
With acquisition, Envestnet arms itself against robo-advice threat

By Editorial Staff Tue, Mar 3, 2015

“Upside helps financial advisors compete against other digital advisors, or ‘robo advisors,’ by leveraging technology and algorithms to advise, manage, and serve clients,” an Envestnet release said.

Only weeks after Fidelity bought eMoney Advisor, in part to avoid conceding the “digital advisory channel” to “robo-advisors,” Envestnet, the big Chicago-based advisor technology platform provider, has bought a digital advice company.

Envestnet, Inc., which serves about 40,000 financial advisors, has acquired Upside, a technology company providing digital advice solutions to financial advisors. Terms of the acquisition were not disclosed.

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The acquisition combines Upside’s advisor-labeled, investor-facing financial planning and investment management platform with Envestnet’s suite of investment solutions, portfolio analytics, account servicing infrastructure and reporting capabilities.

“Advisors leverage our technology today to automate operations and effectively deploy many elements of a robo or digital advisor offering,” said Stuart DePina, Group President Envestnet | Tamarac. “While many see robo offerings as serving the mass affluent, advisors know a growing percentage of their high net worth clients are demanding to access their financial portfolios and interact with their advisor online.”

“The investment advisory market is undergoing a period of significant change through the adoption of technology,” said Tom Kimberly, co-founder and CEO of Upside.

“By providing access to managed portfolios from some of the world’s leading investment strategists through Upside’s platform design, we can extend the automated advice delivery model in a way that further increases the relevance of the financial advisor,” said Bill Crager, president of Envestnet.

Mr. Kimberly and Juney Ham, co-founder and president of Upside, will join Envestnet as senior vice presidents.

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