

DEVELOPING A COMPELLING VALUE PROPOSITION IN INDONESIA

A KEY WAY FOR WEALTH MANAGEMENT PLAYERS TO DIFFERENTIATE THEMSELVES IN INDONESIA IS THROUGH THE CLIENT EXPERIENCE. SPEAKING ON A PANEL AT HUBBIS' INDONESIAN WEALTH MANAGEMENT FORUM 2013 IN JAKARTA IN LATE OCTOBER, INDUSTRY EXPERTS GAVE THEIR VIEWS ON CLIENT EXPECTATIONS, THE USE OF TECHNOLOGY AND THE CHANGING NEEDS OF THE NEXT GENERATION.



Torsten Linke
Standard Chartered Private Bank

"The internet has provided transparency but there is also conflicting and confusing information online which makes advice even more important today,"

Despite the infancy of the Indonesian wealth management industry, clients demand the same level of service as wealthy individuals in more developed markets.

This was according to panel members speaking at Hubbis' Indonesian Wealth Management Forum 2013 in Jakarta in late October.

To serve the demands of Indonesians effectively, industry players should therefore learn from more established global counterparts – observing their best practices and avoiding the mis-

takes they have made in the past, said panel speakers.

"Clients in Indonesia expect high quality, holistic advice delivered with integrity," said Torsten Linke, managing director and head of relationship management at Standard Chartered Private Bank in South-east Asia.

"They also want high returns and safety, so it's similar to other markets."

Especially in terms of investment choices, Indonesian investors want to experience what their peers in more

developed parts of the world have access to.

"A lot of Indonesians are restricted not just in terms of product but also in terms of currencies – they want to have holdings in US dollars, for example, but have limited access," added Jake Wallis, country manager at Imperium Capital.

A BIGGER ROLE FOR TECHNOLOGY

Technology will play a pivotal role in bettering the client experience, in Indonesia and globally, agreed panelists.

In particular, a trend that panel speakers are seeing is heavy investment into front-line capabilities, presenting a need for compatible technology to support their function.

Relationship managers (RMs) need technology that "acts as their best friend or concierge", said Andrew Au, chief executive officer of AG Delta, rather than something that requires onerous upkeep to be useful.

Twitter or Facebook feeds are perfect examples of the way information can

FEATURE ARTICLE

be collated and presented in a user-friendly way. Applying the same principal to investment information will enable RMs to have more engaging and relevant conversations.

"For instance, the feed might say a particular stock has moved and these are the 10 clients that this will impact so you need to contact them," explained Au.

Daniel Kennedy, regional solutions manager at DST Global Solutions in Asia, echoed the need for more relevant communications with investors,

Andrew Au

AG Delta

"Relationship managers need technology that acts as their best friend, or concierge"



Daniel Kennedy

DST Global Solutions

"If data is effectively interpreted via an automated process then it enables the RM to spend more time with the client and provide them with more useful advice"



professionals to actually use the tools can prove a challenging next step for firms, said panelists.

To overcome this hurdle, panel speakers agreed that getting advisers involved in the early stages of the technology design is key to ensuring its effective incorporation in their day-to-day activities.

For example, investing in technology that is mobile is more useful to RMs considering the nature of their role often requires them to be "on-the-go" when attending client meetings.

highlighting the increasing demand for investment data analytics and management. "If data is effectively interpreted via an automated process then it enables the RM to spend more time with the client and provide them with more useful advice," he explained.

ADOPTING NEW SOLUTIONS AND SYSTEMS

Spending big on the latest technology is only the beginning of the journey to providing a top-notch client experience; convincing wealth management

Jake Wallis

Imperium Capital

"A lot of Indonesians are restricted not just in terms of product but also in terms of currencies – they want more."



FEATURE ARTICLE

Further, bankers are concerned about the growing number of online portals for self-directed wealth management.

"So they are only interested in technologies that will differentiate them," said Ian Thompson, business development manager for Sopra Banking Software in Asia Pacific.

FROM THE CLIENT'S PERSPECTIVE

Equally, when developing or acquiring technology that clients will interact with, their needs must be accounted for, said panelists. This means providing tools for end-clients to consume the way they want to consume them, not the way bankers tell them to.

In order to find a solution that will gain traction, the industry will need to take a step back and see how it can learn from other sectors such as retail.

Transaction models used by the likes of ebay and PayPal illustrate the fact that when technology is user-friendly then consumers will use it.

Ian Thompson

Sopra Banking Software

"People are used to dealing with technology and we should not be afraid of this"



"People are used to dealing with technology and we should not be afraid of this," added Thompson.

CATERING TO THE NEXT GENERATION

In particular, this is highly relevant to the next generation of clients which is more technology savvy and hungry than its predecessors.

However, while they might be more open to new innovations, their interaction with financial advice will never be purely "DIY".

While they might have a more active interest in the mechanics behind the advice given, and might cross-check information provided to them with their own online research, for example, they will still have multiple relationships with bankers. "The internet has provided transparency but there is also conflicting and confusing information online, which makes advice even more important today," said Linke.

According to Salman Haider, managing director and head of South-east Asia at J.P. Morgan Private Wealth Management, multi-banking is a trend that will prevail among the next generation. "They will assign an alpha to each relationship so they can very clearly measure the value each adviser brings to them."

And they won't be shy about swapping relationship managers in and out. "Expect a very fluid client in the future," added Haider. ■

Salman Haider

J.P. Morgan Private Wealth Management

"The next generation will assign an alpha to each relationship so they can very clearly measure the value each adviser brings"

