



## PODCAST TRANSCRIPT

# Technology Selection and Implementation Best Practices for Family Offices: Featuring Erin Hulse

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### **Mark Wickersham (01:31):**

All right, Erin, how are you? Great to have you back on the show. Appreciate you taking some time. I've been looking forward to this conversation for a while now. Can you just tell the viewers a little bit about yourself and about EV Consulting?

### **Erin Hulse (01:45):**

Thanks for having me. This is always so fun to do this with you. I appreciate it. I am Aaron Holtz. I'm CEO of Deviate Consulting. I am based in Indianapolis, Indiana. I started Deviate in 2015, so it's been almost 10 years, which is crazy. I am an accountant and I kind of got started in this family office technology space when I started working for the time Archway Technology Partners now SEI, Archway, and they are here in Indianapolis as well. So yeah, so now the team has grown to 25 people and it's wild. Just crazy.

### **Mark Wickersham (02:20):**

Congratulations on all your success. It's well earned and hard earned. I always love it when I have a chance to talk to founders and a little bit about their founder journey, could you just kind talk to me a little bit about why'd you go out on your own? What was your expectations then and the perceived gap in the market? And then kind looking back on it, how did that line up with the reality of it?

### **Erin Hulse (02:46):**

Well, I think when I was doing implementations, I was surprised by, I think most of it was missed expectations. And so it's like this across the board, not necessarily vendor specific. Clients don't know maybe exactly what they're buying and then once they buy, it comes to me as an implementation person and then I have to break the bad news of kind of does that, kind of doesn't do that. And so that's not something that people want to hear, especially when they're spending \$150,000 a year on software product and they just did not know how to prepare for the implementations. I mean, just because you don't know what you don't know and you don't realize what a big lift it's going to be. And so that's sort of where I saw the opportunity. They need help and they need

independent help. They need somebody that's just going to be honest with them and tell them up.

**(03:43):**

And so I think at that point in my career, it was kind of like, Hey, I could use a break from corporate America and if I'm going to do it, now is the time to do it. And I truly had no expectations. I mean, my work was just taking on. I wanted to learn the other softwares that I didn't know, so I was taking on anything. I mean, I was doing reconciliations because in my mind that's the only way to really get to know the system is just to do the work in the system. So I just started consulting and I had no expectations and then it just sort of happened and then I just started to pick up more work and I added a couple more people. And then during covid was the time where it really blew up because people were like, well, guess we need a system now that we're at home, something that everybody an ERP type situation. So that's when we got really, really busy four or five years ago. But I didn't really have any expectations. I was just kind of going with the flow and just kind of leaving it up to this is woo woo, but leaving it up to the universe.

**Mark Wickersham (04:48):**

Obviously here

**Erin Hulse (04:50):**

It's not very businessy.

**Mark Wickersham (04:53):**

I mean you obviously walked into a need. I mean, family offices really struggle. One, they struggle selecting technology, but to your point, after they selected it that they implement even a good implementation's, painful. I mean, nobody looks back at that implementation and be like, oh, that was really fun. That went great. It's even the good ones are kind a struggle. This conversation want to break down. And three main parts. So let's talk about preselection process, what family offices can do to prepare for that, what they can do during the implementation process to increase their odds and then post implementation, what firms should be thinking about. But let's talk a little bit about the selection process. Why do family offices struggle so much in terms of what is the common mistakes that you're seeing? And then also just touch upon the value that bringing in outside help can provide in that particular state of the selection of the software development implementation.

**Erin Hulse (06:03):**

I think for the selection piece, it's simply that people are doing a job on

top of a job and they don't have time to focus on it fully. I think that's the biggest problem, especially when I see more often than not, there isn't really a huge push from the top. It's somebody that's sort of maybe the c, I don't know, whatever controller or CFO that's saying, okay, we need something. They are having to try to convince the family or whoever board whatever it is that they need something. So not only are they trying to push for that themselves, they may or may not get support. They're just so busy and it's exhausting to go through demos and remember what vendor did this. And so I think part of the issue is you just simply get tired and so you don't push forward as much as you should on digging into the demos and two, demos is not enough, but I'm really freaking tired and this is...

**Mark Wickersham (07:05):**

Yeah. Or they're watching a demo, they're trying to respond to five emails at the same time.

