

# IMPROVING WEALTH MANAGEMENT

Find out how the digital revolution forces firms to adopt new technological practices within their culture, and how this helps meet the expectation of digitally aware customers.



**MAXIRON**  
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A violin and bow are shown in a dark, moody setting. A bright, out-of-focus light source in the upper left creates a bokeh effect. The violin is positioned on the left side of the frame, with its body and f-hole visible. The bow is held across the strings. A yellow rectangular box is overlaid on the right side of the image, containing text.

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"Changes call for  
innovation, and  
innovation leads to  
progress.

- Le Keqiang

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A hand is holding a small, colorful globe of the world. The globe shows continents in yellow and green and oceans in blue. Labels like 'NORTH AMERICA', 'SOUTH AMERICA', 'BRAZIL', and 'ATLANTIC OCEAN' are visible. The background is a blurred landscape of mountains and a body of water under a clear blue sky.

**"Silicon Valley  
investors have been  
pouring money into  
fintech, with total  
investments  
reaching \$2.97  
billion last year."**

**- IAG**

<sup>11</sup> "Use Mobile Technology Better or Risk Losing Clients." IAG Breaking News. Accessed January 29, 2016.

<http://www.financial-planning.com/news/what-wealth-managers-are-getting-wrong-on-mobile-2685810-1.html>.


# START-UPS CHANGING THE GAME

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An ongoing, generationally-driven revolution in the Fintech industry has propelled technological shifts. Management of personal investment assets through online mediums has become a force of high demand by digitally oriented investors.

Fintech startups, with their revisionised perspective of the market, have managed to devise innovative solutions that have moulded the financial services sector, differently to what it was perceived to be before. However, this rapid force of digital revolution has left traditional firms to be outdated, with 40% relying on legacy systems over seven years old. Financial institutions that fail to adapt or plan for these technological shifts face significant risks.





"As the great  
intergenerational  
wealth transfer from  
Baby Boomers to  
millennials begins,  
the average firm is  
poorly positioned. "

- Millennial  
Disruption Index


<sup>2</sup> Canright, Collin. "Toward a Golden Age in FinTech." In *FinTech Rising 2018: Toward a Golden Age in FinTech*, 3.

# OUT WITH THE OLD, IN WITH THE NEW

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Millennials born in an age of thriving digital technology (the 1980s – 2000s), often misconstrue the lines of ‘work time’ and ‘play time’, when it comes to technology and social media. This behaviour is also often continued when it comes to management of finances. It is a growing trend that they appear to lean towards the prospect of improved convenience even at the cost of their privacy. They have become indifferent and have don't have an affinity in relying on traditional banks and other established financial brands.

A study conducted and reported in the Millennial Disruption Index, revealed that within all the industries examined, banks are of highest risk, twice as much as the risk of the reported runner up. The studies have shown trends in a growing belief of the redundancy of banks in the eyes of the younger generation, as they focus their engagements upon an entirely digital environment. Traditional financial practice will, therefore, be at risk and inevitably decline, unless they adapt to cater to these younger clients.

A blurred background image showing a person in a light blue button-down shirt sitting at a wooden desk, writing in a notebook with a yellow pencil. The scene is lit with warm, orange-toned light.

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**"Digitally savvy  
investors are much  
more likely to  
characterize  
themselves as self-  
directed online traders  
and use advanced  
technology and mobile  
devices to enable their  
financial lives."**



