

# **FNZ's MD for Southeast Asia on Building the Firm's Vision & Proposition Across the Region**

**Marcus Emery is the Managing Director for Southeast Asia at FNZ, based in Singapore. Although he says he hails from the ‘middle of nowhere’ on the ‘sunny side’ of New Zealand, he has spent time with FNZ in Wellington, London and Edinburgh, and is now enjoying work and life in Singapore. As a committed ‘FNZ-er’, as he says – his wife also works with FNZ in Singapore as a project manager – he is enjoying the dynamism of Asia, and the strong expansion of FNZ in a marketplace that is witnessing the rapid convergence taking place between the private banking market, the mass affluent market, and the mass retail space. All these changes require tailored, client focused FinTech solutions to elevate banks and wealth management providers to the next level.**



**F**NZ DESCRIBES ITSELF AS A ‘PLATFORM AS A SERVICE’ (PaaS) PROVIDER. “We are both a technology vendor and a business process outsourcing provider, which sets us apart from many of our competitors,” Emery begins. “We provide the technology solutions and investment operations services, all hosted on FNZ infrastructure and security. This is offered on an outsourced basis so that we can manage large retail wealth books for banks, insurers, and asset managers regionally. From a FinTech perspective, we are at the cutting edge of digital solutions with laser focus on R&D across UX, Robo Advice, Data Analytics, and Blockchain Technology. Most FinTech’s are small and still operating in the start-up space but we can provide these innovations over the long term to our partners.”

Emery was appointed Managing Director for Southeast Asia in November, and first moved to Singapore in December 2017 as a Programme Director.

### **Asia’s untapped potential**

“Our business in the UK is very mature and successful,” he notes, “and we want to replicate that in Asia, where we see great untapped potential. Southeast Asia is seeing one of the fastest growing mass affluent markets globally and we want to position our business to capitalise on that. In order to achieve rapid expansion and growth, we have relocated a number of very experienced FNZ employees to ensure we have the right mix of people to drive the business forward.”

Emery was originally asked to move to Singapore to act as Programme Director for various Southeast Asia clients including the implementation of the UOB Asset Management corporate platform

### **FNZ and UOB Asset Management: Partners in the Future of Wealth Management**

An outstanding example of FNZ’s ability to work in partnership with its banking and wealth management clients is the new UOB Asset Management (UOBAM) Invest Platform that the firm has worked with UOB to create and execute. It is a fully digitised wealth platform built in partnership with FNZ, and a prominent example of the type of solutions that FNZ can achieve in partnership with its clients.

FNZ has devised and implemented a set of solutions for Singapore’s UOBAM, launching the first digital advisor designed for corporate clients. It offers UOBAM customers access to rapidly log onto a trading platform, deposit cash and buy funds - primarily UOBAM funds of all types.

The platform then offers two channels for clients to manage money. The first option is 'Digital Advisor', which generates individualised investment portfolios tailored to the client's financial goals, risk tolerance and investment horizons. The second option allows clients to directly purchase UOBAM funds through a digital menu.

which “is now live in both Singapore and Malaysia,” he reports.

He comments that amidst considerable competition, customers choose to work with FNZ as it offers a differentiated service. He explains, “we provide both the technology and asset administration services (PaaS); all our clients need to do is bring along their end clients with their money to invest.”

### **The partnership model**

Another key differentiating factor is how FNZ pitches itself as more of a partner than a traditional technology or services vendor. “We do not charge license fees, like others do in general. Instead, we earn revenue from implementation fees (these typically only cover

costs) and a low basis point fee for the assets we administer on our platform on behalf of our client. Our revenue is therefore linked to the success, growth and scale of that platform - as the success of the platform grows, so does the revenue for our client, and for FNZ.”

### **Fragmented, but dynamic**

Emery digs deeper into the opportunity in Asia, which he says is a fragmented region that offers remarkable growth potential. “The average Southeast Asian doesn’t have the same wealth as, say, the average person in the UK, for example, but there is a very large and growing population of people that have available cash to invest,” he notes, “so the major



MARCUS EMERY  
FNZ

trend is the rise of private wealth. Mass-market affluent platform propositions is the real sweet spot for FNZ, and that is precisely where this region is seeing the most dynamic growth. Our ability to provide attractive and unique product propositions and drive down costs as AUM and customers increases is vital to ensuring our clients can entice a larger population of end customers with varying levels of wealth to invest."