**Erin Hulse (07:10):**

Exactly. And it's just exhausting. And also I think a consultant will help on a few things. Number one, as a client, the vendor will make you feel like, okay, we've had three demos, now it's time to decide. Well, you can have 26 demos if you want 26 demos. So just making them feel comfortable enough to ask

**(07:32):**

For more demos. If they want to work with you, they'll give you more demos. If they get fed up with you, clearly they're not the person that you want to work with anyway. And just really digging into the granular areas. And if it takes, like I said, 10, 15 demos, it is what it is because if you process a lot of capital calls, you need to see exactly how that is done. And so they should have to prove it out to you. So I think some of it is just insecurity about, I don't know, can I ask 'em this? Is it too much? And so I think consultants can help push forward on that knowing what's appropriate.

**Mark Wickersham (08:06):**

Yeah, no, I know you're a big believer in the use case, right? So tell me about that. What have you seen with success with that? Why do you feel like use cases are so important in the selection process?

**Erin Hulse (08:22):**

A good example would be I had a client who had purchased a system and one of the first things we were talking about was ap. And I said, well, the system doesn't move money. You can't move money from the

system. And they were shocked because I think they had never gone through the exact process of how it was going to work in the system. They were flabbergasted. They had no idea. And I'm kind of like it cuts checks, but it doesn't move money per se. And so that's the stuff that is a huge surprise if you don't dig into it or I really need this because there are some families where they want specific reports replicated, replicate this report for me, can you do it? If not, how much is it going to cost to do it? And even when it comes to data feeds like, hey, my broker or my custodian is X, Y, Z, what does that data look like coming into the system? Maybe they don't provide cost spaces and that's something you really need. That's an issue.

**Mark Wickersham (09:25):**

Don't know if that's a maybe. I think that might be a lot of them

**Erin Hulse (09:30):**

Exactly. Yeah. And how often is it updated and oh, how hard is it to enter an intercompany? Maybe it takes you 12 steps to enter a journal entry that touches five entities, but at least it is just about setting expectations because otherwise you're going to be pissed when you buy the software and it is like, wow, we didn't know this.

**Mark Wickersham (09:51):**

I think it's a good way. I think there's two things that happen in the sales process. Sometimes there's a really good sales process, but maybe the product isn't the best fit, and that can be tough to see because they're engaging, they speak family office, everything seems to be going and there is something to be said about the cultural fit and if you're getting along with that particular vendor, but it still might not be the best technology fit. The other side of that coin is it might not be the best sales process, but it could be a better product fit. So I do think that use case can really get at that granularity. How do you fight against the shiny object syndrome and the recency bias on, oh, a lot of times it's that last demo, right? Oh yeah, those guys. How do you fight against that? Do you do any sort of waiting or how do you evaluate the various vendors as you've gone through multiple demos across the providers?

**Erin Hulse (10:56):**

Well, the first thing that we do is we have a hellacious RFI that we make people fill out, all the vendors fill out, and so it essentially says it's very extensive and it says, what do you do and what do you not do? And it's categories, AP, AR, GL, performance reporting. That's kind of the first thing. And then we bump it up against what the client needs. Some people are eliminated just from that. Then when we go into the demos,

to your point, Hey, this company is brand new. Hey, this company has been around for a while. The system looks old, but it does what it needs to do.

**(11:31):**

The salesperson is not something you vibe with. Try to overlook that you love the salesperson doesn't matter. And I think to the point earlier, it's just about digging in, digging in and yes, it looks great and it's shiny and this and this and this, but you've got to dig in and see if it can actually do what you need it to do. And I think that's the only way I always tell my clients too. There are vendors that have been around for 20 plus years, there are vendors that have been around for five years. What do you want? You can have something brand new. It probably still has bugs, it's not fully developed, really going to be less expensive. Or you go with something that's maybe not as sexy, but it's proven, it does its thing. It's probably more expensive. And so what is the culture of your office? If clients that have said, I've been through implementation before, I want nothing to do with the new company, I'm going with the tried and true.

**(12:27):**

Fine. There are other people who are like, well, we want the best technology and this is exciting. I can call up and talk to the owner. And they give you attention because you're a newer client and you can also have say in how the system is built.

**(12:42):**

Because they're building it for their clients. And so that's a difference too that you really need to consider.

