

**SEIZING THE GROWTH
POTENTIAL
IN ASIA'S DYNAMIC
WEALTH MANAGEMENT
MARKETS**



INTRODUCTION

Hosted by Hubbis and global IT services and consulting group Accenture, a detailed and insightful private discussion took place in early November in Bangkok that focused attention on how the private banks, other banks and wealth management firms can effectively capitalise on what is very clearly the great growth potential ahead, and at the same time boost not only revenues but also hike profitability significantly.

Accenture is at the cutting edge of wealth management transformation globally, and was represented at the discussion by both David Wilson, APAC Wealth Management Lead, and Ralf Bemmman, Principal Director, Strategy & Consulting, Capital Markets Lead for Thailand.

The guests – all leaders and decision-makers within local Thai, regional or international private banks, brokerages and other wealth firms and EAMs - offered their views on an off-the-record basis, while selected views from David Wilson are presented on the record below.

The discussion took place in three key phases, supported by a detailed slide show offered by Accenture.

First up was 'Unleashing Business Growth and Seizing the Potential', during which David and the attendees articulated some of their perspectives on why growth will be so robust, not least in Thailand's wealth market, and how to go about seizing this potential. Focusing his lens on Thailand in particular, David characterised this under the 5 'Ps', representing Productivity, Pricing, the Proposition, Penetration (onshore) and Penetration (offshore).

The second overarching topics was 'Re-imagining the RM's Role', which centred on how the RMs and advisors will be at the very heart of delivering on this growth potential for the HNW and UHNW market, and what banks and other wealth management firms can do with technology, processes, and the right strategies to enhance their capabilities, target their skills and talent more effectively, free up their capacity and time, and help them deliver the doubling of revenues in the coming few years that many anticipate is very much possible.

The final segment was 'GenAI and Wealth Management of the Future', in which the assembled experts used their experience to opine on the practical applications and potential of GenAI, with David advising banks and others to begin experimenting as soon as possible, especially around content dissemination and engagement, but also with a keen eye on limitations and also regulatory challenges such as the difficulty of auditing information and views sourced through AI.

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KEY OBSERVATIONS & INSIGHTS FROM DAVID WILSON OF ACCENTURE

The Mission for the event was to define the growth potential, identify the need for the evolution of the role and capabilities of the RMs, and look ahead to the potential for GenAI to help evolve the wealth management proposition

David briefly explained his role as the leader of Accenture's wealth management business for Asia, reporting that his mission on the day was to listen and learn from the assembled market practitioners and then articulate three core topics, or levers, for unleashing the growth that so evidently lies ahead in Asia, and specifically for this discussion, related to Thailand.

He said he would zoom in on the immense growth potential industry leaders anticipate, and then discuss the role of Relationship Managers and advisors (the RMs), examining their contribution as the engine

room of driving banks and other firms towards that growth. He said he would focus on how to leverage their potential and productivity (and talent as well as loyalty) more effectively. And he would aim to stimulate a lively discussion on the role of Generation AI and its integration into plans within different firms, especially with a view to further elevating the RMs with their clients through enhanced information and idea dissemination, and a better client experience.

UNLEASHING BUSINESS GROWTH AND GRASPING THE POTENTIAL

Asia's wealth markets are set to grow apace, and Thailand is one of the most vigorous growth markets in the region, with Accenture predicting a revenue pool of USD31 billion by 2026 across the various segments

David shared Accenture's latest insights on the growth potential in Thailand's wealth market, focusing on affluent individuals with USD60,000 and above in investable

wealth. He highlighted a 9% annual growth in this population from 2017 to 2022, with a conviction that it will continue or even increase through 2026. This growth is projected to create a revenue pool of USD31 billion by 2026, making it larger than that in Singapore, he reported.

He noted that participants need to position themselves carefully to seize on this huge market potential, reporting that there is a viable path ahead for banks and other wealth firms to achieve 3-4x revenue growth over the next few years, driven by factors such as the productivity of RMs, the pricing proposition, expansion into new asset classes, and penetration into offshore markets.

David agreed and acknowledged disruptions impacting investor sentiment alongside geopolitical events worldwide. Despite these challenges, he confirmed there is a strong general level of optimism. "I think a lot of this is going to land on the shoulders of the investment professionals, the RMs and ICs (Investment Counsellors) to deliver the proposition and the narrative that will allow you all to unpack that growth.

Referring specifically to their research on Thailand as a recipient





of foreign private capital and as a source of private investment capital heading to offshore assets.

