

# Digital Enablement for Digital Engagement for the Wealth Management Industry

*The social marketplace named Obuhi has been created to connect independent workers to those seeking their services. Bassam Salem, CEO and Founder of Obuhi, and formerly CEO of Citi Private Bank, explained to the audience how the site can provide vital linkages and solutions for the wealth management business in Asia.*

**S**ALEM FIRST EXPLAINED THAT AT THE AGE OF 60 HE FELT IT WAS the the right time to retire from corporate life but that his passion for being active and engaged led him to the creation of Obuhi. “Digital is the way forward and I do not see the wealth industry embracing it sufficiently,” he began. “Innovation comes from solving client problems, that is where we should start. It is with this philosophy that he runs Obuhi and helps enterprises source talented freelancers globally in an efficient and cost effective manner. In the Private Banking industry, the first step is onboarding clients, and we should be striving to make this instant via digital solutions, not reducing the lengthy time frame required, but eliminating it entirely.”

Salem explained that the second pain point for customers is cash management. “Here I mean immediacy,” he said. “All the banks today predominantly give the client access to their account online so they can see their holding, but few allow the client to trade online. Why? Because the industry fear is pricing, they worry they will become like an internet trading platform. The client needs transparency and choice.”

He added that advice can be extended and fully automated through digital media. “Moreover, problems take an age to resolve in private wealth management, whereas the world of digital as expressed by the Amazons or Apples or others resolves client problems immediately and efficiently. Our wealth



**BASSAM SALEM**  
Obuhi

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management clients generate so much revenue that we could give them credit immediately and go back and investigate any problem they might have had, rather than make them wait weeks, months even for a reply.”

### **Improving the cost-income ratio**

Salem turned to the cost-income ratio in the banking industry and how digital can help to improve that ratio. “Most private banks are not very profitable,” he stated. “The two highest costs are rents and salaries, they are fixed cost and there is little that you can do to change them. “The banking industry could also use digital to enable sharing of office space to give flexibility in terms of the size of the offices the banks want, which can be smartly upsized or downsized in relation to the revenues and markets. Salaries are the other fixed and very high-cost element but outsourcing to the Philippines or India or Poland is achievable and often connects providers to some of the smartest people, whether they are based in Hong Kong or Singapore, Ho Chi Minh, Bangkok, or wherever it suits you. One of the reasons the Gig Economy is growing rapidly as it helps solve an organisation’s need to optimise its personnel costs through working with freelancers on short term projects rather than hiring full time resources.”

“Many smart people are freelancing today and can be used for digital marketing, data mining, website design, machine

learning, almost every position in the private banking industry,” he extrapolated. “You have to just have an open mind, be very creative and have a ‘can-do’ attitude. Of course, when you talk to HR and legal and compliance the first answer is ‘no’, but you have to engage with them, and you have to go back and keep pushing until you get what you would like.”

Salem explained that the private banker’s role can be split into client acquisition, relationship management, the orchestration of the product and services of the bank, advice and so forth. “But you can also have an independent channel to acquire clients digitally online, independent from the private banker, who is the most expensive item that you have. So, how about you keep your private bankers, but you have an additional, much cheaper, distribution channel.”

Salem reported that he started Obuhi two months ago in September this year and acquired three thousand clients purely online digitally. “We can do exactly the same thing in private banking. The industry has masses of content, but it is guarded preciously whereas it could all be available online so that the clients see it and see how smart you are. Onboard them online, if they like what they are seeing and they would like to engage with you. Manage the relationship online, have a chat box, provide the advice that I mentioned earlier online. Nothing, absolutely

nothing stops a private banker individually today to engage digitally and promote himself.”

### **Mining data to find new nuggets**

Salem then turned to data and data mining. “At Obuhi, we will use data to predict industry demand and funnel that information to help our freelancers.” “Similarly, we have a mass of data in the banking industry,” he observed, “but we must act on it, as we know that the more that we interact with our clients the higher the probability that they will transact with us. Use the data to engage more with the client, online, by telephone, face-to-face, up the frequency, provide ideas directly related to the client, for example, if you know the client is holding real estate offer a mortgage or a deal to hedge against rising interest rates. And this can be automated as well.”

Salem noted that major global banks with extremely wealthy clients - sometimes with hundreds of millions or even billions of assets with the bank - receive no external advertising or promotion. “For example, could a bank leverage its connections by advertising or promoting a private jet? The banks currently say no, but historically banks have extended their product range, at the beginning they just took money in and loaned it out. We must think outside the box and work out how to monetise the data that we have. Digital solutions will help all of us do that, for the betterment of the industry at large.” ■