**Mark Wickersham (12:48):**

I think that's getting at that well, what is the firm's technology personality? Are you an early adopter? Are you up for the things that are involved with being an early adopter? Some of that's a little bit of a science experiment. Things may not be fully fleshed out, but to your point, you get to have more influence on the product direction and chances are they're built on a more modern tech stack versus you're on a tried and true vendor. It may not be the most modern ui. They may have a fair amount of technical debt, which is something they consider sometimes, but that functionality's proven, they have a established client base on it that's been hardened, that functionality. And some people, I think that is not an individual personality thing, but a firm personality thing.

**(13:35):**

I do think another one in terms of that tech personality, best of breed versus all in one. And I think it's one of those things, there's no one right answer for certain firms, a particular approach, one of those approach is better than the others, but it does seem like that should be a decision set that should be more upfront versus something that happens in the vendor evaluation process. But what are your thoughts on that in terms of how should firms be thinking about which branch to go?

**Erin Hulse (14:08):**

That's a good question. A lot of my clients come in wanting a quote, all-in-one, a comprehensive solution. My thoughts around that is they, yes, technically if you're entering things one time, then there's a lot of benefits to that and it's less prone to error. Typically those systems are more complex and so you're going, it's going to be a larger learning curve. Some people simply don't want other multiple vendors touching their data. So if you have two or three, they're like, no, we want everything in one place. We want to deal with one vendor. The downfall of that is they probably do one thing really well and some of the other things they do song,

**(14:55):**

They can't do everything amazingly. So you're kind of weighing the pros and cons there. For the best of breed solution, you've got to do multiple implementations, your data's going to be touching different places. I think if typically for us, if the firm is more accounting focused, the all-in-one solutions have been more popular. If the firm is more bronze reporting focused, there's sort of like a split. The larger firms have a full accounting team and they have a full investment team. And so then both of those teams are running their own system. They can talk. You have to have collaboration between those teams too. But that's the breaking point of how I see the selection going.

**Mark Wickersham (15:44):**

Yeah, I think that's a good point. Who's driving the buying process? If the accounting teams buying the drive that process, then they're going to be more GL centric and lottos all in one tend to be GL based at the core. I think your point's valid too. If you get into larger firms that really have a fully established investment function, a fully established, trying to get a GL to produce a performance report or get you to slice and dice your investment portfolio the way you want to see it can be a challenge. And likewise, the same's true for getting an investment reporting system to come up with a balance sheet. So the best of breed can be a particularly

good approach if you have more established functions, maybe a larger family office for that.

**Erin Hulse (16:36):**

That's right.

**Mark Wickersham (16:37):**

So I think that makes a lot of sense. Before we move off of that, I think we had an example, a particular firm come to us and then we both end up touching one. They were in the selection process, but they were comparing all in ones versus best in breeds or taking a look at you look at, and I'm not saying the vendors they were looking at, but like an archway versus apar, which is probably not a fair comparison. You should be looking at all in ones, the Eatons, the archways, the fun counts of the world and comparing them versus best of breed, what's the best investment system, what's the best CRM, how can I niche those together? Can you talk a little bit about that particular use case and like I said, a good example, maybe somebody should be thinking about that approach up front.

**Erin Hulse (17:25):**

Yeah, so I actually have a client right now, one of our clients, were doing a software search. And so this was at the very beginning of the evaluation and we went in and we talked to all the staff and asked people what they're doing, what are they missing, what is their ideal scenario, what kind of tools do they need to help them do their job? And so one of the first things that they established was they want an all-in-one solution. My recommendation is we are going to look at a few all-in-one solutions, but I also put a best of breed in there, a combination of a best of breed because I don't want to waste their time, but I want to just challenge their thoughts and maybe, I don't know, maybe they thought it was going to be a real pain in the butt and all this stuff, but then maybe once they see it, they're kind of like, so I'm not going to go in and put buy's best of breeds out there, but I'm going to put a combination in there. So just to challenge their thought process, see if that's still what they're thinking, and I'm going to include them in the first round of demos.

**(18:31):**

I'm hearing what they're saying, but I also am here to challenge what they're saying.

**Mark Wickersham (18:36):**

Expose 'em to another alternative. I think that's a problem with some of

these family offices, and it is not their fault. It is that they don't do this on a regular basis. That's some of the benefits of bringing in a firm like yours that does this on a regular basis, that you get to see these various vendors. You go through these various selection process on a regular basis, see what works, what doesn't work, and you can expose them to something they might not be aware of.