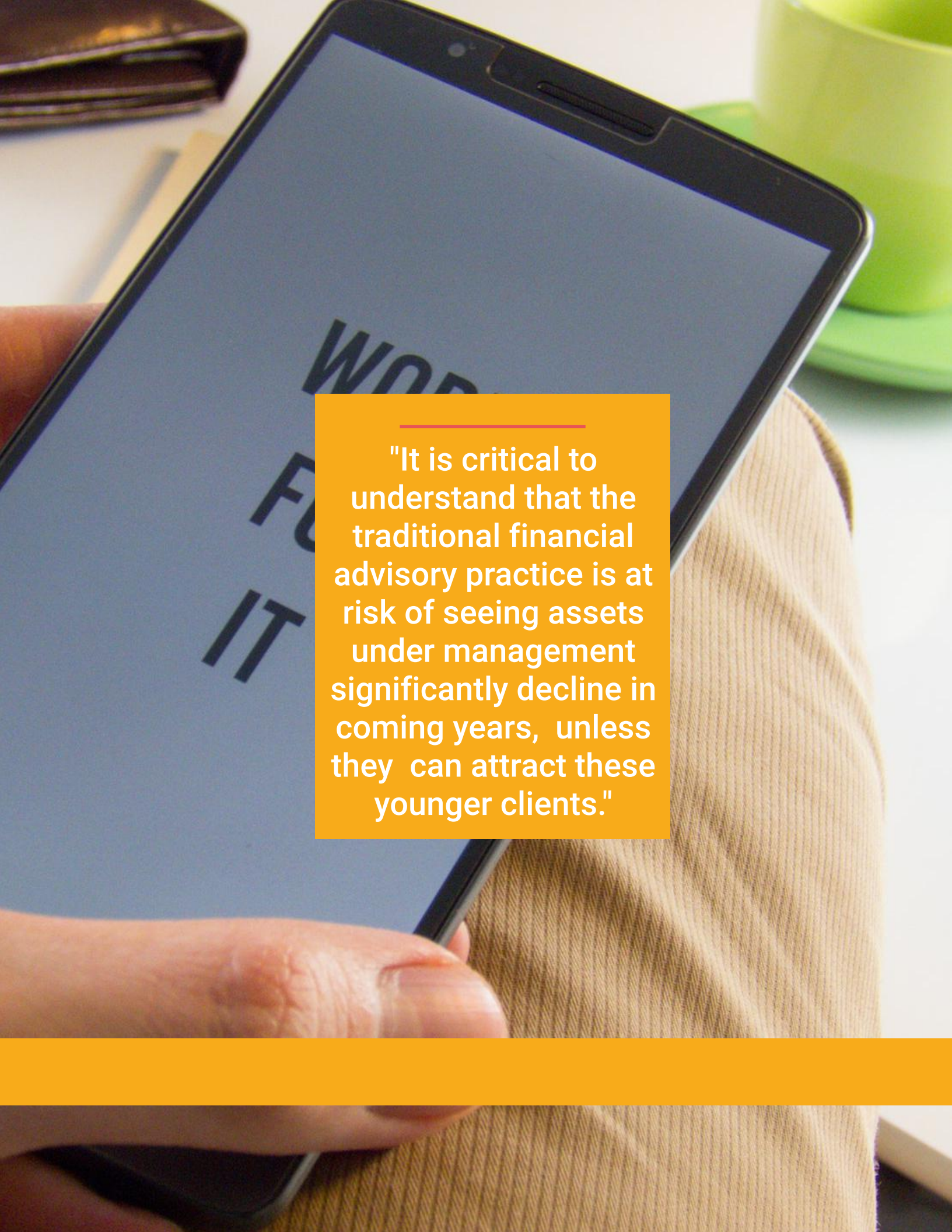
# CRITERIA 1:

## DIVING DEEP INTO THE MARKET SITUATION

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With the millennials inherently becoming more technologically immersed in their everyday environments, they expect to have guidance with the most advanced technologies throughout the course of their financial involvements. A study conducted by the Aite Group revealed that of wealth management and financial advisory firms, only 36% offer capabilities for account aggregation on their site. Fewer than 20% give reigns to its client to alter or construct their financial plan.

Millennials that are comprehensive of the existing digital world demand an aggregated view of all their accounts in one place. This allows the millennials to make financial decisions quickly and conveniently in real time. The 2013 Benchmarking survey conducted by CEB, however, revealed that 90% of advisors fail to consider the client's entire portfolio with a holistic approach. Thus, their ability to advise clients minimises.

