

# New tools needed to ensure IFA survival in Hong Kong

*Advances in technology have brought their own levels of new transparency to the advisory process in wealth management. Digital tools of different kinds give IFAs the opportunity to consolidate and add more value to the client-adviser relationship.*

Clients want more personal, real-time and effortless interactions with advisers. Further, these same clients will increasingly demand additional services and more flexibility to ensure comprehensive coverage of their needs along with a transparent portfolio.

To meet such expectations, IFAs need to re-think both what their value propositions are and the way they deliver them.

held by Hubbis in collaboration with Old Mutual International in Hong Kong.

## AN EVOLVING SERVICE

An important take-away in today's advisory landscape is the changing meaning of the concept of trust in relationships between advisers and clients.

With the mix of influences of regulation and compliance, new analytical tools and

prompting greater transparency in terms of fees and other charges, plus the advice given, and driving expectations from products and services recommended.

All this requires IFAs to revisit how they approach both prospects and existing clients. As a result, advisers need to enhance the connectivity with each customer via a differentiated business model – in the bid to build long-term relationships.

Ultimately, it comes down to a proper understanding of client needs. By providing added value propositions such as wealth planning, tax planning, trust planning, portfolio construction and discretionary portfolio management, for example, IFAs can strengthen a client relationship.

In turn, it means the advisers are more likely to convince their clients of the value in paying for the advice, to generate a more sustainable income model.

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Establishing a win-win relationship in this way was among the talking points at a gathering of local and expat IFAs,

Generation Y, customer power has increased dramatically. Customers also have access to much more information,

## NEW TOOLS

Further, to offer more tailored services to clients, IFAs can look to the support of new tools, particularly the digital area.

With the rise of robo-advisers, for example, a new combination of science-led and human-based advisory models have emerged.

This highlights the extent to which technology is poised to change the nature and delivery of financial advice in some significant ways.

vidual investor needs and improve the effectiveness, collaboration and impact of the advice.

Greater product access combined with the benefits of transparency and efficiency via platforms provides further added value. Plus, this enables IFAs to offer consolidated reporting.

Moreover, mobile-friendly solutions that support both clients and advisers also can increase engagement and interaction as part of a win-win solution.

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This is an important evolution for the market, given that the next generation has different needs and requirements that demand new financial tools.

The industry in Hong Kong seems to have no choice, therefore, but to positively embrace digital solutions to support their client engagement efforts with higher levels of service and expanded offerings.

Through new holistic platform tools, financial adviser workflows can expand the multi-channel user experience.

They can also employ digital strategies to ensure a tailored approach to indi-

More work is needed in these areas in Hong Kong, in particular, where, compared with China, fintech is a laggard.

With stronger digital tools, Hong Kong’s IFAs would be in a better position to meet customer demands and expectations, as well as have the opportunity to penetrate other markets.

The regulatory reforms also make it essential for locally-based IFAs to focus on building more efficient and productive businesses.

These need to operate with transparency, speed and a streamlined and more tailored customer experience. ■

## Digital dynamics

*The ‘industrial revolution’ in technology will continue to overturn client expectations and the demands they make of financial firms, according to a recent report by Old Mutual International, entitled ‘Adapting For The New World of Advice’,*

*More and more customers now expect to be able to engage digitally with their advisers, to carry out a wide variety of transactions online and possibly even conduct their business meetings via Skype.*

*As well as offering customers enhanced options for interaction, the report says technology also enables advisory firms to build an efficient business model and reduce the amount of tedious, time-consuming and costly paperwork.*

*It allows for greater integration and expansion of services such as the introduction of a menu of online services for those clients who prefer an element of ‘do-it-yourself’.*

*This integration can also include connections with the life office and platform providers’ administration systems to consolidate customer data and policies.*

*Digital customer relationship management (CRM) systems can help to manage client data and client contact, adds the report, with the data they provide supporting segmentation and targeting to ensure you are making the most of your client base.*