●

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ABOUT COASTAL BRIDGE ADVISORS



Coastal Bridge Advisors is an independent, registered investment advisor offering a full range of wealth-management services.

Often referred to as a "virtual family office," Coastal Bridge strives to bring clarity and control to the financial lives of its clientele by delivering customized personal and business solutions. From its offices in Westport, Conn.,

and Los Angeles, Coastal Bridge services high net worth individuals, families and foundations on both coasts and nationwide.

EXPERTISE

Financial Services Experience

33 YEARS

Professional Services Provided

Financial planning, asset management, concentrated stock hedging, lending, cash management, alternative investments, due diligence and family office services

Assets Under Management

\$2.5B

(approximately, as of 12/31/2017)

📍 coastalbridgeadvisors.com

✉ ssimon@coastalbridgeadvisors.com

📍 33 Riverside Ave., 5th Floor, Westport, CT 06880

☎ 415-301-3163

2121 Ave. of the Stars, Suite 2300, Los Angeles, CA 90067



Bill Loftus
Founding Partner

Kevin Burns
Founding Partner

Jim Pratt-Heaney, CIMA®
Founding Partner

Coastal Bridge Advisors
33 Riverside Avenue, 5th Floor
Westport, CT 06880

2121 Avenue of the Stars, Suite 2300
Los Angeles, CA 90067

Tel. 203-683-1528

ssimon@coastalbridgeadvisors.com
coastalbridgeadvisors.com

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