

Digital transformation, data and a holistic, digitised vision of excellence

Frank Henze, Practice Lead, Financial Services IT at Trimantium GrowthOps, believes private banks and wealth managers urgently need to transition from a traditional front, middle and back office paradigm to what his entrepreneurial services firm terms 'Digital Continuum'.

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Executive summary

Digital transformation is about introducing technology across the value chain, across organisational flows. Data can be enabled to become a tool to help private banks and other wealth management businesses retain and expand their clientele, create new applications and therefore new products and retain and boost revenues.

Frank Henze, Practice Lead, Financial Services IT at Trimantium GrowthOps, presented a Workshop at the Digital Wealth Forum in Singapore. He believes private banks and wealth managers urgently need to transition from a traditional front, middle and back office paradigm to what his entrepreneurial services firm terms 'Digital Continuum' to survive and prosper in the new digital era and as the wealth management clientele across Asia Pacific becomes younger and dramatically more digitally demanding.

To achieve this, businesses need the best thinking and the best people to drive transformation and to keep their firms at the cutting edge of product and service delivery. This does not happen overnight, and careful planning and professional help are required.

DATA, SAID HENZE, IS **CENTRAL** to this revolution, as it helps drive digitisation. To extract the full value from data involves a quite radical change in strategy and work practices as well as continuous innovation. But it will drive client retention and revenue expansion.

The best private banks and wealth management firms will be seeking end-to-end solutions in which data will define the future of business design, where data strategies will deliver value-added service to the client. And amidst all this, cloud computing is also having a major impact.

Trimantium sees data as the new gold

“I was in asset management before and when I moved to fintech, I quickly realised that digitisation is actually all about data,” Henze reported to the audience. “Our strategy is to look at the business from a business perspective, from a business line perspective and that means a strategy is required. We look at a business from a perspective that you need a strategy.”

Trimantium GrowthOps describes itself as an entrepreneurial operations partner for organisations seeking to develop new products, services and growth strategies. Their aim is to help organisations maximise their long-term value and impact, through growth-focused and technology-driven solutions. They provide clients with a single point of contact and accountability, share their sense of urgency and align their incentives with their clients.

Founded in mid-2016, the firm has made nine acquisitions of already profitable businesses, catapulting GrowthOps to 14 offices across Australia and Asia and more than 500 people.



FRANK HENZE
Trimantium GrowthOps

Trimantium assesses the front-end design of what banks or wealth management clients present to the customer, as well as the operations, the operating model, computing data design, data use strategies and the implementation of those.

It is essential to design and follow the correct flows for decision making. For example, business strategy leads to client centricity, then target operating models, then systems architecture, cloud applications solutions and API integration. “Sometimes to achieve this one needs to turn a business upside down,” Henze explained. “Find out what the client wants from the bank and then set up the bank to reflect that; this is what we call client centricity.”

Transforming to create new revenue drivers

Cloud computing is essential as the source to be able to manage all the data required. APIs are also vital, data sources, data architecture, AI, and data visualisation, all assisting efficient and relevant decision making.

Henze highlighted how digitisation means a lot more to the back-office functions, which suddenly can also be transformed to a revenue driver.

But there are stumbling blocks, Henze warned. As to the more human element of change, work practice, mindsets and continuous innovation can create resistance within a company so the adoption of ‘agile’ as a buzzword across the financial services industry and in private banks is increasingly important.