He noted, for example, that for Chinese investors USD1 million and above to invest, they estimate some 12% of there is held offshore of which nearly 4% goes to Thailand, in all forms of investments. And there is plenty of other foreign private money flooding into Thailand, a lot of it from across Asia.

And he reported that similar-level Thai investors are increasingly global in their outlook and investment but are somewhat uncertain as to how to best allocate offshore. He said nearly 30% of their offshore wealth lands in Singapore, a common destination for wealthy Thai investors, who also favour other destinations such as the US, Canada, London, or Switzerland.

David observed that despite these flows, there is a question mark surrounding the extent to which Thai institutions are capitalising on these opportunities, which of course represents a significant opportunity.

RE-IMAGINING THE RM'S ROLE (AS THE CONDUIT FOR TURNING POTENTIAL TO REALITY)

Focusing on Accenture's research amongst wealth management leaders locally and regionally, David highlighted how they expect the RMs and advisors to be driving most of this growth but explained that the RM's role must be re-imagined, to help eliminate so much wasted time and effort on mundane tasks, with technology, remuneration, management strategies and the filtering of talent all priorities ahead.

Transitioning to the RMs and advisors, David offered some of Accenture's insights from its research and thought leadership analysis following many discussions with senior executives in banks and wealth management firms in

the region. With a consensus of ambitious growth aspirations over the next three to four years, these leaders expect 90% to 95% of that growth to come from RMs rather than digital channels.

He said this is higher than they might have expected, but confirmed that for HNW and UHNW clients, even many in the mass affluent sector, the human touch and trust remain crucial, and this is especially the case in Asia. With these qualities in play, there is more of a chance for these RMs to deepen their existing and future engagement. He added that bringing in new HNW and UHNW clients is not something that can be achieved with digital tools; it must be at the human level.

Competitors must elevate their technology and prioritise the right solutions to help RMs provide their clients with more optimal levels of focus and service. But a more comprehensive approach is also required, hence the Accenture 3-pronged approach to elevating the capabilities of the RM community.

David also reported that their research showed RMs suffer from suboptimal technology support, skill gaps, and confused objectives (sales objectives versus more holistic client-centricity). He said the RM role is in many regards now poorly designed, with as much as 70% of their time spent on tasks perceived as not adding value to end-clients.

To address this, he suggested a three-pronged approach: a complete redesign of the RM role, a shift toward advisory-focused

tasks (requiring a skills uplift), and greater technology support and automation, including the integration of Generation AI.

Expanding on the challenges faced by RMs he explained that these include insufficient or outmoded digital tools, incompatible systems, reliance on Excel for portfolio modelling, and overall technological headwinds. He said these deter HNW and UHNW clients, leading him to assert that the solution is not just hiring more RMs, but bridging these shortcomings and elevating the RM's mission and capabilities.

With 70% of RM tasks essentially wasted in terms of time and effort, he proposed a complete redesign of the RM role, acknowledging the internal sensitivity associated with such a change. He proposed a shift towards advisory roles, requiring skills enhancement and new talent acquisition strategies; and finally, the incorporation of automation, including Generation AI, to effectively reallocate tasks.

Thai private clients are close to their RMs and advisors and there are strong relationships and high levels of trust, but this does not mean there is no room for improvement in RM capabilities and capacity

David drilled down into their Accenture survey regarding Thai investors' sentiments towards their RMs. He said they found high levels of satisfaction with various aspects of RM service quality, including professionalism, expertise, experience, client understanding, and consistency.

But he said the survey also highlighted significant room for



amelioration. One notable concern is the approach, indicating an insufficiently developed advisory model and excessive product selling. And a lack of genuine focus on the unique situations of each client.

He stated that enhancing client centricity and the client experience could help cut costs significantly, by as much as half, by leveraging automation and a role redesign to free up RM capacity. This capacity can then be redeployed, potentially with higher revenue targets for RMs, leading to a substantial

growth multiplier, possibly doubling the growth.

Technology is costly but if approached properly it is a wise investment, not an expense

He observed that while technology is a significant expense, it is an investment to offload some of the wasted workload from RMs. The goal is to prevent a 10% to 20% annual increase in the RM cost base, as observed in markets like Singapore, which, can be especially dangerous during downturns,



when activity is lower and less sophisticated or complex solutions adopted in general by clients.

He said there is no silver bullet RM-centric solution. However, he reiterated that the RM base can be transformed. By saving at least 30% and optimistically saving 50% of an RM's time within a 3-to-4-year period, through increased efficiency and automation, the model indicates that RMs can realistically shoot for a doubling of their revenue targets. This approach could potentially double the size of the business without the need to hire additional RMs.

