

Avaloq's Asia Pacific Head on the Seamless Delivery of Future-Focused Solutions

Avaloq's client base reads like a who's who of European and regional Asian private banking and wealth management clients, including names such as HSBC, Société Générale, Deutsche Bank, Vontobel, Coutts, Raiffeisen in Europe and a growing list of customers in Asia such as Nomura, DBS, Maybank, CIMB Bank, Kasikornbank, Mandiri, BPI, and plenty more. Boasting more than 158 active clients globally, most of which are in Europe and Asia, Avaloq has become a standard-bearer for technological and software innovation in the wealth industry, delivering both solutions and the operation of those solutions for the company's rapidly increasing catalogue of clients. Hubbis' met up' with Imad Abou Haider, General Manager - Head of Asia at Avaloq in Singapore, by video link to learn more about the firm's plans for the region and how Avaloq not only plans to build with its clients but to constantly stay one step ahead in anticipation of their evolving needs and expectations.

“It is quite fair to state that we are the overall leader in wealth management and private banking in our field,” Imad states, opening the discussion. “We differentiate from the rest of the crowd by not only offering our solutions to our customers but also by operating and using our solutions ourselves on a daily basis.”

Imad elaborates on this, explaining that the company provides on-premise solutions, but at the same time provides SaaS – software as a service – as well as providing BPaaS – business process as a service. “We are therefore able to take over whole segments of necessary activities from our customers and provide those in an industrialised and highly efficient, highly automated way to help them cope with business growth while managing their costs,” he reports.

Originally from Switzerland, Avaloq is today a global firm with a presence and customers in many, many countries. The firm’s marketing material presents a global services company with a core focus on banking and wealth management technology. The company states it works with 150+ financial institutions and 200+ Raiffeisen banks branches, and that it generated some CHF609 million in revenues in 2019.

The firm counts a vast USD4.5 trillion of client assets on the platform, built up over the past 30 years of experience in delivering financial services through a network today of 22 offices, working across more than 30 jurisdictions to date.

Asia – a market of great potential

Imad notes that Avaloq has been in Asia for more than ten years, first

Imad Abou Haidar’s Key Priorities for Avaloq in Asia

His first mission is to remain as close to clients as possible, despite being unable to visit them directly. “We work with our clients across the world both very closely and for many, many years,” he reports. “The average customer tenure at Avaloq is close to 10 years. Our focus is really on remaining extremely close to our customers, building and nurturing our relationships and partnerships with them.”

His second priority is enhancing digitalisation. “Our clients are clearly facing numerous challenges in the current situation,” he observes, “and we believe that digitalisation will remain a very, very important topic for the years to come. We continue to invest to provide specific solutions and advances in that area.”

The third area of focus is mobile. “Being able to work as effectively as possible on the go, providing the relationship managers greater ability to interact with their customers while they are on the go, that is definitely a key and growing element of our offering today and certainly a key differentiator of the Avaloq positioning worldwide.”

setting up to support some of the established European customers who were expanding their business. He reports that those earlier years in Asia were to support those global firms expanding into the region, and then for the last few years, Avaloq made a strategic shift to focus on

footprints, focusing first on Hong Kong and Singapore, then venturing more into Southeast Asia and the Greater China region.

“And today,” he explains, “we have presence in the majority of the key countries of the region, and we are

“This allows us to provide best of breed solutions, covering all aspects of the business with our customers, front, middle and back-offices. Essentially, we drive the digital transformation and automation of the industry, providing a fully integrated banking software solution that achieves an outstanding digital experience for banks and wealth managers and of course, their end customers.”

leading local and regional financial sector leaders growing their wealth management and private banking

seeing considerably more growth, with customers now in Hong Kong, Singapore, Thailand, Indonesia, the



IMAD ABOUT HAIDAR

Avaloq

Philippines, Malaysia, and Taiwan, while we are in discussions on some other countries as well.”

Investing for the future

Imad believes that Avaloq’s key to success is its focus on wealth management and private banking. “We invest heavily in these areas, in both new solutions and our teams,” he reports. “This allows us to provide best of breed solutions, covering all aspects of the business with our customers, front, middle and back-offices. Essentially, we drive the digital transformation and automation of the industry, providing a fully integrated banking software solution that achieves an outstanding digital experience for banks and wealth managers and of course, their end customers.”

He explains that the firm delivers these solutions through standard software as a service (SaaS) or business process as a service (BPaaS) model, which enables customers to choose the right model that ideally fits their business. “It is no empty claim that with 158 major banking names using Avaloq, the majority of the leading banks in the

Getting personal with Imad About Haidar

Imad was born in Lebanon and then educated in France, later studying Economics and Business Administration in Paris, and then starting his career into technology and innovation with Accenture, and his career development saw him move to Singapore in 2005.

“For me,” he reports, “my career has really been all about building long-term relationships, being focused on the long-term commitments to the business, colleagues and clients, and then living up to those commitments. That’s extremely, extremely important in our industry. The easy way might not always be the best way, so we need to always act for our customers as long-term partners, and make sure we put in place the right solutions, the right systems for the long term.