A close-up photograph of a hand holding a black smartphone. The phone's screen is dark blue and displays the words "WORD", "FOR", and "IT" in large, white, sans-serif capital letters, arranged vertically. Overlaid on the right side of the screen is a bright orange rectangular box containing a quote in white text. The background is softly blurred, showing a brown leather wallet in the top left and a green ceramic cup on a matching saucer in the top right. The hand holding the phone is wearing a light-colored, ribbed sleeve.

**"It is critical to understand that the traditional financial advisory practice is at risk of seeing assets under management significantly decline in coming years, unless they can attract these younger clients."**

# **CRITERIA 2:**

# **A WELCOMING AND**

# **PERSONALISED**

# **EXPERIENCE**

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Investors today feel no proclivity to navigate across web pages, to obtain transactional and investment information. Naturally, those that are digitally capable and understanding gravitate to sites that provide an engaging experience. Wealth management advisory firms can capitalise on such behaviour, by providing individualised and personal digital tools tailored to manage the finances of its investors. In turn, firms can showcase their wealth management product and services that may appeal to their client's wants and needs.





**"Direct  
interaction—the  
experiences people  
have as a  
customer—makes a  
big difference to  
improving reputation  
and garnering trust. "**

# CRITERIA 3: CONVENIENCE IS KING

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Those investors that are digitally capable, continually find technological solutions to enhance their financial management. Added convenience appeals to investors. An 'anytime, anywhere' functionality is key to keeping and acquiring new investors; they will be willing to switch to other firms if their current firms do not offer these technological experiences.

The background of the slide features a vibrant sunset over a body of water. Two people are silhouetted against the bright orange and yellow sky, captured in mid-air as if jumping or dancing joyfully. The person on the left is in a dynamic pose with one arm raised. The person on the right has their arms spread wide. The overall mood is one of freedom and optimism.

**"A new business model  
called platforms is  
what's emerging  
instead. Bank platform  
providers are trust  
brokers, filling the gap  
in tech skills that banks  
need "**

**- Ron Shevlin**

<sup>6</sup> Shevlin, Ron. 2017. Bank-Fintechs Partnership panel at NextMoney conference, Chicago. September, 26, 2017.



# ENHANCING INVESTMENT EXPERIENCE

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To cater towards those that demand high-end digital experience, Fintech start-ups are inclined to maximise the technological offerings for their customers. For financial institutions to compete, it is essential that they also begin to prioritise harnessing high-end technology that focuses on improved relationship-making that allows transactions to be more personalised.

Humans have emotions and can serve to be the most powerful tool to protect clients from their worst instincts. Investment institution should harness the power of emotions, and adopt relationship-based management, that leverages top-end technology. This allows them to anticipate the different desires of the customers throughout different junctures of their lives.

Institutions that are capable of delivering both a memorable relational and digital experience will be able to fulfil the desires of these technology-oriented minded investors best.

An abstract composition featuring translucent geometric shapes in yellow, red, and blue, layered over a white grid pattern on a light blue background. A dark blue rectangular box is centered over the grid, containing white text.

**"Wealth  
management firms  
can move to the new  
paradigm more  
quickly with the help  
of a best-of-breed  
tech partner. "**

**- Ryan Zagone**

# ADAPTING TO DIGITAL SHIFTS

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Financial visibility and comprehensive management of all accounts is key to growth. Changing the technological culture that has been pre-established for many years is a daunting task. Wealth management firms that seek to improve the digital experience of customers need an experienced technology partner that allow them to be immersed in this new digital paradigm.

The quickest solution of all is to obtain the support of a best-of-breed technology partner. In this situation, the leveraging technology can rapidly deploy an enhanced digital experience under the customer's brand. Revenue margins can be maximised, as the new platform enhances the attractiveness of the brand and promotes loyalty from new and existing customers.





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