**Erin Hulse (19:02):**

Yep, exactly. Yeah, and typically we do, and it's like, Hey, have you ever heard of X, Y, Z? Have you ever looked at them? Oh no. So we will, yeah, and they didn't even know that that firm existed or that combination could have worked.

**Mark Wickersham (19:17):**

Let's shift gears a little bit from the selection process. Talk about the implementation process. What confirms do to better prepare regardless of what they select, what confirms do to better prepare themselves for an upcoming change in their tech stack and upcoming implementation?

**Erin Hulse (19:36):**

If there's a client that is doing things on their own without a consultant, you really have to talk to references about that implementation and just glean as much information as you can. How long did it really take? How many people did you need? How many hours per week? What was the hardest part? What do we need to know? What did you do wrong? What do you wish you would've done better? All of that stuff like grilling references to try to figure out that information would help you prepare. If you're using somebody like us, we do what's called an implementation bootcamp where essentially when you go to sign the contract, the time that it takes between, okay, we're going to sign a contract to signing the contract is typically six to eight weeks. People never believe me on that. They're like, why? That's absurd. And I'm like, just trust me.

**(20:28):**

It just does. So we do, we prep, do a pre-implementation during that time. But what are the things that are in that implementation bootcamp? Well, we talk about resources. One of the first things we do is we'll ask staff members on their own, how many hours do you have to give to this implementation? And they're like, what? 10? Well, the re thinks they have 30, right? And so we're gathering this information, and so I'm like, guys, we have to do math. You can't just throw something at a dartboard and say, oh, we're going to be up and running by 1 26 or whatever it is.



**Mark Wickersham (21:05):**

Right, because you want to, right.

**Erin Hulse (21:07):**

Right. You have to do the math. This implementation is most likely going to take whatever it's going to take. Here are your people, here's how many hours they can give. You're looking at two years for this implementation. And so it's like talking through that about reality hire, possibly hire somebody in-house, one or two people. What's a better way for them to learn your organization than going through an implementation from the ground up? Hire a consultant to help. It's really, most of it is a resource constraints.

**Mark Wickersham (21:41):**

What about data? Another thing that we see a lot of times with implementation that the client's like, oh yeah. And then they give you the data. And the data, especially the older the data gets, the worse it is and it's not consistent across the time series. And yet there is this kind of clinging onto, I got to have since inception, I got to have the books since 78 kind of thing. So what can clients do in terms of cleaning up their data, maybe having different expectations about data conversion? I see that as one of the big pitfalls in the implementation process.

**Erin Hulse (22:19):**

Yes, the data is always not as clean as the client thinks it's going to be. So I think we will cover, let's say it's whatever vendor X, Y, Z, they will have a template that you're going to need to fill out or this implementation. So we look at that and most clients have never dealt with managing tax slots, and that's something that they've never done before. And so, all right, let's look at this template. Here's the data that you need for this template during your implementation. And so you get the shock factor out of the way and then you start talking about it and they're like, well, shit, I guess we better talk to the custodian or see if we can get this report out of custodian to get this data, or where is our private equity data coming from for that? You're going to need full historical data.

**(23:08):**

So it's really thinking about here are the data elements, how do I get to that? I had a client who was using a broker and you could or a custodian, you could only when you were running reports like what's today the 19th? If I wanted the data from yesterday, the tax lot balances from yesterday, I have to run it today. Once today goes away, I can only run it for the prior day. They didn't know that. I mean it was a lot. We

were backing into tax lot balances. It was not a great process. So I think talking about that at the beginning, and to your point, a lot of clients are like, oh yeah, we're going to put in five years of historical data for marketables. And I'm like, okay, I mean listen, probably you're not, but fine, let's start with the current year. And typically they don't because it's simply just so expensive. It's just so expensive to cleanse the data and get it in there. That's the biggest reason they don't end up doing it. Not to mention they're tired, they've already done this implementation by the time they get to phase two

**(24:11):**

Historical data, they're like, yeah, we're not doing that. And I'm like, that's what I thought

**Mark Wickersham (24:16):**

Probably. Yeah, now you're what, five times, 12, 30, 40 months worth of data and versus just maybe more of a balance forward, load up those tax lots go forward. I mean obviously alternative investments, you got to have that it since inception, transaction history, bringing it forward. But you'd see it both on the marketable side, on the investment side and then on the general ledger side, instead of taking a balance forward approach. And then obviously you want kind of a clean fiscal year, but oh no, I need to have that data. I want the full history of it. And then what does that really entail? How long does that take? And is that data any good? And you going to reconcile all those periods? Don't. There's a want, but that want doesn't seem the lineup with their ability. And that's why I call the classic land war in Asia. You just end up in a swamp that you can't get out of.

