

Looking from the outside in

The DBS Bank wealth management mantra is that being fully digital yet embedded within the daily lives of its customers is the only way it will survive the next 10 years. Tan Su Shan is leading the charge.

The challenge for the wealth management industry today is to understand what the customer wants. Organisations must then take a leaf out of the book of the best client experience designers – the ‘Googles’ of the world – to create a truly lasting relationship by being relevant, timely and simple.

This highlights just how wrong the starting point has been for many private banking institutions to date in Asia. Many of the newer industry players (some of whom have already exited Asia) were offering the same kind of solution – an open platform with various wealth management products to choose from.

Yet as the cost of doing business continues to rise, differentiation is key, urges Tan Su Shan, group head of consumer banking & wealth management at DBS Bank.

This is in terms of the digital architecture, how intuitive a firm can be to meet

both the personal and business needs of a client, and being able to merge the physical and digital channels to be contextual, timely and simple.

On its current trajectory, the private banking landscape will become increasingly polarised. The largest institutions will just grow bigger, and the smaller firms will either focus on their existing niche, or leave the industry.

And within the bigger players, the fight is to win customer mindshare and be relevant. “This cannot be done just through traditional channels and hiring expensive bankers with big guarantees,” says Tan, adding that this is disruptive; it upsets the ecosystem internally, plus clients can suffer from the distraction of their banker being uprooted.

She is therefore adamant about her goal: winning the digital game. “This means gaining market share to stay alive and stay ahead.”



TAN SU SHAN
DBS Bank

INTIMACY OF INSIGHT

DBS has already been enthusiastically embracing more of a fintech philosophy, at all levels of the organisation.

This started via 'eWealth' (which later evolved to 'iWealth') around five years ago. And Tan's team from those days remains intact.

Then, in 2014, the bank made a public commitment to invest SGD200 million over three years in digital banking.

It has since rolled out countless initiatives including RM Mobility, which provides relationship managers (RMs) with an integrated mobile platform used to engage customers from the very beginning of their banking experience with DBS.

It now engages in best practices used in consumer industries such as usability testing, human-centred design and 'Uber-like ratings to solicit constant feedback from its clients.

"We do everything through the customers' lens, and everything we design and build begins and ends with our clients in mind," explains Tan. "Whether it's integrating their banking accounts and wealth portfolios in one single dashboard, keeping track of the markets or learning about opportunities, we are putting the bank in the palm of their hands."

She believes the 'winners' of tomorrow will be those organisations and individuals which understand digital intimately. This means how to connect the dots, with both clients and partners in mind, for all the various aspects of the service and offering.

In Tan's view, banks must use the new tools available to drive change in terms of the culture of the people. This goes way beyond coming up with a funky app; it is about complete immersion in the digital world on a daily basis. "The more intuitive the digital channel, the

more likely a bank is to win the wealth management race," says Tan.

DRIVEN BY DIGITAL

Despite her near-30 years in financial services and private banking, Tan seems to think like a millennial.

Yet this is of little surprise given how engrossed she – and the whole of DBS – has been in furthering its digital transformation agenda.

The latest enhancement to its wealth offering came in February 2017 when the bank launched what it called "a first in Singapore", by enhancing its 'DBS iWealth' platform.

The new and improved service allows clients to conduct their banking transactions, manage their wealth and also trade on a single platform (see box).

Already more than 70% of DBS' wealth clients are online and use mobile banking, actively managing their wealth on these digital channels. This translates to over 2.6 million (online) and 1.5 million (mobile) users – the largest numbers in Singapore – and accounting for more than 1.6 million transactions daily across the bank's digital platforms.

The bank says that its customers' mobile activity also leads the industry in Singapore; it already accounts for more than 60% of DBS' 500,000-plus daily logins. And in 2016, around 25% of its wealth management clients were acquired online via 'DBS iWealth'.

BRANCHING OUT

The digital ambition of the bank also spans the Asian region. This was reflected, in part, by its decision in the latter part of 2016 to buy the wealth management and retail banking business

iWealth win-win

Now also available to wealth management clients (DBS Treasures, DBS Treasures Private Client, DBS Private Bank) via a mobile app, the latest enhancements made to 'DBS iWealth' were implemented after a number of intensive client feedback sessions.

The enhanced wealth platform empowers clients with quick and intuitive access to services, product information and research.

For example, clients can personalise their profiles and customise quick links. Insights and analysis can be tailored according to clients' preferences and holdings, allowing them to manage their wealth and stay updated on market trends while on-the-go.

Equity trading and funds investing have also been incorporated into the platform, enhancing the range of customer investment needs that can be instantly fulfilled.

On the mobile app, clients can toggle between their banking, trading and wealth management portfolios without having to log in and out of different apps.

"By leveraging Big Data, biometrics and intuitive design, we are focused on delivering relevant advice in a timely manner," says Tan. "For the new 'DBS iWealth' mobile app, we tested it with over 3,000 clients before rolling it out to all clients, and we believe it will give them a faster, smarter and more personalised way to manage their wealth."

of ANZ in five markets – Singapore, Hong Kong, China, Taiwan and Indonesia.

Ensuring a smooth integration is one of Tan's priorities, as the bank aims to complete this from June 2017 onwards over the following eight to nine months.

The boost to the bottom line at the time was one thing – with total deposits of SGD17 billion, loans of SGD11 billion, investment AUM of SGD6.5 billion and total revenue of SGD825 million for FY2016. And around 100,000 affluent and private wealth customers will likely be added to the DBS brand.

But in Taiwan and Indonesia, in particular, the transaction made strategic sense in terms of enabling DBS to much more rapidly scale-up its digital proposition on the back of ANZ's investment and innovations in these two countries.

DEDICATED DESIGN

Tan believes that the approach DBS takes has been a big contributor to its overall digital success.

From tracking the eyeballs of customers who do testing in its lab, for example, it can monitor where they look, which colours they find most alluring, and also what words or images attract them to a greater or lesser degree.

From this, the bank will determine how to provide alerts to customers, and the type of contact they prefer.

Further, in its own internal development meetings, it tries to limit the number of participants to 12 individuals who are dedicated to the digital cause.

The bank also calls on its managing directors to take the lead in running the many client 'journeys' it embarks on – which might range from travel to KYC to wealth to retirement, for instance.

The underlying philosophy very much heeds the Chinese saying which refers to the concept that 'the mother of failure is the mother of success'.

given the number of non-facts based judgement calls required in delivering high-quality advice. But the efforts and time spent on the project highlighted the potential for AI to learn quickly.

And DBS hasn't wavered in its priority to continue on its digital path with a commitment to be relentless in the pursuit of the customer journey and knowing what the client wants.

Plus, it has focused on ensuring that its RMs buy-in to the blended, multi-channel approach. "When this happens,

"The more intuitive the digital channel, the more likely a bank is to win the wealth management race."

Tan certainly shares the view that it is important to try new things, even if that means failing along the way.

REFINING THE PROPOSITION

Although the Watson collaboration couldn't be described as bluntly as that, clearly DBS has learnt that some innovations and changes in mind-set take longer than others to get right.

The bank might have been a little early to bring this level of artificial intelligence (AI) to wealth management,

the chances of success are might higher," adds Tan. For example, by incorporating the best of its retail business within the wealth offering, all RMs now operate from iPads, ranging from investment objectives to insurance products.

"We want to create stickiness by being embedded in the everyday lives of our customers," says Tan. "We also need to ensure everything we do is contextual, to make it relevant to each customer. We want our customers to feel we know them and what they need." ■

