## Overview and Origin

\* Name of company

- **Betterment**

\* When was the company incorporated?  
- **2008**

\* Who are the founders of the company?  
- **Jon Stein**

\* How did the idea for the company (or project) come about?  
- **The founder Jon Stein created the company focused on his passion for making life better through financial success, drawing on his experience from advising banks and brokers on risk and products he created an algorithm aimed to assist people with no knowledge of the stock market invest their money and receive a positive return.**

\* How is the company funded? How much funding have they received?

- **Betterment received Series A round funding from Bessemer Venture Partners as well as Series B funding from Menlo Ventures. Betterment has received $275 million across eight rounds of venture capital funding.**

## Business Activities:

\* What specific financial problem is the company or project trying to solve?  
- **Betterment is aimed to help beginner investors who don’t know much about investing or the stock market invest their money and achieve a reasonable return through automated, algorithm-driven financial planning services.**

\* Who is the company's intended customer? Is there any information about the market size of this set of customers?

What solution does this company offer that their competitors do not or cannot offer? (What is the unfair advantage they utilize?)  
- **Betterment’s intended customer are newbie investors that don’t know much about the stock market or investing in general but still want to invest and make money. The services and app are open to anyone who want to invest so there is no specific market size.  
 Betterment is the best option for beginners because of its user-friendly platform that is intuitive, offers the easiest account setup of any of its competitors, and is full of educational resources. Combine that with incredibly low annual rates and an account minimum of only $10 Betterment expands its range of clients/users to almost anyone who is interested in trying it out.**

\* Which technologies are they currently using, and how are they implementing them? (This may take a little bit of sleuthing–– you may want to search the company’s engineering blog or use sites like Stackshare to find this information.)  
- **From a coding standpoint Betterment uses technology such as java, java script, python, as well Many robo-advising companies don’t offer an online chat feature for customers/prospective customers that have questions and/or technical issues and need support. As CSS 3 and Ruby.** **I was reading about a specific technological innovation that Betterment implemented into their company when many trans-users were asking to change their legal names in the app to their affirming names after they had transitioned. Even though Betterment is required by the government to have a record of the customers legal first name that didn’t stop them from maintaining inclusivity for their users. They needed to provide their users with a way to share their preferred name and then begin using it. From a technology aspect, it was generally straightforward, they were able to achieve this by hiding the user’s legal name in a dropdown accordion that is toggled closed by default. They also created a flow that shows users why Betterment does require their legal name, and goes onto show them how to change their preferred name in the future if they would like to.**

## Landscape:

\* What domain of the financial industry is the company in?  
- **Robo-advising**

\* What have been the major trends and innovations of this domain over the last 5-10 years?  
- **Robo advisors have grown to an 8% adoption rate over the last 5 to 10 years. In addition, millennials show a much higher rate of adoption than any other generation, especially millennials with more money to *invest. Also, many robo advisors have begun to launch, free financial planning tools that essentially steer customers to an investment management platform.***

\* What are the other major companies in this domain?

- **Wealthfront, Interactive Advisors, E\*TRADE Core Portfolios**

## Results

\* What has been the business impact of this company so far?  
- **Betterment has changed the financial industry, allowing everyday people who don’t know anything about finance, the stock market, or investing to take small or large amounts of money, invest it and receive positive returns with minimal to low amounts of risk.** **This eliminates the need to go to a traditional stock broker or investor who may take a larger percentage of one’s returns.**

\* What are some of the core metrics that companies in this domain use to measure success? How is your company performing, based on these metrics?’  
- **Betterment tracks its success parallel to other companies in the domain by its amount of users signing up relative to other firms. As far as this metric goes Betterment is the number one option among robo-advisors as it is the most inclusive and easiest option for anyone to sign up that wishes to.**

\* How is your company performing relative to competitors in the same domain?

- **As the first robo-advisor launched in 2008 and today’s largest independent robo-advisor Betterment is the clear industry-leader. With two service options, Betterment Digital which is it’s standard option (no account minimum and only 0.25% fees) as well as Betterment Premium which is their upgraded package with unlimited phone access to certified financial planners and 0.40% fees Betterment is the clear choice for beginner investors and more experienced knowledgeable investors alike.**

## Recommendations

\* If you were to advise the company, what products or services would you suggest they offer? (This could be something that a competitor offers, or use your imagination!)  
- **Betterment’s standard plan has a charge of $199-$299 to talk to a financial planner. My recommendation would be to lower costs to speak with these planners or eliminate them as a whole.**

\* Why do you think that offering this product or service would benefit the company?  
- **This would make the platform more inclusive and give more newbie investors access to a more comprehensive understanding of what they’re investing in and how their money is being utilized to grow their portfolio.**

\* What technologies would this additional product or service utilize?  
- **This service would utilize its already existing mobile chat feature that allows users to speak with financial planners directly through the app/website.**

\* Why are these technologies appropriate for your solution?  
- **Betterment is known to be the best option for beginners and with low rates and minimum account balances it is also the most inclusive option as potential customers don’t have to have a lot of money in order to get started. Unfortunately, the expensive rates they charge users to speak with financial planners contradict this company mindset and make it less inclusive for customers who may not have the amount of money necessary to talk to a planner.**

Sources:

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