**Erin Hulse (25:11):**

Oh god. And that's one of the expectations that we set. It's like, again, how much time does your team have? Because for family offices that have been around for a while, there are certain people that in that office that know everything from the past 20 years.

**Mark Wickersham (25:28):**

Where all the bodies are buried, right.

**Erin Hulse (25:29):**

Exactly. And it's like, well guys, we got to reconcile literally everything. What does this AP balance has been in there since 2006? Oh, well, and then you got to debate over what to do with that. And they just looked at it. And so you're right, if you want to spend the money and the time to do it, it can be done. But it's like buying a house. It's like, well, I mean if

you want the pool, you're going to have to give up something else unless you want to have...

**Mark Wickersham (25:57):**

Increase your budget, right?

**Erin Hulse (25:58):**

Yeah, right.

**Mark Wickersham (25:59):**

That's a good one on the adoption, what are the top three things that a family officer can do to make the implementation easier?

**Erin Hulse (26:07):**

Realize that you're going to need more resources, be willing to spend the money to do it, and take the time to figure out what is involved at a granular level.

**Mark Wickersham (26:20):**

When firms are taking, adopting new technology, bringing new systems. Obviously they have certain requirements that they need to meet operational requirements, but how do you balance that against, this is the way we've always done things and they kind of challenge that assumption about really should you do that on the new system? You have new capabilities, new workflows, how do you balance that? There are kind of operational requirements that they have that are legitimate versus the resistance to change and this is the way we've always done it kind of mindset.

**Erin Hulse (26:56):**

Yeah, I mean I think that starts with evaluating the staff. So I had a client, I dunno, last year, a couple of years ago, and during the interview process, there were some people that were close to retirement and they had been using QuickBooks for 20 years because it's a huge mental shift on how these new systems work. And I said, are you going to do this implementation? Are you going to use the system? No, I have no interest in that. Great. I wouldn't neither if I was retiring in a year. So I mean if that's the case, and that might not be the case for all family offices, but it's really looking at the staff. What are their mental states? Do they want to do this? Are they going to retire soon? Are they against doing it? And then it's sort of dealing with that on an individual basis and it's a little bit of therapy I guess, because it's a big shift and I think that entails having direction from the top because a lot of times it's weird. It's like they want to change, they know they need to change and

somebody's kind of driving it, but they're not and they don't have time. And it's like, okay, well if you're superior isn't driving it and saying this is a priority and this is what we're doing, we're going to help you. We're going to train you, we're going to shift your mindset. No one's going to do it because it's hard. I mean who,

**Mark Wickersham (28:21):**

Right? Change is hard, right?

**Erin Hulse (28:23):**

Yeah. I mean if you don't have support and backing from the top and energy from the top and motivation from the top to coach others, I mean, no one's going to be motivated to do it.

**Mark Wickersham (28:36):**

I mean, I don't care what it is. Technology, personal, change is hard. And I think one is recognizing those biases to the comfort of doing things the way versus maybe there is a better way. And I think that's again, back to bringing in an outside perspective,

**(28:56):**

Whether that's for bringing in a consulting firm that can help with that quite a bit, or even employees bringing in new employee employees with different perspectives. And I don't necessarily all have the same background. Maybe somebody's more of a computer science versus an accounting type of background can help out with that as well, but just recognizing the fact that gee is hard. People need support during that process. You're talking about human beings, you're not talking about Xs and OS on this type of thing. So what are some of the other things that the firms can do to make the adoption of technology easier and increase their odds of success?

**Erin Hulse (29:39):**

Don't have a hard deadline that is making your staff stressed out and going to rush and make mistakes to meet this deadline because yes, you need some sort of project plan, but I will talk to my clients and they're like, well, matriarch or matriarch says this has to be in by X, Y, Z date. Right? Well, that's just a disaster in the making because it just is, like I said, I mean it makes people stressed and you're rushing and you're making decisions that might be incorrect. That is probably worst case scenario, being realistic about how long it's going to take and the timeline's likely going to shift, and we're going to find out things that we don't know. That's best case scenario. Yeah, we have a project, we need to get it done, but we want to do it the right way. So making whoever's

in charge and is going to be breathing down your neck realize that it's not a good idea to put restrictions on the project like that. I think that's the number one thing that I see and I will tell the C level that's never going to happen. And I'm like, if you need me to report that to your boss, I'm happy to tell them that. I can walk in and can fire me, whatever. It's hard for them to sometimes communicate that.