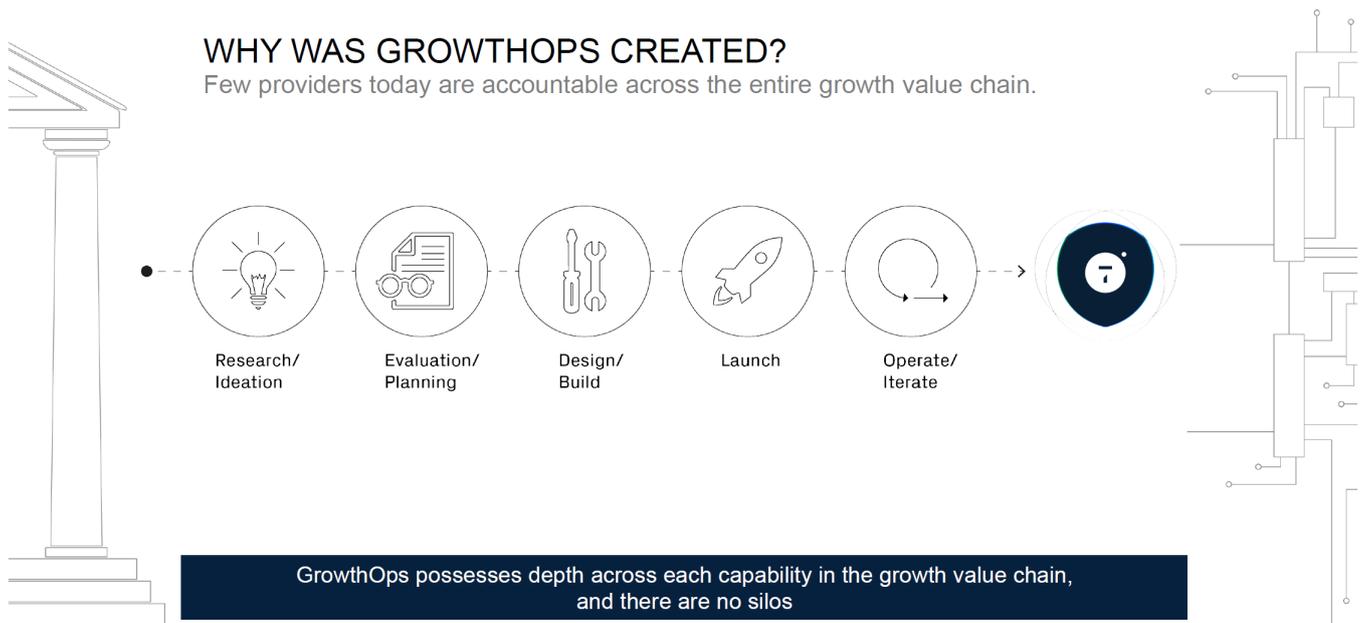
Empowering staff, overcoming fears

Henze noted that few organisations combine all the dimensions to achieve real change. However, he did reassure the audience that employee fear that technology would make them obsolete has evolved from abject doom and gloom to a more realistic assessment.

“Some of the doom and gloom amongst employees is still there but there are also positives, as people have gradually moved into line behind the theme,” Henze explained. “And it is essential to understand

WHY WAS GROWTHOPS CREATED?

Few providers today are accountable across the entire growth value chain.



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that businesses need the best talent to bring the transformation to reality and to keep the business as digitally-enabled as possible.”

Innovation as a continuum

Continuous innovation is driven by an understanding of the benefits that change can achieve, leading to continued innovation. The bank or wealth management company must, Henze, says, make their teams comfortable to innovate and have an innovative corporate culture.

He explained that the entire transformation mission is all about the customer experience. “The front-end experience for clients has already in recent years become simplified, with far fewer processes and clicks for the customer as businesses have realised that the client has to be engaged and ‘spoken to’ directly.”

Asset management, wealth management firms operate business models based on trust and longevity, clients do not change frequently.

But these providers must be aware that digital innovation will mean that their customers are under threat if they do not provide them with a smooth and high-quality digital journey. The businesses will be at risk of client churn.

Retention of the client must, therefore, be central to the entire digitisation strategy; client churn is not what private banks and wealth management businesses have experienced in the past.

“But they are at risk of experiencing this if they do not provide the clients with an enjoyable journey through which to avail themselves of their businesses and services,” Henze commented.

Be agile, be imaginative

Relationships can be managed through a screen, so companies need to be aware that as services come available from competitors or new, agile entrants which are fast, quicker, cheaper, more ‘entertaining’ for the clients, the big organisations might be left with a

diminished clientele and a clunky, big office infrastructure that is now irrelevant.

