

Finding substance amid the digital hype

The end-game for digital tools for relationship managers (RMs) at private banks in Asia should be to increase sales / revenue – followed by spending more time with clients, and then lowering the admin burden. This requires investment in the right way, with front-line buy-in and also the metrics to keep digital goals on track.

Ultimately, RMs will use technology that supports their value proposition towards clients, but only if it is well-designed and has a simple user experience, according to senior industry practitioners.

To achieve this, institutions need to treat RMs like clients, building it in conjunction with the front-line, not for them.

Although this is a stated goal for most players, a lot of them are still caught up in the process of fixing the basics.

Where they need to be, is introducing new RM workplaces to allow their client-facing advisers to manage their business more efficiently, with more data-points and information to provide a better client service.

Indeed, more than three-quarters of poll respondents at the annual flagship Hubbis Digital Wealth event in Singapore in June, said they think the quality of investment advice from by RMs who actively use digital tools is better than those RMs who don't.

Technology-enabled transformation is, therefore a big priority for many institutions.

GETTING THE MIX RIGHT

To get their bankers and client advisers working more effectively and productively, how some of the more forward-thinking, digitally-minded private banks are now spending money on digital is evolving.

At Credit Suisse, for example, after the bank started by digitising the client experience in 2014, it now spends

Panel speakers

- **Urs Lichtenberger**, Director, Client Platform, Asia Pacific, Credit Suisse
- **Evy Theunis**, Head of Wealth, Regional eBusiness Department, Consumer Banking Group, DBS Bank
- **En Lai Yeoh**, Head, Digital Strategy and Content, UBS Chief Digital Office, APAC, UBS Wealth Management
- **Smita Choudhary**, Executive Director, Head, Digital and Business Transformation, Bank of Singapore
- **Urs Palmieri**, Director, Financial Services Advisory, Performance Improvement Strategy, EY
- **Ryan Burdick**, Senior Vice President, Global Head of Sales, Xignite



Urs Lichtenberger
Credit Suisse

money to digitise the full value chain. This encompasses all aspects of the business, from further expanding the client experience to automating processes like client onboarding.

The bank is also working with fintechs to capture innovation, but only where it makes sense.

At DBS, meanwhile, aside from the desktop applications to manage the wealth of their clients, RMs have access to RM Mobility. This allows them to effectively and efficiently drive their conversations with customers, since the portfolio information is updated online and in real-time; all positions are as of the moment that the RM / client looks at it.



Evvy Theunis
DBS Bank

87%
Poll respondents who said they view digital as a way to support RMs rather than replace them

As a result, presentations to clients become dynamic and are more of a two-way dialogue rather than something which is static and pre-prepared.

Beyond the portfolio views, RMs at DBS have access to 360-degree client views; with this, they can do a discovery of a customer's financial objectives and risk appetite, or can instantly purchase and redeem funds. The bank's RMs also have access to iWealth, having been trained to be able to explain to clients how to monitor, transact and stay up-to-date on the latest research, investment ideas and prices.

At UBS Wealth Management, client advisers are asking for on-demand, mobile platforms to effectively give them what they need at their fingertips.

For example, they want to know when UBS makes a call on a particular investment – via more alerts and more machines that understand what they need when they use it. They are also asking the bank to give them the information as soon as its available, in an easy-to-read, bespoke format.



En Lai Yeoh
UBS Wealth Management

SPENDING PRIORITIES

There are three digital investment priorities which tend to be common across many financial institutions in Asia.

First, is technology-enabled transformation – which often refers to large-scale IT transformation programmes that involve a number of components: upgrading legacy banking systems, involving core banking renovation; introducing better client onboarding solutions and experiences; implementing intelligent process automation, not just around client data management but also across middle and back-office administration; and keeping the front-office up-to-date in terms of the latest regulations, risk programmes and remediations.

Secondly, many wealth managers are focused on data management and analytics. The focus is on how to make use of their data and create tangible business value.

Thirdly, digital strategy and design are key. This involves experience design, advanced platform engineering and technology innovation.

The focus of the digital spending at DBS, for instance, is in several areas: creating digital eco-systems; embedding itself into the customer journey; enabling a digital engagement that is not modelled after the traditional approach; and eliminating non-value adding tasks and administrative steps from the value chain, with an ambition to achieve instant fulfillment, and without a need for branches or call centres.

The UBS strategy, meanwhile, is not to build and hope for clients or client advisers to use the tool or platform. Instead, the use-case and objectives have to be clear.

The bank is not going to spend money if it's just a 'nice to have'. There are many things that people want, but they don't necessarily use. As a result, UBS gets its clients to build alongside it, based on specific problems it is trying to solve.

MAKING DIGITAL COUNT FOR RMS

Digital is now part of the scorecard for staff in some banks. In DBS, for example it applies to every employee in the bank.



Smita Choudhary
Bank of Singapore



Ryan Burdick
Xignite

The DBS metrics evolve around 'ATE' – acquire, transact and engage, with digital goals reviewed during weekly meetings with senior management and on a monthly basis with the entire wealth management committee and private bank management committee.

More broadly, there are three KPIs which senior executives say are most relevant to financial institutions in the march towards digital.

The first KPI, is how to improve the client experience. This involves providing better data-driven advice, being more client-centric and offering tailored products and services.

The second KPI, is how to make the business more profitable. This is tied to themes like intelligent process automation, virtual workforces, machine learning and artificial intelligence.

78%
Poll respondents who said the quality of investment advice from by RMs who use digital tools is better than those RMs who don't

The third KPI, is how to manage regulations across the different jurisdictions in both an onshore and offshore context.

Essentially, this is focused on enabling digital to add to the proposition; the more engaged customers are, the more likely they are going to think of that institution when they want to transact next.

Both directly and indirectly, therefore, digital can effectively lead to increased revenue, AUM and sales.

In line with this, the end-game can have a variety of elements to it.

For example, it can create scale in a significant way. Or, institutions can become more like the Facebooks, Googles, Instagrams, Amazons and Netflix's of banking.

This all enables a wealth managers to become a more fundamental part of a client's daily life. ■



Urs Palmieri
EY