

Money Management May Become Man Vs. Machine, Futurist Says

By Judith Burns Dow Jones News Service

DALLAS

Dr. James Canton has seen the future and believes it will offer enormous challenges- and opportunities-for money managers. “We see new technologies developing that will rock your world,” warns Canton, Executive Director of San Francisco-based The Institute For Global Futures and Praxis, a high-tech consulting firm. Speaking Thursday to the Investment Management Consultants Association, the self-described “working futurist” predicted money managers soon will find themselves pitted against intelligent “digital agents” that offer investors customized, on-line financial planning and advice.

These digital agents will compare mutual fund managers’ performance, advise investors on the best funds, based on their investment goals, and negotiate fees with the funds themselves, Canton says. And the technology isn’t pie-in-the-sky, he adds: “I have seen the prototypes”.

Money managers face new competitors already-and among those scrambling to enter the lucrative business are some of the biggest names in the computer industry, Canton adds. “You don’t think Microsoft (MSFT) wants your clients?” he asks. “Think again.” Guard against complacency, not technology, Canton recommends. “If you think its not going to change, you’re wrong.” He declares. “It’s all going to change.”

Indeed, the pace of change is picking up. Canton says it took nearly 35 years for telephones to reach 10 million users, and 20 years for fax machines to do the same. That fell to about 10 years for personal computers, cellular telephones and video cassette recorders-and now less than five years for the Internet.