**Mark Wickersham (30:54):**

Right.

**Erin Hulse (30:56):**

I also want the C level person to succeed and to do that, I mean somebody kind of needs to tell whoever has unrealistic expectations that they have unrealistic expectations.

**Mark Wickersham (31:07):**

It better if find out earlier than two weeks after the go live date that things are working out. I almost think it's the analogy to a kitchen remodel. You want to get that done quickly and over with as soon as you can, but if your contractor tells you your subflooring needs to be replaced, you should probably replace the subflooring before you put the tile down.

**Erin Hulse (31:29):**

Exactly. I mean, here's the only way that I know how to say it. You it.

**Mark Wickersham (31:34):**

Let's talk about family offices and their love of QuickBooks and Excel. Why are they seem to be overly dependent upon it? QuickBooks in particular, it seems like a lot of family offices regardless of size, which is amazing. You'll see 'em on those platforms and a bit of overreliance on that. But how do they end up in that point and what are some of the kind of problems with family offices that are overly dependent upon those two systems?

**Erin Hulse (32:01):**

I mean, think for QuickBooks, I think it just sort of snowballs. And one day you start out with maybe 10 companies on QuickBooks snowballs, and then one day you wake up and you're like, oh my god, we have a hundred companies on here and I'm having to, it's a pain to switch companies and go to a different company. And then you wake up and you're like, oh, wow, I don't know that this makes sense anymore. And all the data's there, depending on how long the person has been there. They love quick. They've been using QuickBooks for 20 years, it's what they

need. QuickBooks does a lot of things really well. I will have people who start transitioning to a new more complex system and they're like, well, QuickBooks can do this so much better, especially with AP and whatever. I'm like, you're right. It can because that's literally what it's built for. Only that these other systems are more robust. It probably doesn't rent a check as well. It probably doesn't. And so I think it's just the fact that that's what they know. All the data is there and it's cheap. It's cheap. They can get, they're surviving, they're doing business. It's really cheap. And so it's hard for people to, what are the cost benefits of it?

**Mark Wickersham (33:13):**

It's cheap, I think. And to your point, it's easy to stand up. I think that's probably where it is. Not even just always a cost factor. I think a lot of these firms like, oh, we need stand it up and like you said, fine for 7, 8, 10 entities. But obviously I think that that tipping point in terms of scalability is pretty low. 12. You're not talking like a hundred, you're talking in the tens where all of a sudden now you total cost of ownership could be more expensive because

**(33:45):**

You have lots of people doing things. I think the other problem that you have is both with Excel and QuickBooks is the auditability of it, the separation of duties. It's retail software that isn't meant to have kind of the segregation of person that puts in the invoices and the person that's approving it type of a scenario. Or you build really beautiful complex reporting in Excel and it becomes not only a reporting tool but a data tool and then no auditability of it. Chances are there's two or three errors in the spreadsheet and they don't even know about it. Right,

**Erin Hulse (34:23):**

Exactly.

**Mark Wickersham (34:25):**

But it was easy. They could get it to do what they wanted to initially.

**Erin Hulse (34:29):**

And I had a client like that and he had a person, I mean his staff is very low, but low number, but he had a person that had, of course it's a story. We've all heard of this amazing spreadsheet with a hundred tabs. And it was like, and respect, I respect that. But this dude was the only person that knew how to run the spreadsheet. He was like, what if this guy drops dead tomorrow? What are you going to do? And not only that, if you're trying to hire good talent, who wants to come in and run QuickBooks in Excel?

**(35:03):**

People want to run, they want to learn new technology, they want to be up to date. And so it's not super attractive as an employer, but I mean it is. It's tough and it's hard to justify. And one thing too is if you're on QuickBooks and you can catch it before it gets out of hand like fine, we have 25 entities, this is going to become a problem when it's 50. The implementation is going to be less expensive too from that standpoint, and you just got to look out five, 10 years and see what you're going to need. But again, yeah, I mean it's sometimes hard to justify for them.