Emery adds that "The financial institutions that service these rapidly growing ranks across Asia must become more sophisticated, boosting their ability to make the most of this remarkable opportunity. We help them achieve exactly that."

"The Private Banking and HNWI sector however is still where most of the regions assets are held, with that market being already worth well over USD2 trillion. "FNZ is aggressively looking into that space which is in desperate need for alternatives to the existing providers", he reports.

## Getting Personal with Marcus Emery

New Zealander Emery and his wife not only share their life together in Singapore with their two-and-a-half-year-old son, but they also share a common mission of working together, as what he calls 'true FNZ-ers'. His wife comes from Moldova in Eastern Europe and the couple met when they were both working with FNZ.

"I come from Whangarei, which is pretty much a sunny middle-of-nowhere sort of place about two hours north of Auckland," Emery reports. "I grew up by the beach there, until heading off to Waikato University, also in the North Island, near where the Lord of the Rings movies were filmed."

There he studied for his Bachelor of Management Studies, with a major in accounting. His first job was with KPMG as a tax accountant and during his two years there worked with KPMG client FNZ, who later hired him, first posting him in Wellington, and then in London and Edinburgh, before he relocated to Singapore in late 2017.

His initial role on arriving in Singapore was as Programme Director, focusing on managing the delivery of solutions to clients, before his promotion to his current role as MD for Southeast Asia in November.

"Aside from work," he explains, "Singapore is a great base to explore this region, which actually I had never really visited until moving here. Changi Airport is the perfect gateway for this amazing region of different people, cultures, foods, climates, and landscapes. Batu Batu in Malaysia is a favourite destination, the waters are the clearest I have ever seen. We drive for about four hours up the east coast through Johore Bahru over the border from Singapore, and then a boat, and when you get there it is all eco, no frills, one place to eat, right on the beach - perfect."

### **FNZ's upper edge**

Emery also remarks that FNZ has certain key advantages over its competition. "We believe our product is better," he states enthusiastically. "Our main competition is with legacy in-house solutions that banks, insurers, and asset managers have

produced over time, which in Southeast Asia remain typically fragmented, non-scalable and manual to operate. As the costs to run these rise, and as the regulatory environment becomes more complex, financial institutions are looking more to outsourced solutions that

mitigate risk, reduce cost and provide new and innovative offerings. That is certainly the message from mature markets, where there is huge cost pressure, although here for now it is more risk and digitally driven. Our experience enables us to find real valuable use cases for new technologies such as Robo Advice and Blockchain.”

He says the utopia is for solutions which can be distributed across various markets in Southeast Asia. “Having a multi-market and multi-proposition platform resting on the same codebase and infrastructure allows for greater efficiencies, growth to be achieved more easily and overall cost reduction. FNZ

develop innovative products and tools which can be adapted, customised and deployed to our clients’ platform at speed and comparatively low cost,” he notes.

### **Extending to the HNWI world**

FNZ is investing heavily to extend beyond its core mass and mass-affluent retail investment market into supporting Asia’s large and complex Private Banking sector. “The Private Banking software and SaaS market is limited and effectively run by a duopoly, and this is ripe for disruption. Private Banks are facing huge cost challenges and are looking for better

**“We provide the technology solutions and investment operations services, all hosted on FNZ infrastructure and security. This is offered on an outsourced basis so that we can manage large retail wealth books for banks, insurers, and asset managers regionally. From a FinTech perspective, we are at the cutting edge of digital solutions with laser focus on R&D across UX, Robo Advice, Data Analytics, and Blockchain Technology. Most FinTech’s are small and still operating in the start-up space but we can provide these innovations over the long term to our partners.”**

has achieved this in 2019 with a client that operates in Singapore and Malaysia.”

Revealing more about what he sees as FNZ’s USP, Emery observes that the combination of both the technology and outsourced asset servicing is very unique in this region. “Our large global scale also allows FNZ to invest in and

solutions.” FNZ’s sees the scale and innovation, and this makes it well positioned as a challenger here. “We’re looking forward to sharing more on this Q1 2020”.