It is a realistic vision to achieve far more with the same amount of RMs and advisors

With the aid of some detailed slides, David elaborated on his suggestions for the transformation of the RM, both in the role and in practice, noting that to achieve growth, RMs need to be enabled as effective 'hunters'. And that means not being bogged down in wearying mundane non-value-added tasks.

The emphasis is therefore not on workforce reduction to save costs, but on redesigning roles to enhance



job quality and productivity, thereby seizing on the evident growth potential ahead, especially in growth markets such as Thailand. With another 50% of their time free for advisory and client 'hunting', with a greater focus on clients themselves and understanding their needs, and engaging with clients more often and more directly, they can, and will, achieve far more.

The vital transition from functional to technical, and the shift from products to advisory

David expanded on these points. He said there needs to be a shift

from functional and technical skills, such as portfolio modelling, toward more behavioural traits and innovation-oriented skill sets. This includes proactivity, effective communication, storytelling, complex solutions creation, higher emotional intelligence, and a holistic, less transactional approach.

The idea is to enable RMs to focus on meaningful client relationships, and to deliver a much more comprehensive advisory proposition, a departure from the previous transaction-focused model.

Rome was not built in a day – Accenture counsels taking a step-by-step approach to RM transformation

To achieve such a transformation, David suggested a multi-step approach. First, define the target role and the necessary skills. Then, run experiments within the sales force, identifying stars who possess the required skills, those with potential gaps that can be addressed through training, and also identifying any RMs/advisors who are not willing or capable of rising to these new challenges.



The right talent is absolutely critical to the future, but a new lens must be applied to focusing on talent, as the wealth markets and the needs of the clients evolve

Skills development is not the sole solution; sourcing talent strategically is also essential. He proposed looking outside the box, recruiting from beyond traditional banking backgrounds and exploring hires from nontraditional industries, management consulting, sports, or even individuals re-entering the workforce. He acknowledged that not everyone will make the cut but emphasised the importance of a holistic talent strategy to close the skill gap.

You won't get it right at one shot, so take an experimental and medium-term perspective on change management

Responding to views from the guests, he said this cannot be achieved overnight; it must be a phased, logical and non-threatening approach. He said experimenting is sensible, such as identifying



a pilot group and evaluating its performance over a 12- to 18-month period; that could serve as a test bed before scaling up the transformation across the entire sales force.

GENAI AND WEALTH MANAGEMENT OF THE FUTURE

GenAI is no silver bullet, but it can be applied to making content and its delivery more focused, thereby improving flows from the RMs and the acceptance from the clients, all of which should further cement relationships

David reported that Gen AI will be significant in the context of helping RMs and advisors, helping with the offload of mundane work and he said he is generally optimistic about its capabilities for the wealth industry.

He mentioned some 30 use cases for Gen AI in Asia wealth management and focusing on the priorities, said the leveraging of

external data and the development of propensity models to identify high-potential clients before competitors was one such development. He also acknowledged the regulatory complexity (the lack of a clear audit trail for regulators) and language capability challenges. Overall, he predicted that there is a genuinely transformative potential for such tools to positively impact relationship manager productivity and client experience improvement.

He said AI can rapidly extract language from an extensive 80-page PDF within just 30 seconds. Its capabilities include summarising the extracted content into text, generating accompanying images, and even crafting a video script with human voice narration.

Accenture's demonstration of GenAI capabilities

David then offered a practical demonstration, showcasing how a bank's market outlook information can be transformed into easily digestible and personalised content using Gen AI. The tool

enables the conversion of lengthy (and potentially overlooked) PDF documents into concise, engaging formats. This, coupled with traditional digital dissemination methods through popular platforms like Line (popular in Asia), WhatsApp, and WeChat (dominant in China), is proposed to significantly enhance Relationship Manager (RM) effectiveness.

He emphasised the role of data in differentiating between banks



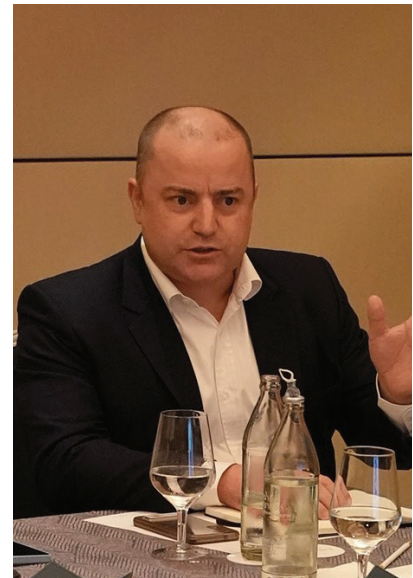
and for a more efficient feedback loop, enabling providers to gauge client engagement down to transactional levels and ideas. This strategic positioning of content can potentially drive more client interactions, creating opportunities that may translate into a more robust sales pipeline for the banks.