He is married, and the couple has three daughters. The two eldest are now at university in the UK and the youngest is still attending high school in Singapore.

He describes himself as an outdoors person, and is both an avid cyclist, and a keen and regular hiker. Triathlon is another family pastime, when time and pandemics permit, usually in Asia or in the Catalan Pyrenees, where the family has a chalet.

industry are using us. Moreover, we are the only independent provider in this financial services space who develops and operates its own software.”

The build and operate model helps clients achieve a turnkey solution and immense simplicity, removing many of the complexities and hurdles that often impede customers’ progress. “We have turned it into a fairly simple service,” he reports, “so the clients are removed from these complexities. With more than 2,200 people worldwide now and with our HQ in Zurich, 22 offices and three R&D centres, we have the coverage to handle these challenges and to provide a seamless service.”

Keeping pace with market trends

Imad reports that Avaloq’s ability to address multiple client segments from the UHNW to mass-affluent categories is vital in the Asian market as it is evolving today. “When we initially came to the region over a decade ago, the focus was on private banking for the HNW and UHNW community,” he recalls, “but today the local and regional clients in Asia want to increasingly service their growing customer segments within the mass-affluent space, driven of course by the rapid expansion of the middle class in Asia, and their expectations for higher levels of services and advisory offerings that were not deliverable using the

existing legacy technologies within a standard retail banking solution, for example.”

He explains that as this segment has grown, so too the financial service providers have wanted to grow with them, to stay one step ahead of their needs and therefore remain fully competitive. “It has been all about retaining them as customers and being ready to capture the growth they offer ahead, as the onshore wealth management model evolves rapidly in Asia,” he reports. “And this has been driving much of our client acquisition in the region, in effect acting as the facilitator of new technologies to help drive this democratisation of wealth, a key driver for our clients and for us in the foreseeable years ahead.”

“So, imagine if you have a series of layers in your banking solution provided by different vendors but each time new innovation comes in it will impact each and every layer of the solution already in place. However, working with us, as we offer an integrated solution, we are able to streamline the effect of any innovation, introducing new products seamlessly, rapidly and effectively, all at manageable cost levels.”

One suite to catch all

Avaloq, Imad reports, offers a purpose-built integrated banking software solution that within one suite of components addresses the different needs of the different market segments that a bank client may need addressing.

“Historically,” he explains, “much of the cost has been incurred in building integration between different components and moving data around between different components. But with Avaloq, we offer a fully integrated and

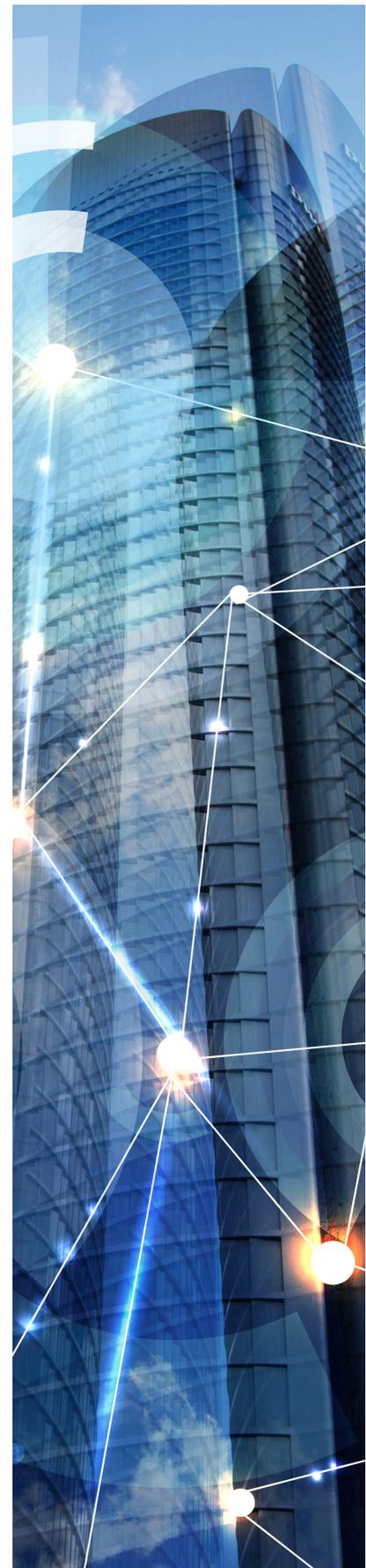
purpose-built specialised solution that is fully integrated from the customer side to the relationship manager side covering all key areas from advisory, risk, compliance, and the back-office including accounting. As we provide this solution as SaaS or BPaaS this helps our clients reduce their costs while at the same time increasing the value proposition to their own customers.”

He adds that the clients are benefiting from Avaloq’s decades of investments in software for standard banking processes, in order to streamline, automate, and transform the way banks operate.