**Mark Wickersham (35:38):**

So let's talk about, obviously you're dealing with a lot of tech vendors. What are some of the trends that you're seeing in the space? What are some of the cut in newer technologies or technology trends you're seeing now? What are some of the things that are on their horizon and that maybe family offices aren't aware of but are coming soon?

**Erin Hulse (35:57):**

I think in general, over the past five years, there's just been, the tech space has just blown up, right?

**Mark Wickersham (36:06):**

Yeah.

**Erin Hulse (36:06):**

There are so many other options, which is great. It's competition. I love it. I think it's great. Everybody's talking about AI and a lot something that's been popular are the ability to read statements like whatever it is, brokerage statements or capital account statements and take that data and reading data off of a K-1 and putting that into a spreadsheet to be able to track what's missing. Those are the things that have been on the forefront. I think lately. I think integrations between systems and best of breed has been coming back around and everybody's playing nice and everybody's talking to each other. I think it's great. I think those platforms that are not doing that are going to fall behind. Tech is moving so fast now. I mean you've really got to be, it's pretty much impossible to keep up with it, but as long as you're doing the right thing and you're taking the initiative, I mean, there's firms that, smaller firms that are more agile and they can move quickly and they don't need approval for certain things. I mean, it depends on what your risk tolerance is with some of those companies, but I think in general, things are just moving quickly and it's great for consumers.

**(37:21):**

As far as the specific tech that's coming up, I mean, I think you're going to see more ai. I mean it's great. It's awesome. It's cool, especially the tech that's coming out where, hey, you've got an adipar and you need to run a report. You need to learn how to build a report. Sometimes it's not super straightforward and sometimes Power BI that's not an everyday person can just jump in and do that. So you need somebody that's trained well now what's happening? You can go, Hey, platform, what is the return for this and this and this between this period? And then it will tell you instead of having to go in and build a report, yes, reports are still going to have a place, but they're going to be able to tell you that information very, very quickly.

**Mark Wickersham (38:06):**

And then you could ask it to put it into a chart form and it basically knows how to do the Power BI prompts and write that report for you. Yeah.

**Erin Hulse (38:13):**

Yes.

**Mark Wickersham (38:14):**

It is amazing what the power of natural language is going to be able to bring to usability these platforms I think is amazing. Like you said, the information that you want from a business perspective, but maybe you don't know the technicalities of how to get it out of the system. And that's going to change with ai. I do think to your point too, I mean back in the day, not the day myself, but there was earlier in the family office, you had to take products from other industries. You had to take a hedge fund product or something that was maybe on the RA side. Now there's family office specific products and there's lots of 'em, which is great. They're built specifically for the space. That's the good news. The bad news is there's lots of 'em that causes some buyer confusion because now there are more options that were previously available. But what are two or three maybe AI use cases that you see coming down the road that people might not be aware of? I

**Erin Hulse (39:20):**

Think a lot of them have to do with reporting. So to your point, hey, what is asking for a very quick, you need quick data to make decisions. And so I think being able to just ask the system a question, like you said, if it's going to spit out a report that's going to be something that it's going to be able to do really quickly. I think the advancement of AI, being able to read more complex statements, K one, that's a huge one. Can it read the



footnotes? Some of them can, some of them. And so that's going to be something that could save people a lot.

**Mark Wickersham (40:01):**

Yeah, there's a lot of data in those footnotes, right?

**Erin Hulse (40:04):**

Oh my gosh. And so that, is it ever going to be perfect? Probably not. But that can save so much time. There are firms that are coming out with sort of auto reconciliation tools that are going to just, I mean, it's going to save people so much time so that they can spend more time on more value add work, whether analysis, the auto rec tools are pretty amazing. Yeah, I mean, and then the reading of the brokerage statements, again, the alternative statements have been popular. I think the brokerage statements have been harder, but I think that's going to get even better and have some more clarity.

**Mark Wickersham (40:44):**

Yeah, I think that's a good point. On the broker statements, there are obviously structured data feeds you can get from the custodians, but there is gaps in that data.

**Erin Hulse (40:53):**

Yes.