All improvements are welcomed, but the time frame is not overnight, it requires an experimental approach, but one that needs to be put in play early otherwise incumbents risk losing their competitive edge

David acknowledged that achieving significant transformation might be a distant goal, but expressed confidence in attaining a more modest but substantial improvement across a 24 month timeframe. He underlined the importance of carefully selecting use cases, emphasising high value and low complexity. In particular, he highlighted content dissemination as a 'quick win' due to its relatively high value and minimal complexity, making it an ideal starting point for leveraging the AI platform's capabilities.

He said this is a good time for experimentation, as the process of scaling up such technologies across an enterprise, involving multiple use cases, is expected to be time-consuming. But the earlier that banks and others familiarised themselves with the potential and applications in the real world, the better.

He cautioned there are dangers of dragging one's feet on all



this, as others might already be well advanced in these areas and win a prime mover advantage. Organizations that are slower to adapt may find themselves falling behind. Experimentation is advisable, rather than paralysis by over-analysis. He said he advocates for a more agile and parallel approach, suggesting the need for an AI 'SWAT' team internally to kickstart experimentation concurrently with addressing critical questions about infrastructure, ownership of AI, and operational scaling. ■

KEY OBSERVATIONS & INSIGHTS ON THAILAND FROM THE ATTENDEES:

On the Topic of Unleashing Business Growth and Grasping the Potential

Optimism prevails

With the floor open to comments on the growth story they see, a guest from a leading bank present across ASEAN reported that their commitment to the region is undoubted, especially in light of major acquisitions of wealth management and priority banking businesses from leading global brands.

He observed that there are challenges, but there is a rising pool of investible private wealth in the region, some consolidation in the industry as competitors exit the market (such as the global bank that sold out to them), and the overall tone remains optimistic.

He said that 2021 was a tough year as markets fell and vacillated and that growth is not yet back to pre-Covid levels, but despite some headwinds, including geopolitical issues now, they are confident that a robust growth trajectory and momentum will continue.

Challenges ahead in volatile markets, but the strong will get stronger

Another local leader in his field (brokerage/wealth management) said he anticipates challenging times ahead, particularly in wealth management, citing recent unexpected events in the global and Thai markets, such as debt troubles at a major listed group earlier this year, which in August stated that it expected a partial default on one of its bonds. He said this added to the local sense of unease amongst private investors.

On the other hand, he concurred with the view on consolidation in the financial intermediary and advisory landscape, especially in areas that remain fragmented. He said that overall, this is a time for the stronger players to chalk up gains with customers and through industry consolidation.

Building the offshore proposition onshore

A wealth management leader for a major universal Thai bank observed that the more prescient Thai institutions had been diversifying and engaging with foreign companies to expand their platforms and encourage clients to diversify from onshore to offshore products. He anticipates the entry of not only banks but also non-bank entities into the Thai wealth market ahead, as these entrants recognise the untapped investor potential in Thailand and aim to bring clients to diversify offshore rather than concentrating assets within Thailand.

He said the competition will revolve around securing the right partner, which is crucial for bridging onshore and offshore licenses.

Making assets work harder

Amongst other opportunities, he highlighted the thrust to make more local assets work more efficiently – such as vast private holdings of unused land in Thailand. And the next and younger generations are taking more control of wealth, making it vital for institutions to expand their relationships within families. “We will be the key banker that can win the founder gen’s heart and the current gen’s heart and the next gen’s hearts,” he said poetically.

Connecting across the generations

However, he said this is far from easy. “The generations often have divergent views,” he explained. Our role is sometimes as mediator between them, and the larger and wealthier the family, the more complex and prolonged the process can be. The younger generations are often allocated some money to invest, but selecting the right investments, especially diversification offshore, is the challenge, and one misstep and the older generations are on their backs.”

Re-imagining the RM's Role (as the conduit for turning potential to reality)

Thai RMs must deliver a more holistic proposition.

