**Technology is Changing our Lives**

*The Good Old Days?*

Do you remember the days when architects still knew how to draw plans, accountants could add rows of figures in their heads, doctors knew how to diagnose without running a barrage of tests, lawyers were articulate and had a command of language and engineers actually knew how to fix things?

Those were the days when we communicated by fixed line telephones and postal services. In a business context, we had typewriters, slide rules, unwieldy main frame computers fed by punch cards and all our records were paper based. Investment managers relied on the Reuters ticker tape, plotted prices on graph paper and placed orders telephonically when stockbrokers walked the floors of the JSE.

How things have evolved since then. Electronic calculators were invented. Telephones became mobile ‘phones which evolved into smartphones. Tape recorders and record players became CD players, the iPod was invented and now we have data streaming. Typewriters became word processors which evolved into desktop computers and then laptops. Telexes became faxes and then we developed scanning facilities. We moved to electronic share trading and then we de-materialized share certificates. We were able to communicate and transmit data instantaneously with the advent the internet. Information became instantly accessible and many records are now stored in the cloud. The world became a global village. The world’s largest companies were no longer the automakers and the mining houses, but the likes of Apple, Microsoft and Alphabet.

Technology has certainly made things easier for us. We can book flights, restaurants and entertainment on the internet. We can draw money at all hours with the advent of the ATM and we can pay accounts and shop on-line. Teachers don’t need blackboards anymore and on-line distance learning has reduced the need for classrooms. Social media is the preferred means of communication and we can chat, share information and even find life partners through networking sites. Conference call facilities allow business people from all over the world to meet without leaving their offices. Your website provides a portal to the outside world no matter how small your business.

*Technology Has its Drawbacks*

Although technology has created an easier and more comfortable lifestyle, it does have its drawbacks. To an extent we have lost the simple art of communication. A text message punctuated with an emoji cannot replicate the warmth of a smile. An email cannot provide the intimacy of a conversation.

Mark Zuckerberg, the founder of Facebook, once famously attributed his success to the fact that “it’s not what you want to know about others, but what you want to tell about yourself”. When blogging or tweeting, are we simply doing the latter?

The improper use of technology can be extremely disruptive. Our family, friends and colleagues expect us to be instantly accessible and so we constantly monitor incoming emails, messages and calls and thereby interrupt our work schedules and irritate our colleagues. Surfing the online news channel or wading through Facebook can be distracting and hugely time consuming.

Society is so saturated by technology that we now have an entire range of new clinical conditions, ranging from addiction to depression. Research psychologist Larry Rosen has coined the collective term “Idisorders”.

In his book “Shadow Work”, Craig Lambert deals with the “unpaid, unseen jobs that fill your day”. New technologies generate fresh tasks for us. The more obvious ones are online shopping and making our own travel arrangements. Our parents never spent time answering unsolicited emails, saving files into directories, deleting spam, installing software upgrades, creating and updating passwords and dodging viruses. This all takes its toll on our time and exhausts our mental bandwidth!

*The Rise of the Robots*

The forces of globalization and automation have severely impacted the lives of lower skilled workers, especially in the banking and manufacturing sectors. Menial tasks are either being outsourced to lowly paid operators in the unregulated markets and sweat shops of India and China or performed by machines. Even the military has been affected, now that pilots are being replaced by drones and robots are used to defuse bombs.

The traditional response is that the solution lies in education and to get ahead, one needs a college education, to constantly re-invent oneself and to be flexible and creative. The blacksmiths of yesteryear became today’s autoworkers. Will our truck drivers have somewhere to go with the advent of self-driving vehicles?

In his book “The Rise of the Robots”, Martin Ford takes issue with the notion that only blue collar workers are in jeopardy. He believes that technology threatens the nimblest and most expensively educated amongst us. Lawyers, radiologists and software engineers are all under threat. He quotes Wired magazine’s prediction that within a decade, 90% of all news articles will be computer generated.

Even the IT Industry has not been left unscathed. Having initially absorbed many people, its coming of age has led to increased competition, the erosion of margins and the inevitable job losses.

*The Financial Planning Profession*

Technology has revolutionized the financial advice process. To run a successful and compliant practice, one needs a robust planning methodology, a client relationship management database and real time access to information held by investment managers and product manufacturers.

New technologies have made it easier for clients to conduct their own research into investment fund managers and there is a proliferation of investment surveys in the financial press. Commoditized solutions are freely available. We can purchase shares and unit trusts, trade currencies and obtain life assurance through the internet.

A recent trend is the emergence of so-called robo-advisers who may be accessed on your own terms without the need to divulge confidential personal information. Given the current media hype regarding the merits of passive investments and the extent to which advice fees erode investment returns, it is not surprising that many people are asking whether the role for the independent financial adviser is sustainable.

At PKF Wealth we strongly believe that what differentiates professional advice from product distribution is the extent to which we engage with you to fully understand your needs, through mutually agreeing and setting goals and the ongoing monitoring of outcomes against the backdrop of your changing personal circumstances.

Our process is not to use a “one size fits all” approach, but rather to follow a process in order to formulate an eligible universe of acceptable investment funds and risk solutions which form the basis of our house view.

The intellectual framework that we create through the financial planning process acts as protection against emotional reaction during volatile times. Our role in these times is to consistently evaluate the investment environment within the context of your financial plan to ensure that the desired outcome and goals are achieved.

Technology does not make one an empathetic listener, a concerned adviser or one who thoughtfully applies their mind to understand your needs. Perhaps this is what B F Skinner had in mind when he said, “The real problem is not whether machines think, but whether men do.”

Technology can impart knowledge but not skill. The latter is the preserve of the professional adviser. At PKF Wealth we have the expertise to partner with you on this journey.