

Developing technology strategies for the mass affluent and HNW sectors

Jennifer Hansen, Global Head of Sales Strategy & Execution at Saxo Markets, is at the cutting edge of digitisation in wealth management. She has a bird's eye view of how the digital revolution will impact the wealth advisory universe and also of the key hurdles to overcome.

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HANSEN ADDRESSED THE AUDIENCE at the Hubbis Middle East Wealth Management Forum in Dubai on January 24. Her core message was that Saxo works with many banks and other financial intermediaries using its technological expertise and financial markets know-how to enhance customer experience and free up those partners for the growth of their core businesses.

Saxo Markets is part of Saxo Bank, a Danish investment bank that specialises in online trading and investment. Saxo offers trading through its online platforms in a wide variety of financial products and instruments, functioning



JENNIFER HANSEN
Saxo Markets

as an online broker with a bank license. A core element of its business is partnerships with more than 120 financial institutions globally that service their end clients via Saxo Bank's platforms on a 'White Label' basis.

As well as white labelling partnerships, Saxo offers full value chain outsourcing, risk and compliance management, digitised investment management, custody and prime brokerage and other services. From its HQ in Copenhagen Saxo has expanded dramatically and now operates from key financial centres including London, Paris, Zurich, Dubai, Singapore and Tokyo.

Saxo, Hansen explained, facilitates access to markets through its state-of-the-art digitised platform, built on an HTML 5 cloud-based environment using open API.

Digital journeys are constant

But, she said, Saxo does not stop here, the firm is far from finished with its digital strategy. She warned the audience that Saxo and other financial intermediaries around the globe must be wary of the growing dissatisfaction amongst millennials and other digital natives in the branded banks and other financial services providers. She highlighted how that same demographic is growing ever more trusting of the 'Big Tech' social media and online retailing giants through which they spend so much time communicating and purchasing. "The digital giants have been changing our con-

sumer preferences at an incredible rate," she remarked.

This background, combined with the sheer of change, make it even more essential that banks and wealth providers now become highly introspective to objectively analyse their core business, decide where they truly add value and then build their technology and business strategies accordingly. This, said Hansen, is likely to involve key partnerships to allow them to provide the level of services across many facets that clients will expect from those institutions in the future.

"Digitisation," Hansen advised, "is not a one-off experiment, it is a long journey of many steps." She advised that financial firms need to choose the right partners who can grow with them across different jurisdictions. And they need to rigorously assess how to manage new technology projects and external partnerships.

Know your limits, focus your businesses

"Traditional financial services companies were built to deliver the whole ecosystem," Hansen observed, "but it is just simply no longer viable for those institutions to own every part of this journey." Her message was that there are so many facets of the customer journey that can be better accomplished through partnerships, for example with Saxo, to dramatically enhance the client experience while freeing up the financial insti-

tution to focus its expertise on its core added-value.

Hansen also highlighted the need for banks and other institutions to engage with the right stakeholders. "There are too many silos and hierarchies that in a world of rapid innovation become stumbling blocks." The technology function, Hansen argued, needs to be elevated to a more central stakeholder.

Stepping back to look at the digital world she and colleagues envisage, Hansen advised the audience not to look at technology as a replacer of the human functions but as an enabler. "I am always surprised at the digital vs human debates," she observed, "because if we look at other industries that have gone through these transformations, it is about using technology to make the most of human capabilities."

Liberating human skills via tech

Hansen noted, for example, that wealth advisers currently spend about 80% of their time on non-value-added activities and 20% of their time preparing for the meeting, digesting what the client said, and following up. Technology can liberate their time to concentrate much more fully on their clients. Technology is therefore enabling, not removing, the human elements. "Technology can prioritise and truly shift the engagement of the adviser with the client," she said.

Hansen's final message was that no financial institution is an island and that collaboration is essential. ■