A leading international banker observed that it is not just investment advice that is needed but broader, holistic advice about insurance, tax planning, structuring and legacy planning. He said that requires a particular type of experience RM to deliver to these very successful, smart clients across their generations. He said there are numerous onshore and offshore products and services that can be delivered to these clients as they expand their portfolios and businesses and grow their wealth.

"A key part is identifying the types of RMs who can handle such clients and who stay with us," he reported. "We do not want start-stop, we want continuity. A big part is played by the incentive programmes we offer and a clear path for career development."

Technology is a tool not a solution

He added that another key element is using technology to make the RM pool more efficient, and that these tools are also a central element in attracting and retaining talent. He highlighted ongoing efforts to boost omnichannel, automate advisory tools and CRM systems to enhance efficiency and productivity for the higher segments of wealth that require higher touch. For lower-wealth clients, there is more of a need for fuller automation.

Build on the innate trust in the local market

In response to these comments, a guest observed that he thinks there is a higher level of trust onshore between Thai clients and their RMs than these clients would find in their ventures offshore to Singapore, for example. The Thai RMs are more protective of their clients, act more as filters and see greater longevity in these relationships.#

An attendee pointed to what he sees as the combination of strong levels of trust between Thai professionals and clients and their rising capabilities and skills. The two elements augur well for the wealth industry. He cautioned that offshore, clients sometimes find that the international banks and offshore providers are slick at packaging and presenting products, but that does not mean those products or solutions are being sold or promoted in the client's best interests.

Growing the proposition means becoming more sophisticated

He explained that an opportunity in Thailand resides with greater sophistication of skills amongst the RMs, for example, layering on risk management expertise and thereby further building on the innate trust and close client relationships.

Another expert agreed, noting that they are working harder with the clients to elucidate on portfolios and the assessment of long-term risks, personal risks, and market risks, and trying to deliver more of a comprehensive and holistic long-term strategy, complemented perhaps by more opportunistic concepts and products.

The transition to advisory requires agility and fortitude

Responding to these comments, a guest observed that the role of RMs is not as originally envisaged, which was really for product pushing. "With evolving client sophistication, access easily to masses of information and views, and different market dynamics, there is a need to redesign the role to become more advisory," he opined. "The main challenge is whether the existing RMs can transition to this advisory role on a large scale, given the difficulty of encouraging change, especially in larger organizations with hundreds, possibly thousands of RMs."

Another expert observed that the RMs also need to be freed up somewhat for client prospecting, which is vital for growing the business. Delivering advice is also central to this, as it elevates the proposition in the eyes of the clients.

Higher levels of wealth require a more holistic RM offering

He concurred that upgrading the skills and focus of the RMs to deliver more suitable and acute advice, potentially at scale across larger organisations, is central to the future of the business.

“It is not so important for simpler clients or products and solutions, for low-risk products, but it is vital when dealing with larger clients and high fee business, where the quality and integrity of the advice are crucial.”

The RM's 'soft' skills are also vital

An expert pondered whether it is indeed possible or feasible to hunt for talent with specific qualities in a scalable way, suggesting in his view the search process should emphasise softer skills, with technical skills to be bolstered or expanded in training. He acknowledged the somewhat 'idealistic' nature of this approach but said that a balance between immediate capabilities and longer-term development should be found, considering individuals to be long-term investments. He suggested carving out niche areas, such as coverage of UHNW clients, in smaller specialist teams.

GenAI and Wealth Management of the Future

Regulatory transparency is an issue for the industry

The attendees responded to these views, with one expert pointing to compliance issues around sources of information and suitability, as well as uncertainties over the application of the Thai language, with key information and views perhaps 'lost in translation'. The focus of AI, he said, must currently be internal and not in any interface directly with clients. He did not envisage a time in the foreseeable future when AI could replace RMs but agreed that if used effectively, it could complement and support those advisors.

Extending this train of thought, another attendee said GEN AI must be limited in terms of actual recommendations, as the 'thought' process behind those ideas and products is not comprehensible or verifiable from a compliance and regulator perspective.

Engaging content can lead to closer client engagement

However, he did agree that there are improvements in the creation of engaging content, such as a video introduction. He mentioned a recent experience where it took only five minutes to produce a video in Thai, compared to a more elaborate process involving a camera setup, specific room, scripting, etc. He said the potential for quick and efficient content creation was the 'art of the possible'.

Filtering the universe of information

A guest remarked that there is a key role he sees for AI in filtering through the truly vast amount of data now flowing through the planet, which in minutes is equivalent to the data a human might have been exposed to a hundred years ago. He warned that without effective filtering, individuals face the risk of being overwhelmed by the sheer volume of data.