

How Standard Chartered is changing the advisory equation

The bank's priority from a product and advisory perspective is to industrialise the generation of personalised investment ideas for every client, reveals Alexis Calla. In turn, the hope is that this will empower both advisers and clients.

Alexis Calla views technology as a blessing for the wealth management industry, not the threat that many of his fellow practitioners perceive it to be.

“The sooner you embrace it, then the more quickly you will be able to tackle the challenges it creates and also take advantage of the opportunities,” explains Calla.

As global head of investment advisory and strategy at Standard Chartered Bank, his priority is to deliver a relevant, consistent and contextual offering which is based on a genuine understanding of the needs of customers.

In practice, this means that wherever in the world a customer walks into a branch of the bank, interacts with a relationship manager (RM), or goes digital to access advice directly, that customer gets the best the bank can offer to them.

If this results in individual RMs and the overall advisory process being able to interpret customers' questions and needs more clearly and fully, the bank will ultimately identify better solutions for their portfolios.

“Technology will help customers access the best of the organisation at their fingertips,” adds Calla.

STRATEGIC SHIFT

Taking a frank look at the state of affairs, the wealth management industry has several shortcomings that Calla, like many others, is trying to address.

Some of the main ones include platforms being fragmented, with country-specific applications; limited digital wealth transaction capabilities; and the investment advisory and ongoing customer engagement being human-dependent, with personalisation only for the top clients.



ALEXIS CALLA
Standard Chartered Bank

This all could lead to a lack of consistency in the quality of advice, across countries and within branches and sales teams.

To give a practical example, in terms of the discovery process, the challenge that all this creates is the fact that any single adviser gets confronted with a multitude of potential options and solutions to present to customers.

Given the variety of financial needs, personal expectations, behaviours and ways that customers like to be serviced, it is near-impossible to package a set of pre-prepared answers.

And after trying to marry the answers from an individual customer's discovery findings to the solutions available, the bank then has to deliver this to customers in the way they want.

If Calla can spearhead for the bank the type of industrialisation which is front-and-centre in his thinking and day-to-day activities, it will ensure a significant strategic shift in six key areas.

First, it would mean scaling the advisory offering without a proportionate increase in cost, therefore improving the operating leverage.

Secondly, it would be able to automate the personalisation of advice to RMs and direct to customer – for all customers. This would also result in a third key achievement, namely a guided and institutional advisory approach, ensuring consistency and quality.

Fourthly, it would mean that the advisory engagement is complemented by a digital engagement. This ties in to the fifth outcome – a full suite of digital wealth transactions in key markets.

And finally, it would enable a standard and scalable wealth management platform across both the priority customer segment as well as the private bank.

The resultant digital tools and platform will enable the RMs to respond to customers' questions by having access to answers that either might not be available today, or not readily available to the individual adviser.

In short, says Calla, this will ensure the experience and value the bank – and individual advisers – delivers is relevant to the customer as an individual.

Already the bank offers customers the capability to trade equities and mutual funds online. And it is continuing to build out more along these lines.

A CLEARER OUTLOOK FOR 2016

In the midst of building out its technology, the first step Standard Chartered has taken to deliver relevance is to provide its customers with advisory content directly relevant to their market.

In the bank's investment outlook for 2016, for example, even though the key investment themes remain consistent globally, the way content and views are featured differ across markets.

For India, a special front section is dedicated to the outlook for the local Indian economy as well as Indian bonds and equities. Similarly for Korea, Hong Kong, China, Indonesia and Thailand, localised advisory views and investment ideas in the local language will feature in their respective publications.

"We believe this is critical in addressing our customers' emotional and behavioural needs, on top of their financial performance," explains Calla.

"Our on-the-ground investment insights from a team of local investment strategists, combined with our global view of the markets, will allow us to deliver this rele-

vance to our customers through our footprint in Asia, Africa and the Middle East."

CREATING CONTEXT

The technology exists to achieve many of the components of the strategic shift that is underway within Standard Chartered's wealth management platform.

For example, it is possible to integrate vast amounts of data, codify algorithms and rules reflecting best-thinking in investment advisory, and display the resulting output in a simple and intuitive way. Further, time spent by RMs on specific tasks can be reduced, and the bank can deliver investment views and ideas to customers more quickly.

"What people are missing today is context," says Calla. "I see our industry as [in the future] doing something similar to what the best colleges can offer – they help students contextualise what they learn and use it."

This goes beyond just sending a new investment idea to a customer when a market event occurs. Instead it is about adding sense and understanding in terms of what it could mean to that customer to satisfy their financial needs.

So how do RMs interpret this and present it to customers in the right way? "I see technology doing this job," says Calla. "This includes helping the RM and customer to prioritise based on the various market views and investment ideas."

This is the crux of how he believes Standard Chartered is going to be more relevant to its customers going forward. And that's exactly what he is working hard to create. "The power of analytics has barely been used in banking in the retail space. So designing a new model is just the beginning." ■