

Living in a new wealth management landscape

In a video interview, Michael Gerber of 360F explains some key challenges for the industry, arising from the desire among clients to be better informed, plus the hurdles for banks in scaling their platforms. And he sees digital only having a gradual impact.

According to Michael Gerber, chief executive officer of 360F, the wealth management industry faces two main challenges today.

The first, is the increasing sophistication of clients, who he says are looking around for good solutions for a good price. Due to uncertainty in markets, clients want to be better informed. Yet this poses a problem for many banks, in terms of them being able to come up with the right answers.

The second challenge, is that the banks suffer from scalability issues. Today, Gerber says they try to address this by recruiting more front-line advisers, yet this is difficult to do given that the number of high-quality advisers available in the industry are limited.

As a result, banks need to educate their people better and use technology and data in a way that gives tools to their advisers to enhance their productivity.

DIGITAL IMPACT

Over the last 10 years, Gerber believes the mind-set has changed substantially within the industry, in terms of the awareness of the need to evolve and adapt the business, and the readiness to do so. From an operational perspective, however, not much has happened.

Further, the tangible influence of digital in the last few years, such as on the types of products being sold and the way they are sold, has not been very significant, he adds.

Change might accelerate as a result of external pressures, says Gerber, pointing to examples such as Uber in the taxi business.

However, the fintech bubble might well come to an end in the next two years, he adds, if some of the early firms in this space go bust. This will lead to a certain amount of disillusionment, although he



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does expect to see a gradual improvement in services within the wealth management industry due to digital. ■