

Getting smarter about client onboarding

Automated and consistent processes are ever-more essential in helping banks overcome the challenges relating to client onboarding and other increasingly burdensome documentation management obligations, says Mark Buesser of IMTF.

One of the biggest – and most operationally-painful – challenges that banks continue to face today is how they should cope with increased complexity due to additional and changing regulatory policies.

This is being felt in particular at the client onboarding stage within the wealth management business, involving masses of data and documentation.

“The response must be to strive for higher efficiency and to proactively ensure a positive customer experience, especially during this first part of what is effectively a ‘sales’ phase,” says Mark Buesser, chief executive officer of IMTF.

Consistency and automation, therefore, is the way forward.

DRIVE TO AUTOMATION

The over-riding focus of banks, and also where investment dollars seem to be

flowing most readily, is the search for greater automation.

“This has a lot to do with the banks wanting to add new channels and serve different segments at the same time, in a synchronised way,” says Buesser.

The value proposition of IMTF in this space is three fold. First, it relates to document management, and specifically automation. Secondly. It covers the compliance and KYC needs of an institution. And thirdly – which has also been the most highly-sought after aspect of the offering of late – the firm provides solutions for client onboarding and automating the account data management process.

Surprisingly from Buesser’s perspective, demand is coming more from the so-called traditional banks. They see that the industry has changed and realise they need to move quickly to keep up.



MARK BUESSER
IMTF

At the same time, many of the retail-focused Swiss Cantonal banks have been moving into the wealth manage-

ment space. "In some cases they have been even more innovative than the traditional banks," says Buesser.

WRITING THE RULES

One of the biggest concerns for private banks more recently has been the focus on client onboarding and, in particular, effectively and efficiently managing the account-holder data that needs to be captured during the process.

like Hong Kong, for instance," says Buesser. "If I want to invest in a specific Hong Kong fund I have to disclose certain data about myself, otherwise I cannot buy it."

The upshot is a vast number of rules which must be factored into the solution. And in many cases a large number of staff are involved in the approval process – ranging from compliance

A PLATFORM SOLUTION

IMTF's answer to this mounting burden has been to develop what Buesser calls a "platform".

This takes it beyond being just a software, to incorporate both the content as well as the experience, and delivered in a way which he claims is best practice. "We believe the rules engine has to be at the centre of the solution," he explains, "because of the complexity of the onboarding. Account data management is not just a banking process; it is much more about coping with multiple rules," he adds.

The integrated workflow tool then enables the various stakeholders at the bank to handle this in a smart way.

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IMTF's solution benefits from the experience and insights gained on an earlier mandate to create a solution for one of the leading Swiss banks, which also has a global network.

That enabled Buesser and his team to determine the key components in building and implementing such a solution – to result in a worldwide relationship management tool.

Having customers in more than 30 countries around the world is also an important bonus for the technology provider. This creates an important understanding, for example, about the impact of the varying regulations from country to country, and what is required from a compliance perspective.

That applies not only to the due diligence on the individual client, but also to the suitability of the product offering they opt for. "This is required in a market

personnel to relationship managers to regional market heads, and even the chief executive when it comes to reviewing and accepting politically exposed persons.

"We have put banks in a position to cope with and handle virtually thousands of rules," says Buesser.

"For one of the global banks we engineered a system that now has over 10,000 rules, enabling to onboard clients across 15 booking centres and in around 40 advisory locations."

Adding to the mind-boggling complexity is the need to input and maintain all these rules.

Even for the likes of Credit Suisse and UBS, for example, whose budgets in the past have allowed for dedicated teams of people to do that, the cost of staying up-to-date is getting out of control.

And despite today's rapidly-changing world, where the rules of the content are inevitably evolving at a similar pace, Buesser is confident about how he can keep up-to-speed.

"We do two things," he explains. "First, we employ people in different countries to analyse the changes at the same time as they are working on local projects. The second thing we offer to our customers is a so-called rule-scenario clearing service."

How this works in practice is simple. Banks from all over the world pay a modest fee and agree to send IMTF new rules and regulations when they become aware of them.

The company then commits to sending this out to all participating banks.

This creates two, connected benefits. On the one hand, it results in a large number of people with a share interest seeking out such alerts, and on the

other, IMTF can provide a value-add. In turn, such intellectual capital plays to the firm's strengths, as it can interpret how different markets are changing as part of its own effort to adapt and enhance its platform.

SEEING TO A SMOOTH IMPLEMENTATION

Regardless of how this or any similar type of platform works, however, ensuring a bank can implement it without too much time, trouble or unnecessary cost is always a key consideration within the decision-making process.

Buesser says that he has factored this in already.

"The architecture of our platform was created in a way to enable a bank to easily integrate as well as synchronise it with many other existing systems."

With core banking systems, CRM tools, e-banking platforms and other central data management, any onboarding solution must be able to connect with and

access existing data, wherever it might be stored.

"It would create a good client experience if, when prospects who are permanent residents in Singapore, for example, give the bank their name, the onboarding process can immediately

option for most banks. "Those institutions which have started to really analyse what their requirements are, realise these are not only being dictated by regulation but also via the different requests from customers in terms of the channels they prefer," explains Buesser.

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retrieve this data from available reference databases," says Buesser. "They tend to have a lot of information but it is often not very synchronised."

A key function of the IMTF offering, therefore, is real-time and batch synchronisation services in the integration layer. Doing it themselves isn't really an

This creates a complexity where, given the backdrop of the high-cost environment that many institutions find themselves in today, coupled also with the scarcity of talent to be able to analyse and engineer a solution, they then look to offerings which are flexible enough that make them more tailored to their individual needs. ■