Facilitating innovation

“The objective is to allow banks to introduce product innovation

faster and at lower costs,” he states. “So, imagine if you have a series of layers in your banking solution provided by different vendors but each time new innovation comes in it will impact each and every layer of the solution already in place. However, working with us, as we offer an integrated solution, we are able to streamline the effect of any innovation, introducing new products seamlessly, rapidly and effectively, all at manageable cost levels.”





The pandemic has, of course, resulted in numerous challenges for Avaloq and its customers. “We have been able to operate in an extremely resilient way entirely from home since the beginning of the year and considering that we operate a very large number of customers through our BPaaS centres, running the software, the solutions for our customers, we have been able to provide that seamlessly but remotely.”

Remote controls

To achieve this, he reports that further progress has been made in the digitalisation of operations and Avaloq has introduced a new technology called SDS – sensitive data segregation - which helps clients to adapt to the new normal of working remotely while remaining within a regulated, secure and compliant environment.

“This,” he elucidates, “allows our clients’ personnel to access the solutions, but only access the data they were supposed to access, so that they can perform the task they are supposed to perform. “As we do not envisage this current situation changing anytime soon, we have a series of solutions as part of the Avaloq suite that allow our customers and our advisors to keep interacting and developing their interaction with their own customers through digital tools that we will keep enhancing through further investment and development.”

Socialising solutions

Of these tools, Imad reports a key advance would allow the relationship managers to interact with their own customers using social media. “You have more and more regulators who are now allowing such interactions,” he reports.

“We have put in place digital solutions that allow Relationship Managers to continue to engage their clients despite the pandemic through what we called Conversational Banking. Together with our Avaloq.One ecosystem that allows more FinTechs to integrate to our digital platforms, we bring to our customers Avaloq solutions along with faster innovation to their end customers. This is something we have been working on for some years already, part of our forward vision to invest in digital solutions so that our clients could maximise and strengthen their engagement with their own customers.”

He explains that through Avaloq, One the firm has moved away from a model where all innovation has to come from one vendor. “That was the model five or 10 years ago, but we have evolved to a model where innovation comes from the platform, innovation comes from the ecosystem and we strongly believe in Avaloq that by bringing together innovation from our ecosystem to our customers, we are bringing more values to the overall chain. An example would be the new Avaloq Wealth Platform which we announced recently that is digital, standalone, brings along innovation from us and our partners, and is powered by a high level of automation and outstanding digital experience for both the advisors and their end clients.”

Coping in a crisis

Both SaaS and BPaaS, he explains, have really helped Avaloq’s clients to ensure that there is no downtime in their operations and at the same time handle the increased volumes from their end-customers, especially amongst the growing ranks of Asia’s mass affluent.

“We looked at March 2019 compared with March 2020,” he reports. “and we saw a 160% increase in transactions for those SaaS and BPaaS clients, yet we were able to cater for those increased volumes and maintain the service level agreements with all our customers. A key issue by the way in Asia is around data residency, but with our sensitive data segregation technology, we believe we have a very good, very good answer for this data residency question for these Asian markets, therefore elevating our credibility and effectiveness for our clients.”

While Avaloq’s client base reads like a who’s who of European private banking and wealth management clients, historically, Avaloq has been consistently building new clients across the length and breadth of Asia.

Amongst newer clients in this region, the firm has been working with the Bank of the Philippines Islands as a new SaaS client and Bank Mandiri from Indonesia.

Facilitating growth

“With all these newer clients we are implementing our solution

to replace older technologies,” Imad reports. “But I think the key development we are seeing here underlying these new mandates is for local and regional institutions here to more rapidly develop new technologies and even move into new geographies in order to support their growth. They are looking at a differentiation from the point of view of products and services they can offer to their customers, and working out how they can also capture new customers, and for these goals, Avaloq is a very safe partner with a great track record and a very strong value proposition.”

Imad reports that the firm sees strong growth ahead in Greater China. “While Hong Kong has had its impediments of late, the WealthConnect scheme has been facilitating the flow of funds into the Greater Bay area and will bring a major business opportunity actually for wealth and private banking in Greater China,” he observes. “We have recently brought in a new head for our Greater China business, industry expert Pascal Wengi, and we are investing to capture what we

believe will be one of the growth engines for us for the years to come. Pascal will spearhead that region for us.”

Furthermore, he reports that Avaloq has also been investing in solutions to accommodate new asset classes, for example crypto assets and tokenised assets. “This is a market segment in its infancy,” he comments, “but one we want to be closely involved in from these early stages of the journey.”

Imad closes the main discussion with a reiteration of his and Avaloq’s key principles. “We are here for the long-term as a partner with our clients for the future of their businesses, as they expand across different segments, different asset classes and different geographies, and as they tackle whatever foreseeable and unforeseen challenges that arise,” he states. “Whatever the outcome from the pandemic, we have proven that we can react rapidly and help keep our clients ahead of or on top of the many challenges they are facing. Exciting times lie ahead for our clients and us across this dynamic and diverse region.” ■