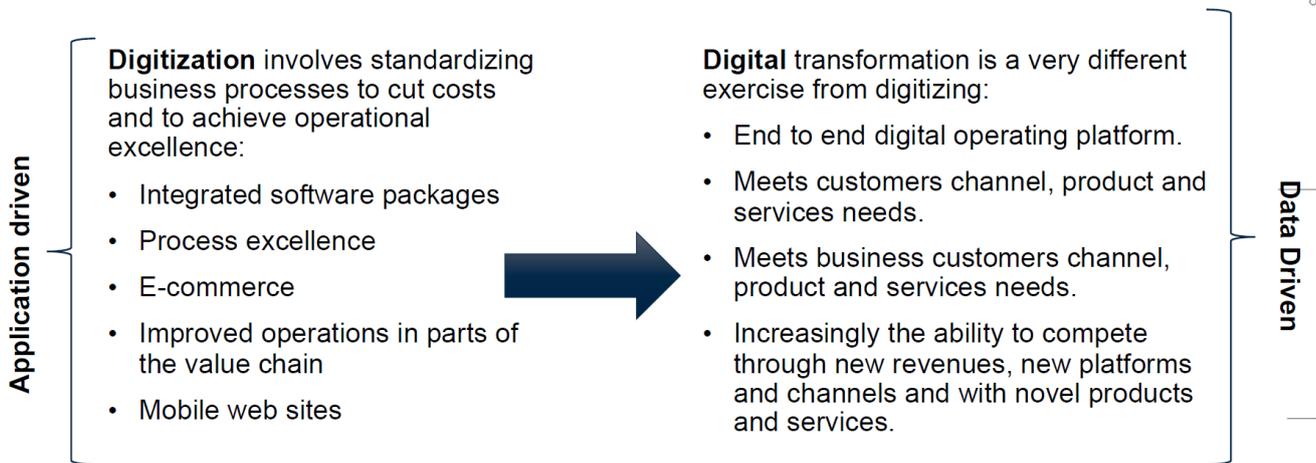
“They will have become a utility rather than a relevant service provider to clients they understand and want to serve with the latest digital empowerment,” Henze observed. “Those businesses that fail to react therefore face a digital crisis.”

Henze also highlighted the importance of data visualisation and delivery, which are keys to empowering decision making. Relationship managers, he explains, can become dramatically more effective with the correct and smart use of data, whether that is around stock recommendations or Robo-advice, or whether bringing news or using alerts or other tools to interface with the clients.

The Cloud holds the key to ‘infinite’ data

Cloud computing and AI and the interface with data help enable client centricity, rapid product development, new business models and

Digitization vs Digital



Failing to distinguish between digitization and digital could be a fatal mistake for firms as they miss the window to transform and adapt to a new reality

new business streams and lower costs. An increasing volume of external data sources - be they economic, personal, social media and other data - help the relationship managers (RMs) and banks more fully understand the client.

APIs require the cloud, which, Henze explains, is an essential tool for its ability to scale up systems and capacity for data management to virtually infinite levels. “As we know, cloud computing operators offer entire ecosystems of tools to manipulate AI, hence a cloud strategy is crucial.”

Regulation is also a key factor, Henze observed. “The sophisticated and secure management of data is essential, especially with GDPR in Europe and other initiatives around the globe. The security threat is increasing.” Cloud represents to some extent safety in numbers as data storage is external

to the business itself. The new era of wealth management will have a dramatically more digitally enabled and demanding clientele.

Henze believes the winners in the wealth sector will be those who can produce and assimilate technology that will allow for bespoke solutions and continual re-calibration of internal data management and processes and seamless external connection with those clients.

Mine data, extra its value... but be smart and patient

“Digital,” Henze said, “is about introducing technology across the value chain, across your organisational flows. Data comes in, it never goes out, it never breaks, from onboarding to KYC and so forth. Data is processed all the way through and it comes back to the front, refocusing back to the

customer and adding value and enhancing revenues throughout the process while being conducted at speed. Data allows the weaving together of different parts of the processes to a new process, helping to create new applications and therefore new products and new revenues.”

His final comment was for businesses to consider a few key guiding principles of digital metamorphosis. “Do not rely on the IT department,” he explained.

“They know about technology, but this is all about a new functional design approach. Open the doors, have people think about their business internally. Seek professional expertise to help the thinking. Be patient this does not happen overnight. Include customers and business partners in the assessment process in a corporate 360 vision of the future.” ■