

# Future - proofing via Digital Transformation of the Wealth Management Offering

*Abhra Roy, Head of Finacle Wealth Management Solution for Infosys Finacle, told the audience at the Indian Wealth Management Forum how firms in this industry must keep pace with digital innovation in order to redefine their propositions and future proof their business.*

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[Link to Photos](#)  
[Link to Video Highlights](#)

**R**OY BEGAN HIS TALK BY commenting on where India's digital story stands currently. "We still have to catch up with US and China in terms of digital transactions, but we have made great progress and there is a potential of 100 billion digital online transactions by 2020, interestingly with women and children, the next generation, amongst the key drivers."

He noted that in the wealth management industry, E&Y had carried out a fascinating survey in which wealth managers were asked about disruption expected in the next several years.



**ABHRA ROY**  
Infosys Finacle

## Tech disruption – coming sooner or later

“The results,” he reported, “indicated that 87% of the respondents felt most disruption would come from regulations and compliance, which is understandable, but also a resounding 70% said that new and emerging technology would provide major disruption.”

He also highlighted two elements that shine through in terms of where technology investment is required and where the investments are being made today. “These are the customer experience and the user experience, the latter being the wealth management institution itself.”

Roy also noted that a massive intergenerational wealth transfer will take place due to the demographic shift that will, by 2020, see more than half the world’s workforce comprising millennials, most of whom are digital natives already deeply comfortable with the digital way of transacting and investing.

## Holistic transformation

Roy then explained what he considers digital wealth management is not or should not be. “Truly digital wealth management requires holistic transformation,” he claimed. “It is not enough to just add new channels, new devices for access, not enough to enhance the old processes, to give legacy processes a facelift or automate existing processes. The industry needs to re-imagine how it could be in the next few years. The key is to achieve omnichannel, to incorporate new technology, data analytics and also integration with all other systems in your ecosystem.”

To shed more light on his comments, Roy summed up his

vision as a clear focus on four standout characteristics - frictionless, ecosystem, deep insights and automation.

## Four characteristics of digital transformation

Frictionless is what Roy describes as the customer’s focal point. “This means the customer is connected, informed, rewarded, with wealth conveniently integrated into their lives,” he explained. “Our recom-

## “THERE ARE THREE CRITICAL ELEMENTS IN THE DIGITAL JOURNEY, NAMELY DIGITAL BUSINESS ENGINES, THE ENGAGEMENT MODEL AND THE DIGITAL EXPERIENCE,”

mended approach is wealth firms achieve this through continuous innovation and an omnichannel hub and state-of-the-art, with interesting and secure experiences.”

Roy explained that the ecosystem is essential as the wealth industry is becoming more fragmented because of the unbundling of services. “This is positive, the future lies in opening up of the services,” he claimed. “There is, for example, enormous potential in this space where the APIs that a wealth management firm’s back office has could, and should, be monetised for their benefit.”

Deep insights, he elucidated, are the deep perceptions into, and use of, data. “Data is going to be the new natural resource,” he stated. And automation will be via AI, self-learning, blockchain-led changes, robotic process automation and other advances.

“Looking at all our customers across banking, wealth and other business there are these four standout characteristics of the truly digital journey,” he added. “These are the four headlines

under which the entire transformation is taking place.”

## Future-proofing

But what does this all mean? “It means truly digital transformation, and not just digital transformation, which results in a complete focus on the customer, full automation, an outstanding ecosystem and deep understanding and insights of your clients.”

How then do firms future-proof their capabilities with a digital platform? “There are three critical elements in the digital journey, namely digital business engines, the engagement model and the digital experience,” Roy explained. “To future-proof the digital experience, any of these three elements can be upgraded or updated easily and independently without the need to change the entire digital business engine. This is what we call a model of transformation for future-proofing your business.”

Roy concluded by telling the audience that Infosys Finacle does not expect to achieve everything on its own. “One technology firm cannot do everything,” he said, “we like to work in an ecosystem where we have partners, we have fintech collaborations, where we tie it all up so that everything can be brought together in a single platform. There are specialists in specific areas, and you in the industry need to collaborate with them to achieve the optimal results.” ■