**Mark Wickersham (40:54):**

Itself actually has calculated values. I mean cost basis is this internal quest. It's so hard to get amortization numbers, but a lot of times it's on the statement because calculated at runtime. So I think using AI for a statement ingestion on brokerage accounts is going to help augment and get some data that people have struggled to get with it in the past. I just think to your point around alternative investments, K one subscription agreements, there's so much information that is unstructured that AI is really great at unlocking to be able to either convert unstructured data in the structured data or to summarize vast amounts of information really quickly. And I think the saying out there is that AI is not going to replace people in family offices. People in family offices using AI is got to replace people not right.

**Erin Hulse (41:51):**

Yeah, right.

**Mark Wickersham (41:52):**

There still needs to be that the human copilot, there's still cases where stuff comes back and you're like the AI hallucination dream there. A lot

of it comes down to the prompts too. And I think that's going to be a whole science where people are going to get specialty in prompt management and how to write the prompts to get the data they want. But it's an exciting time for sure.

**Erin Hulse (42:15):**

It is, it is. And I would say just be, yes, AI is cool and it's going to help us, but to your point, be careful of the shiny thing because I think there are some people out there that are pushing the ai, but maybe the system still has bugs or the system's unstable. So I mean, you don't put the cart before the horse and yes, it's a great tool. It's not going to solve all your problems. So don't get fixated on that. Just make sure to still do your due diligence.

**Mark Wickersham (42:45):**

Yeah, I mean it's definitely on the more bleeding edge. I do think too, these firms probably need to think about some sort of AI adoption strategy. There are different types of ai, closed AI versus open ai. And if you're feeding a lot of private investment information into an open ai, into a chat GPT, that's probably not the best thing to be doing with that type of information just because it can be a great tool. And you need to look at ways in which you can find more closed end systems on that. And it's just a matter of these firms educating themselves and getting maybe in front of that to develop policies. So employees are going to out there, take an initiative that maybe you just get educated, have a path, obviously going to be a huge productivity tool, but you need to go and eyes wide open. So let's just wrap it up. This great conversation here, Aaron, just kind of a little bit more on a personal note. We've got a chance to talk about travel for a bit. I know you got a big trip coming up, but what has been your best travel experience to date?

**Erin Hulse (43:51):**

Ooh, that's a tough one. Gosh, probably Southeast Asia.

**Mark Wickersham (43:56):**

Nice.

**Erin Hulse (43:57):**

I mean, it was one of my first, actually my first trip abroad out of the country, other than, okay,

**Mark Wickersham (44:04):**

That's a good one.

**Erin Hulse (44:05):**

Other than Cancun, which I don't think that counts.

**Mark Wickersham (44:08):**

I did a spring break at Cancun.

**Erin Hulse (44:10):**

Spring break, 2003, Cancun. So I think it was probably Southeast Asia. I went to Cambodia, spent a lot of time there and it was my first trip abroad and it was just so different than anything else.

**(44:27):**

It's just so different. And that's probably my top trip, like a closed second so far would be Japan was not on my bucket list. And I was like, I'm going to move here. I'm moving to Japan. And then probably a third would be I did a Machu Picchu type hike.

**Mark Wickersham (44:49):**

Nice

**Erin Hulse (44:49):**

Hike thing.

**Mark Wickersham (44:51):**

Yeah.

**Erin Hulse (44:51):**

And those are probably top three, but I think Southeast Asia was still probably my,

**Mark Wickersham (44:56):**

I want go. I haven't been to Asia, I haven't been to Japan. It is definitely on my list. I would've to say probably, maybe it was a little bit of recency bias, but it was still fabulous. The fam went to Italy this early summer and had a chance to go to Capri. I mean Italy, I love Europe. I think Italy's the best part of Europe, and Capri is like the Nantucket of Italy. It was off the chain. It was just really, really good. Yeah, no, it's a good trip when the wife's like, I think we got to live out here. I could work here. And we could. It's like, I don't know, honey, that time zone's a little much to be still holding on to a job. But yeah, you could kind of see the livability of it. It's like, that's great. So let mean travels on

**Erin Hulse (45:46):**

My list. Going on my list.

**Mark Wickersham (45:49):**

It's so good. There's so many places, right? The world, the more you see, the more you realize it. It's a big world out there.

**Erin Hulse (45:56):**

It is. That people always asking me, what's next on your list? I don't know. Anywhere I haven't been, sign me up.

**Mark Wickersham (46:03):**

Alright, well I appreciate the insights. Always a great conversation and looking forward to our next chat already.

**Erin Hulse (46:10):**

Thanks, mark. I appreciate it.

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