

Indonesia and the Wealth Management Community: How to Survive and Prosper in the World Aheads

How is the asset and wealth management industry evolving in the local Indonesian market? How does this compare with trends in SE Asia? What growth potential lies ahead, and where are the key opportunities for the foreseeable future? Investors and regulators are pushing down fees, so how will wealth managers survive? What has to change in the industry if it is to realise its full potential? These and other questions were put to a panel of experts at the Hubbis Indonesia Wealth Forum in Jakarta Dubai on March 29. One of the expert speakers was Yulius Ardi, Head of Wealth Management at Bank Danamon. This is a brief summary of some of his observations.



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Yulius, what do you think is the one thing the wealth management industry has to get right?

The key thing that needs to change is how we serve the clients. We have to segment between the emerging affluent, which is now a strongly growing market. This segment has been significantly touched by the FinTechs and digital solutions during the pandemic, and the banks now need to grow in this segment.

We need to serve our clients differently, and for the emerging affluent or maybe lower tier of affluent clients, we can position ourselves as the financial well-being provider where we can provide simple wealth solutions for them. These customers are also price conscious, and we need to deliver a combination of digital and with analytics, and the human advisory touch. In this way, we can offer them personalised advice.

The second thing is for existing clients, for new generations of high net-worth individuals, who value deeper relationships with their banks and other providers. We need to strengthen our capability and wealth advisory and give them very personalised advice.

As to products, we should combine the capability not only by selling competitive products, so maybe we could scale up to tax advice, we can boost our estate and legacy planning advice for the older and the next generations.

Yulius, Bank Danamon launched an app and it is enjoying a significant user base now. What lessons did you learn along the way?

Danamon focuses not only on high tier clients but also the emerging



Chair:

» Dr. Silvio Struebi

Partner

Simon-Kucher Global Strategy Consultancy

Panel Members:

» Meru Arumdalu

Head of Wealth Management

Standard Chartered Bank

» Antony Dirga

President Director

Trimegah Asset Management

» Yulius Ardi

Head of Wealth Management

Bank Danamon

affluent and even mass-market clients. So, what differentiates us is basically we are looking at the client's journey, and how to simplify that with technology, so customers can access wealth management seamlessly. The app is very much part of that and we

keep the app fairly simple, with basic features, and the provision of a kind of robo-advisory that provides a specialised or specific recommendation to the clients supported by analytics. It is a low-cost technology but offers high value to the clients.



What else are you working on at the bank to improve your wealth management offering?

Regulators now want the banks to increase the transparency to the clients, so we have to build a set of measures on how to be more transparent with clients, especially on the management fee. We also need to inform the clients of specific requirements; we need to make sure they fully understand new things that we want to implement.

The industry eventually needs to evolve. We as wealth managers and banks cannot speak only about delivering clients different products or services. Nowadays, we need to partner, and we have to own the ecosystem, for example partnering with the FinTechs, collaborating with them to bring clients that additional capability that banks would need considerably more time to develop. Time to market is important.

Another issue is wealth management should be accessible to all generations. We have to own the ecosystem, meaning we need to look at every client's life stage. So, when they start working, getting married or having kids, or starting a business, we need to be there. So, this is what we are trying to do to own the ecosystem so that they know that banks or any financial institution are there to help them to achieve their financial goals. ■

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Additionally, we are fully aware that clients cannot do everything online, or do not want to. Hence, we are building the capability as well to develop virtual RMs, so they can interact when clients have something that they want to

know more about, or they have more questions, so the chatbot and also virtual RMs help them with this communication, and they obtain the type of information needed to grow their wealth.

