

# DRIVING A DIFFERENTIATED PROPOSITION

AS PRIVATE BANKS STRIVE TO FIND THEIR COMPETITIVE ADVANTAGES IN ASIAN WEALTH MANAGEMENT, MICHIEL VAN SELM AT PwC IN SINGAPORE, EXPLAINS HOW THEY CAN ACHIEVE THIS, INCLUDING USING A COMBINATION OF TECHNOLOGY AND THE REGULATORY ENVIRONMENT AS IMPORTANT DIFFERENTIATORS.

With regulatory compliance a foregone conclusion for private banks in Asia, they need to view today's constantly-changing environment as a way to refine their business strategy and find a clear point of differentiation.

"To survive, it is critical to have a unique value proposition and be able to tackle both regulatory changes and customer demands," says Michiel van Selm, director in the financial services industry practice at PwC in Singapore.

However, to automate back-office operations and fulfilment, he says a lot more thought needs to be put into what is being developed, how it will leverage the data the bank has, and how it compares with some of the other solutions available in the market.

---

## DIFFERENTIATING DIGITALLY

---

No longer can most private banks rely on ad-hoc technology solutions and



Michiel van Selm

PwC

---

**"I see a number of organisations investing very significantly in their digital platforms and really trying to use it as a differentiator."**

---

Technology is an important tool in dealing with these two dynamics. Efficient, industrialised and accurate operations are the holy-grail for all players.

"I see a number of organisations investing very significantly in their digital platforms and really trying to use them as a differentiator," says Van Selm.

projects to provide a relationship manager (RM) with a simple platform which feeds to them the appropriate client and market information.

"It is not just about providing a retail bank-like digital environment," says Van Selm. "It is about connecting the RM into this whole environment be-

cause that's where you differentiate compared with retail banks."

That can be achieved by digitising the RM, he explains.

That means providing them with the ability to chat with the customer, col-

## EXPERT INSIGHTS

laborate via video conferencing and look at the same information as the client can see.

That is how he believes financial institutions in Asia will be able to compete with the digital platforms and robo-advisers sprouting up in the US and UK.

The growth and user-friendliness of such platforms and offerings have the potential to prove to the financial institutions that first of all there is a real

tal tools and initiatives. "I see a number of international banks launching a digital solution in Asia, and then rolling out to Europe or the US," he adds.

---

### DIFFERENTIATION THROUGH SIMPLIFICATION

---

Coming back to the need to handle today's complex regulatory landscape, Van Selm says more banks should try to make better use of their compliance

and again, banks must endeavour to create detailed yet simple forms which can be filled out once, and then be used to satisfy the requirements under all regulations that impact the client.

---

### TWO-WAY DIALOGUE

---

A seemingly obvious way for banks in Asia to gauge what clients really want and need is to get more specific feedback from them directly.

Yet Van Selm doesn't see that happening, certainly not using approaches such as focus groups and detailed surveys like in other parts of the world. "I see most banks going to their RMs or advisers and asking them what their clients want," he explains.

---

**"There is untapped opportunity in Asia, so if you can bring new capabilities to market and be a first mover, this is the place to be."**

---

need for them, and also that there are a lot of players jostling for their share of a client's wallet.

Plus, scalability is easier to come by.

"There is untapped opportunity in Asia, so if you can bring new capabilities to market and be a first mover, this is the place to be," says Van Selm.

The banks also now consider Asia to be a genuine testing ground for new digi-

functions in order to simplify the lives of their clients.

Only a few institutions – typically those with more advanced systems in place – are already attempting to simplify regulation for new and existing clients as a point of differentiation.

They can do this in various ways. For example, rather than designing new forms and asking for information and additional supporting documents time

While he acknowledges private banking clients typically have busy lives, approaching them in the right way to get clear insights into how they feel their bank is performing and addressing their needs, is not as difficult as many people say.

"I think most customers, even high net worth or ultra high net worth individuals, are willing to invest time to improve their relationship with their bank," he adds. ■