### **Living the dream**

Emery clearly enjoys his new role as MD for Southeast Asia. “This position excites me for a number



of reasons,” he reports. “To be able to manage the experience and service all the way from the initial sales, to delivery and implementation is very exciting, very engaging and very satisfying. Once the client is on the platform, the servicing performance and client satisfaction is paramount, ensuring we’re meeting the contracted KPIs and SLAs.”

### **Emery's core priorities for 2020**

“Our first priority,” he reports, “is to continue to grow and develop our currently deployed platforms within Singapore, Thailand and Malaysia. We have a number

of exciting new projects going live in Q1 2020 which includes both new distribution channels and offerings as well as new technologies which our teams are focused on.”

Emery adds, “Our next priority is to grow our client base regionally and really capitalise on the progress we have made to date. As I said earlier, we see huge growth potential in Southeast Asia and a lot of time and effort is going into building out our offering, immersing ourselves in the market and educating clients on FNZ and our offering.” Emery reiterates. “As we grow the customer base, grow the assets under administration within the region,

and as we develop our business, we can both make the business more valuable and also help clients by offering even more cost-effective solutions and services.”

The third core priority, which of course is intimately linked to the first two missions, is to expand across the region. “Entering new markets within Southeast Asia is also high on the priority list for us, through Indonesia and elsewhere,” he reports.

Emery closes the discussion by reiterating the huge potential that the Asia Pacific markets offer for FNZ, as the firm fast-forwards its vision of wealth management in the region. ■



---

## **FNZ: Mission Possible in Asia Pacific**

**FNZ is a global wealth management platform provider that offers fully outsourced technology and administrative services to banks, insurers and asset managers around the world. The firm is one of the leading providers of these services in the UK, and in the last five years the company has continued its robust expansion in APAC, establishing a solid base of institutional partners.**

Founded as a start-up in 2004, FNZ was originally created as a unit within the New Zealand branch of Credit Suisse. Expanding to the UK in 2005, there was a management buyout of the firm in January 2009. Growth in the decade since then has been remarkable, so much so that in October 2018 Canada's CDPQ and Generation Investment Management agreed to purchase two-thirds of FNZ in a deal that valued the business at GBP1.7 billion.

FNZ currently has GBP400 billion assets under administration, a dramatic rise from the roughly GBP5 billion AUA when the management buyout took place in 2009. The firm employs around 2,500 technology and investment operations specialists across Europe and APAC, primarily in Edinburgh, London, Shanghai, Hong Kong, Singapore, Sydney and Wellington.

The firm has a bird's eye view of Asia's development, and its rapidly maturing and growing mass-affluent segment. FNZ therefore knows that this market will ultimately require scalable wealth management platforms to service millions of customers across multiple geographical, and more importantly, jurisdictional locations.

Through a core platform, FNZ can indeed service those multiple jurisdictions - offering multi-channel, multi-lingual, multi-asset, and multi-currency solutions - and thereby helping clients to keep pace with the modernisation of wealth management infrastructure, supporting them to be agile and responsive to delivery of propositions into the market.

FNZ's robo-advisory solutions are aimed at optimising investment outcomes for end investors through individualised solutions. Another key area for FNZ in the region is predictive analytics, which is machine learning and statistical modelling applied to data. FNZ has been progressing quickly in this space, rolling out an investor attrition predictive model, which attempts to predict the risk that a customer may leave a wealth product, platform or service.

The FNZ wealth management model is fundamentally different from most others in the market, being a fully outsourced service of both technology and retail investment operations. FNZ has only ever provided this BPO offering, which is now seen as the direction of the market.

The firm's CEO for Asia-Pacific, Tim Neville, had recently explained to Hubbis that traditionally, technology in the financial services sector was either built in-house, which worked for decades, followed by outsourced but maintained in house, followed by software as a service. But he explained that "Platform as a Service" (PaaS) is the new wave, allowing firms to outsource all the commoditised middle and back-office elements of wealth management whilst still owning and differentiating their customer propositions, both digitally and through products offered.

As a result, FNZ can deliver regional wealth management platforms through a single core platform that allows clients to enter multiple Asian markets through just one system.

