


President of InvestCloud's operations in APAC James Verner shares his thoughts on Delivering 'Smart' Digital Transformation in Asia's Dynamic Wealth Markets



The Hubbis Digital Dialogue discussion on July 21 brought together three private banking and wealth management leaders and also a digital transformation expert in the form of James Verner, InvestCloud's President for APAC. He offered his perspectives on how technology solutions, if conceived with the right strategies and delivered efficiently and effectively, can facilitate and even fast-track the ability of private banks and other wealth firms to seize the many opportunities on offer in the dynamic Asia Pacific markets.

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James Verner
InvestCloud

InvestCloud is a powerhouse global Software-as-a-Service (SaaS) wealth solutions platform that is one of the fastest-growing B2B WealthTech businesses globally. The firm has the vision to facilitate the digitisation of offerings as financial institutions adjust their business models to rapidly evolving markets, where clients expect a more relevant, personal and real-time proposition – and all for lower fees.

With a strong APAC presence, including offices in Singapore, Hong Kong, Japan and Australia, InvestCloud has been rapidly building partnerships with leading private banks, wealth managers and other players in the investment space to digitise their wealth management operations and enhance client experiences. In past interviews, Verner has explained how InvestCloud's modular approach allows clients to upgrade their capabilities, make the most of existing technology investments and promote client growth, client retention and operational efficiencies in a cost-effective and agile manner, rather than a "rip and replace" approach laden with risk.

Retain, win, enhance

InvestCloud, James told delegates, is a global WealthTech platform provider, offering very simply a single digital cloud native application to help clients retain their private clients and also win new clients, while driving huge gains in operational efficiency.

"We do this for over 400 wealth managers around the world – including private banks, consumer banks and insurance company adviser networks – as well as over 150 asset managers globally. We have just over USD6.3 trillion of assets on our platform, supporting over 7,000 user experiences in

deliver a genuinely excellent client experience, and to build relationships across generations."

Another challenge is for banks and other wealth management firms to become the trusted adviser to the clients. "On this point," he said, "I can refer to the latest issue of the annual Capgemini World Wealth Report that came out last month, which indicates that 73% of people, when they cross the million-dollar threshold of investable assets, switch their lead wealth manager. This means that to hold onto these clients, you need to provide something better, something different."

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over 40 countries for over 20 million global investor accounts today," he reported. "We are a global organisation with significant presence in Asia, including our four key office centres, and we serve many of the large and leading players in each of those markets, both locally and regionally."

Great opportunities ahead

James explained that the regional market remains dynamic, with expectations of a doubling of wealth management AUM in APAC by 2025. "The opportunity is most certainly there, and one of the key challenges for wealth managers is building the scale to really access these opportunities across this huge and diverse region," he said. "Other major challenges are to

Seize the day

James then zoomed in further on technology's role in helping drive growth, retention, efficiency and scale, as well as helping boost the skills, productivity and revenues per RM or adviser, and generally enhancing the client experience and client satisfaction.

"Our collective optimism for the opportunity in this region is indeed justified," he said, "but we also need to all be thinking about how we hold on to what we have, how we can grow through new client acquisition, and how to do so in more efficient and more profitable ways."

A quest for seamless client journeys

James turned his gaze on the quest for differentiation, noting

that from his perspective of working across the region with many leading banks and firms, a key objective must be to make the client journey more seamless, less 'clunky' and more 'frictionless', as he termed it.

"As a general theme, a lot of the technologies and the client experiences today are still quite siloed, so there is a resultant friction in the system, where things that you think should be obvious and easy to do, are not actually easy," he explained. "This means a fairly quick win can result from focusing on data, connecting all these data dots in your organisations and thereby making client journeys more intuitive, frictionless and also more personalised."

He said the wealth industry is still far from delivering hyper-personalisation. "We know from surveys that the way clients 'feel' about their experience influences some 70% of their buying decision, meaning that it is their emotional response to the client experience that drives their loyalty and activity," he explained.

The transition to fee-based wealth management

James expanded on these concepts, noting that within APAC, Australia and Japan are the most advanced in these areas, with a transition taking

place from product-driven wealth management to more of an advisory and fee-based proposition. He explained that the advisory-based offering is driven not be age or wealth but more by the need for planning – and the type of planning needed – helping clients understand and communicate their goals and hopes, and then helping deliver planning around achieving those life goals.

A lot of this can be significantly accelerated and improved upon by the clever use of data, which drives personalisation and relevance, and helps tailor conversations, advice and also products – specifically around the framework and conversations around longer-term horizons, he explained. "But actually, we are rather at the beginning of the journey to shift from product sales to advisory income and DPM in most of Asia, without a doubt," he said. "Nevertheless, the journey can start, and it should begin with the right combination of leveraging data and smart digital tools."

Empathy

He added that another core element is what he called digital 'empathy', which he said is an understanding between the adviser and the end-client, so they see themselves on the journey together and the RMs and advisers are cognisant of the customer's

hopes, dreams and fears. "In this way, it really becomes personalised planning, and to achieve that at scale you need the right technologies," he stated.

He drew his observations towards a close by noting that if wealth managers manage to retain their clients and win a greater share of wallet as trusted advisers, the next step should be to leverage those successes through stimulating a network effect to bring in new clients as well. "You then achieve growth through retention and growth through new clients coming into the network," he explained.

Step-by-step transformation

Verner concluded with the observation that the technology that can help achieve these goals should be layered in efficiently, in a modular manner, as digital transformation can be expensive and time consuming. "You need to ensure that your cost to serve is in tune with the market potential and your broader objectives," he said. "Consequently, our own early discussions with our clients focus on helping position them for this growth and retention agenda, and also on helping them reduce costs and enhance other operational efficiencies. If you can get those areas right, then you are well positioned to take advantage of the great growth potential that this dynamic region offers." ■

