

Emerging Technologies Shaping the Future of Wealth & Investment Management

Experts from Global digital solutions firm 3i Infotech presented an engaging and fascinating Workshop at the Vietnam Wealth Management Forum on Blockchain in Wealth Management, and the rise of AI and Robotic Process Automation.

MR ABHIJEET SINGH BEGAN BY OFFERING DELEGATES **SOME BACKGROUND ON 3I INFOTECH**, earlier known as ICICI Infotech and was promoted by India’s largest private bank called ICICI Bank. “We started as the Information Technology (IT) subsidiary of ICICI Bank, and then became 3i Infotech - the largest independent software product company from India with over 1200 clients in 50 countries. We had more than USD150 million in revenue as of 2018, with over 5000 highly skilled workforce and 24 offices in 12 countries. We also have local presence in Vietnam, with our team having been based in Vietnam for the past 11 years.”

And with that he passed the floor to his colleagues Mr. Dheerendra Hegde and Mr. Vinay Tiwari who he said would be talking about **‘Blockchain in Wealth Management’** and about **‘AI and Robotic Process Automation (RPA) in wealth management’**.

Hegde began by highlighting the services that 3i Infotech offers under its services platform and the emerging technologies that 3i Infotech supports across the spectrum, whether it is on banking, financial services, insurance, and different new concepts like the creation of API, digital virtual assistants, analytics under BI and emerging technologies like IoT. “These are all different kind of services which 3i Infotech offers as part of our emerging technologies platform,” he reported.

Focusing on blockchain he said he wanted to review blockchain within the context of wealth management, for example, for customer onboarding and certain smart contracts



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creation. He first explained that blockchain in simplistic terms as a digitised records protocol that maintains records in a totally decentralised, distributed system.

“The decentralised approach eliminates vast amounts of risk to that data,” he reported. “The use of blockchain achieves trusted record-keeping and removes the need for hefty commissions as there is no middleman required in transactions. You know that whatever transactions you are entering into are secure, you have audit trails so that you always can go back and check the records and if there is any mismatch you will get to the root cause directly, because you always have an audit trail. It is all remarkably transparent, and blockchain can therefore achieve great advances across the whole

financial services spectrum, from KYC, to maintaining of a common document source for the trade settlements, real time payments, smart contracts, and so forth.”

He then offered delegates some insights into actual case uses, covering areas such as KYC, data and record maintenance, allowing a more rapid and seamless onboarding experience, and offering the security and simplicity of all the data maintained in one place with full traceability. He also covered smart contracts, where the wealth management firm can set up certain rules or triggers, so whenever such rules or trigger events or circumstances occur, the contract can be executed automatically. “Rules can be defined, configured and then blockchain technology can be made use to execute such

contracts,” he reported, “and this is one key area which we have been working on for few clients.”

He handed over to Mr. Vinay Tiwari, who then concentrated on Robo-Advisory. “I am talking to you today,” he said, “about why we need Robotic Process Automation (RPA) and what is it exactly that we are trying to achieve, including predictive analytics, automation of analysis & investment advice, which is to be generated by the system, and who and how this can all be used effectively.”

He explained that in order to service the growing ranks of Asia’s wealthy and mass affluent, there is a huge amount of cost required on the part of wealth management companies, in terms of operations, in terms of the way firms reach out to customers, and the creation of advice and

its seamless delivery. He also pointed out that a lot of time is consumed in analysing and interpreting the data; in fact, he stressed on the fact that there is ample unstructured data which the wealth management firms possess that can be missed during the analysis done by an adviser.

“And at the same time,” he noted, “the biggest challenge with the new target segment of Retail and Mass Affluent customers, is that they are expecting the same level of service from you: they are expecting the same level of advice, the same level of asset classes, the same level of service level agreements from you, I mean, the same as for HNWIs, so that all customers can be offered the same levels of advice, products and experience.”

He then presented some case studies to highlight these key points, illustrating how the entire CRM process can be enhanced to achieve coverage of the entire prospect - customer lifecycle, from managing the

prospect, building the prospect, create various opportunities for them and, in short, achieving a single place to manage the entire prospect repository, and then once they have the prospects, then track the engagement. He also explained how digital solutions, AI and robotics can help fully understand how customers are reacting to the wealth management services, across all channels.

“So,” he elucidated, “you could have a branch, you could have a third party independent agent, who would service your customers, you could really have digital channels like a chat bot, like a mobile application, all of these channels should integrate to one particular platform and that is where the beauty is, the beauty of integration, where it can integrate and make it a cohesive unified system, and this can lead to the entire customer onboarding wherein it identifies which process to initiate, based on the particular

requests from the customer like their financial profiles, their risk profiles, and based on that, you can identify whether it could be investment account that you need to open or you are just reopening an execution-only account for your customers, whether they are accepting your investment policy statement, what recommendations you should make, all would follow this particular lifecycle.”

He also highlighted how the technology can help financial planning for a given customer, for building their financial profiles, taking their risk profile, then layering on product suitability assessments.

“This is the Netflix type solution,” he explained, “It basically looks at a customer, looks at the entire history and based on that it recommends what securities they should be buying or what is the most likely investment they would be comfortable with, in a similar way you would like to get



recommendations on Netflix. You also have access to the entire goal planning exercise, as it tracks your goals, it tracks how much of it you have achieved already, it assesses the risk of not achieving goals, and it can also generate various systematic orders, it will understand when to increase the contribution, when to reduce the contribution and all these transactional activities, they can all be automated.”

He also covered the management of the customer, achieving a first-hand 360-degree view, not just of their investment portfolios, but also their relationships across the bank, and

across the wealth management firm. “This is remarkably effective for enhancing the capabilities of the RMs and making them much more active and efficient,” he said.

And for the RM to become even more effective, the analysis of structured and unstructured data is another vital element of the solution. Taking unstructured data from emails, social media, activities, conversations and so forth and combining it with structured information such as Investment Portfolio, Transactions, Held Away Investments etc. turn it into effective insights for RMs is a remarkable step forward for the industry. He explained how it

can be used to automate various analysis processes to help an RM with Next Best Action or Cross Selling Opportunities. The result is better client advisory, better ideas and solution, better asset allocation and more efficient adaptation to market or other event and situations. And of course, this all translates into enhancing competitive edge for the wealth firms and improved efficiencies as well as higher revenues.

“We are building our presence and our customer base here in Vietnam,” he said, closing his talk, “we have outstanding solutions and the market here is growing dynamically, with excellent potential.” ■

