

Investing in digital channels for relationships

In Asia the focus in the wealth management industry is to implement advanced digital platforms and a single consolidated research platform for a consistent and affordable solution to client communication. Alan Bettridge of Factset discusses the benefits of investing in digital channels to improve relationships.



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THERE ARE A NUMBER OF TRENDS IN wealth management in Asia, and these primarily include the search for scale within the wealth management client base. Consolidation in the market has mainly been driven by the need and desire for larger wealth managers to achieve scale and to ensure that they have relationship networks across the region that enable them to manage their cost base efficiently. Alan Bettridge, Senior Vice President, Director of Sales, Asia Pacific at Factset believes that by providing a single consolidated research platform, it is possible to help with this scale challenge and to deliver a consistent solution across their relationship network at a significantly lower cost.

Bettridge points out that there is also another driving theme - a push for more advanced digital platforms which allow for diverse and more effective ways of communicating with clients. He says that clients are generally demanding more information at a faster pace, and are wanting to serve themselves more independently. To obtain more information on their own terms through the use of websites and mobile devices as well as through the use of more traditional methods of communication such as having a 1:1 meeting or telephone conversations with relationship advisor. The industry is responding to this trend by reinvesting in and further developing digital channels to improve those relationships.

One of the main challenges in the modern world is not obtaining access to data, but capturing the value of that data and knowing how to implement it into a sys-

tematic investment process. Historically, much of the investment process has been broken down into separate silos, but regulatory demands and better performance at a lower cost have increased the need for a single data source and real concordance throughout the investment process with data that connects from research right through to client reporting, capturing the transactions and decisions at each stage of the process. This can only be done with tight management and flow of data through the investment process, ideally using as few platforms as possible.

The word ‘digital’ is open to misunderstanding, however in terms of wealth management, Bettridge states that it means addressing the demand from clients to have access to more data the way they want it delivered and real time. The only way to achieve this is to provide solutions digitally. Modern high net worth individuals have been raised in the internet age and expect data to be at their fingertips and to be accessible wherever they may be. That data also needs to be up to date, contextualised and meaningful to them at all times. From a systems, data and investment process perspec-

tive, this is quite challenging and that is focusing minds on what digitalisation means for the wealth management industry and how wealth managers can empower their clients to be more informed and to make better investment decisions.

Regulations in Europe and the USA are very likely to make the move to Asia as time goes on, and therefore the smarter wealth management organisations in Asia are trying to futureproof themselves to deal with regulation in whatever form it may eventually take by ensuring that robust systems, data architecture and concordance of data exists throughout the investment process. Much of the regulation currently seen in Europe, the USA and in specific country jurisdictions requires advisors to report in more granularity and flexibility on the appropriateness of the investment decisions that they are making for their clients, capturing all decision-making processes and ensuring good data management. Bettridge believes that this means that those future regulatory requirements will be more manageable for the client whatever shape or form they will eventually take. ■

