

# Driving a greater digital wealth engagement in Asia

*Stuart Brown of Thomson Reuters explains the firm's vision and ambition in developing its digital solutions, to service a wealth management industry in Asia which is looking for ways to engage customers more effectively and efficiently.*

The digital solutions business at Thomson Reuters in Asia has been a solid growth story, and it expects the trend to continue.

"Customers are embracing the digital wave as they realise the efficiencies they can achieve by adopting more of a digital approach to their own businesses," explains Stuart Brown, head of financial design for Thomson Reuters in Asia.

The firm's plan puts the concept of partnership with financial institutions as a key component.

During 2016, for example, the ambition is to work far more integrally with its customers as they flesh out what digital actually means to their business, and as they decide where and how they want to adopt a digital approach, including open platforms where relevant.

"We know we have the solutions across the breadth of our own enterprise and

the partner network we engage, to help our clients," says Brown. "It's just a matter for understanding, and in some cases helping inform, their strategy, to then determine how we help support and execute on their ambitions."

## GLOBAL PRIORITIES

Globally, North America will continue to represent a significant opportunity in digital solutions for Thomson Reuters.

This is a market where it sees fast and heavy adoption of digital as a way to both adapt to changing demographics and, in fact, transform the market. And such a shift is happening across both the traditional asset management space along with wealth management.

The stand-alone robo-adviser in North America now accounts for around USD9 billion in AUM, almost quadruple the size from where it was 18 months ago, explains Brown. Firms like BlackRock and Invesco have bought digital



**STUART BROWN**  
Thomson Reuters

advice platforms, and companies like Schwab's 'Intelligent Adviser' service account for more and more of their revenue stream.

“This has prepared us for the inevitable ramp-up of digital solutions in Asia,” adds Brown.

While this trend will continue, Brown predicts that it will start to pick up pace in the region, given the different types of private banking business models, coupled with the tech-savvy, self-directed nature of the Asian investor.

“Traditional private banking, discretionary portfolio management, and having a top-notch investment strategy or specialist function, will start to become a very important differentiator in the market.” He adds: “I think the implications for Asia are quite significant.”

terms of language, depth and also granularity of market data required, regulation, market practices, service and support models.”

As a result, the Thomson Reuters approach is always to invest into localisation in markets where size and scale exists, such as North America and Japan, and partner in other markets it deems attractive but where the return on investment on a fully-localised approach does not add up.

### A FINTECH WITH A DIFFERENCE

Amid the growth and hype in terms of fintechns, Thomson Reuters also views

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### LOCAL TARGET

A global reach should not be underestimated.

“No market is an island, and it’s our global coverage, connectivity, presence and trust that makes us stand out, even in very domestic markets,” says Brown.

But to take advantage of Asia’s potential, the firm knows it needs to also continue to work hard to adapt the offering in local markets.

“Wealth is a local business,” explains Brown. “Local has implications in

itself as a key player in this community, just a very big fintech.

“We’ve been at the forefront of technology and, in many respects, creating and leading the development of the information collection, curation and distribution market,” says Brown.

In this way, it believes its platforms and the services it is taking to market are leading-edge and transformative in terms of how its customers work and engage their critical communities.

“We don’t see fintech as something we necessarily need to differentiate

### Core capabilities

*In a nutshell, Thomson Reuters’ digital solutions comprise a suite of platform-orientated services. These include APIs for web/browser-based application builds, along with feed services for integration into more system-driven applications, for example, quant models and algorithms.*

*The firm also has a partner network that it engages in conjunction with its clients for design expertise and development of front-end digital applications.*

*Meanwhile, Eikon, part of Thomson Reuters wealth management platform, has been built with openness and digitisation in mind. It allows the customers to build their own applications within the context of their individual and firm-wide workflow.*

*This applies, for example, to a self-directed business model that an institution might want to pursue, with an aim to capture more mass affluent or high net worth (HNW) business in an automated fashion via ‘self-help’ tools for their clients, which could include robo-advice. It can also help a firm to leverage robo technology to augment its advisory function, or help to create greater efficiency across the workflow between strategist/investment and RM/adviser teams.*

*“We can help build those community and workflow tools, both within our Eikon application, and outside of it,” explains Brown.*

from, nor compete with,” explains Brown. “Instead, I would say it’s something we embrace, both ourselves and through partnerships.”

Thomson Reuters also thinks of itself as playing the role of an enabler on innovation, and a vehicle for that to be adopted more extensively across the financial markets, particularly given its open-platform approach.

“We’ve partnered with several accelerators across the world, and have created our own Thomson Reuters innovation hubs, in collocations with the likes of Google and Amazon and others,” adds Brown.

More specifically, this means helping its clients’ advisers and their end-clients make more informed and better investment decisions.

“Our ambition is for us to become the platform that glues the ‘manufacturers’ together with the investment strategists or product specialist, and in turn together with the portfolio manager and adviser and, ultimately, the end-client,” explains Brown.

Given that the firm is operating in an inter-woven community, the opportunity exists for it to be the ‘life blood’ in terms of content and decision-making tools.

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### **HAVING A CLEAR VISION**

The five-year plan that Thomson Reuters has in place for its digital business is for the firm to be the trusted source for all the various content and decision-support capabilities that its customers need.

This sits against the backdrop of the inevitable direction digital seems to be taking, by helping to create efficiencies, increase productivity, improve the customer experience and scale businesses.

“We want to be there, every step of the way, and for our platform to help our customers along the journey,” adds Brown. ■

### **Providing more support in Asia**

*Asia’s wealth management market is characterised by sizeable mass affluent and HNW segments, combined with very high cost-to-income ratios of many of the adviser functions. Digital, therefore, seems to be the most logical direction for these firms to take, to service clients in a far more automated fashion.*

*For example, Know Your Client (KYC) is a key area in Asia, given that many investors have multiple banking relationships, all requiring KYC checks. Plus, there are multiple self-directed service models, where the KYC process is not as automated as the end-client might think.*

*There is a real opportunity to leverage digital capabilities to create more of an automated process around KYC, and a utility of sorts, where information can be securely held, updated and drawn on.*

*Robo-advisory offers yet more scope for support, both for developing more sophisticated self-directed services as well as for augmenting advisory functions.*

*A further area for growth within Thomson Reuters digital offering in Asia relates to internal workflow and digitising more of the platform and tools that advisers, assistants and investment specialists use to communicate and share, to create more efficiency across these functions.*