

Standard Chartered Wealth Management **‘Focusing On Technology And People’, Prioritising Client-Centric Practices And Conduct In Its Digital Future**

Sumeet Bhambri, Standard Chartered’s Regional Head of Wealth Management for ASEAN and South Asia, talks to Hubbis about the Bank’s current priorities - scaling up with digital capabilities, formulating conduct-compliance frameworks for its wealth advisory activities, creating solutions to meet its clients’ needs, and the launch of Asia’s first Personalised Investment Ideas platform.



Executive Summary

Standard Chartered Bank is on a mission to improve and scale up its products and services in its wealth management division, in order to better serve its clients in the Asia-Pacific region and beyond. These clients' growing affluence and appetite for investing and growing their wealth has made it imperative for the bank to differentiate itself and its offerings in order to stay competitive in an increasingly crowded marketplace.

Standard Chartered is looking to achieve these goals via a multi-pronged approach; but centering around four key objectives. The first was the launch, in late 2017, of its *Personalised Investment Ideas* (PII) digital wealth management platform. The second objective is to institutionalise its capabilities, in order to ensure the quality of its advisory services. Third, building client-centric solutions, and creating products which are both attractive to clients and which meet their needs. Lastly, building a strong framework of employee conduct, and creating a robust compliance agenda under current laws and regulations governing the sector.



SUMEET BHAMBRI, CFA has a master’s degree in finance, and is also an engineer by training. Perhaps unsurprisingly, this is why he employs the nomenclature of engineering - of building, of scale and frameworks - when describing his bank’s current core strategies.

“There are four broad priorities that we are working on,” says Bhambri. “We are focused on

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building, working all the way from front to the back; building a solid backbone, a new core for our business, a bunch of digital capabilities for both our relationship managers and our clients. That will help us build scale over a long period of time.”

An example of the kind of building that has been going on at Standard Chartered is the rollout of Personalised Investment Ideas (PII) intelligent wealth management tool for investors.



SUMEET BHAMBRI
Standard Chartered Bank

The Standard Chartered PII Digital Wealth Management Tool

The PII uses advanced analytics to combine multi-sources market views generated by Standard Chartered’s investment team with data on wealth management solutions. It then generates and prioritises investment ideas for mutual funds and bonds for each client. Working with the PII

platform on an iPad, a Standard Chartered Priority Banking RM creates a customised portfolio across various asset classes for the client, along with the accompanying rationale for each investment idea.

“PII takes in our in-house views on the markets, our recommended list of products, the client’s profile, the client’s actual holdings, both cash as well as investments, and is able to put these all together using a proprietary algorithm to create actionable buy and sell ideas for clients, with a clear rationale for each of them as to why the RM and the client should be able to do that,” explains Bhambri.

So, from an engineering standpoint, is the PII a good digital wealth management platform? “In the past, we’ve always seen that our platforms have been relatively clunky and every time we had to make changes or enhancements, it took us an inordinate amount of time to make those changes and at huge cost as well,” he reflects. “With new platforms, we do expect to get a lot more scalability and resilience. This will allow us

Getting Personal

Sumeet Bhambri is the Regional Head Of Wealth Management, ASEAN & South Asia at Standard Chartered Bank, based in Singapore. He has been with Standard Chartered since 2005, holding key roles in its private banking and wealth management divisions, overseeing different locations including the Middle East, South Asia, Africa and Europe. Sumeet is also an Adjunct Associate Professor at Nanyang Technological University’s Wealth Management Institute.

He is married with a twelve year old son, and a eleven year old daughter. In his spare time, he enjoys playing golf and cricket, which he insists he plays “Socially and not seriously. But I play properly.” Bhambri plays for a club in Singapore, the Falcon Mavericks.

to scale up a lot faster and build on new capabilities that allow us to remain competitive. And that’s the core rationale why we continue to invest behind our technology agenda.”

“The interesting part is, in the new world that we operate in, our competitors are not just other banks and industry players. We also face competition from new entrants such as FinTech companies, and we’ve got to be absolutely sure that we’ve got core platforms that are strong enough, resilient enough and scalable enough to withstand this onslaught and support us in our growth ambitions.”

Key Priorities

Rollout of the Personalised Investment Ideas (PII) wealth management tool, combining algorithms and automated analytics with market views of Standard Chartered's own investment experts to help relationship managers (RMs), investment advisors and priority banking clients generate investment ideas for funds and bonds, based on client's risk profile and current holdings.

Institutionalising the bank's advisory capabilities to address the present 'low barrier of entry' situation for wealth management advisory services, to ensure the soundness of the investment advice given to clients.

Client-centric solutions to create attractive and beneficial products and offerings to meet clients' needs, such as partnerships with insurance providers and other companies.

Building a strong conduct framework for its employees, and creating a robust compliance agenda under current laws and regulations governing the sector.

On Giving Sound Advice

The second priority for Standard Chartered, according to Bhambri, is institutionalising the bank's advisory capabilities. He acknowledges that, unlike the legal or medical professions,

the lack of requirements for professional qualifications or licensing regulations in the wealth management industry presents a somewhat low barrier of entry into the profession. Whether advisors are competent or capable of giving sound financial or investment advice is not always a certainty. How do advisors deliver advice without anything resembling fiduciary responsibilities or convictions?

"Getting this right is imperative because that's what really differentiates us from our competitors," says Bhambri. "We've been doing a few things over the last few years to make sure that we can really bring up the quality of advice to our clients."

And these things are? "We've got a very, very strong discipline

more structured and a lot more tangible, and something that the client can actually take a lot of comfort from, that this is advisory coming from the Bank."

"And finally, we also do surveys with our clients to check how happy they are with the quality of service received. That's a framework that we've put in place to measure and track the quality of advice that we are offering."

"As we go forward, the key differentiation between us and the rest of the market is going to be the quality of advice that we offer to our clients, in terms of being relevant, consistent and timely. And we're doing this by building technology platforms that helps us achieve some of those goals and focusing a lot more on the quality

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around delivering advice to our clients. We've got a predefined frequency at which our RMs and investment advisors have to go and meet clients to conduct portfolio reviews," he says. "As a part of those portfolio reviews they're required to internally document the conversation they had with the client and recommendations that they've made. We can then track the quality of the conversation by checking whether that advice was actually what the client executed on or completely disregarded."

"At the end of the conversation, the full list of ideas and the client's shortlisted ideas will be sent to the client via email," says Bhambri.

"The whole process becomes a lot

of our people and how they deliver that advice."

And now, there's also PII: "Advice is delivered via an iPad, and is updated in real time. The financial needs analysis - risk profiling, needs analysis - as well as pre- and post-trade documentation are all available in electronic form to ensure a fully digital, fully seamless experience for the client."

"This makes it more interesting for the RM, the investment advisor and the client, because the information is all there at their fingertips. Clients know that what they are receiving from the RM or the investment advisor is actual advice that is backed up by the Bank, and not just an individual's opinion.



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“For example, if I give you an idea to say you should buy x fund. Your question should be why should I buy x and not y?” says Bhambri. “Why I should I be invested in this asset class? All the rationale for all of these things are clearly available in the same tool, clearly articulated, along with the prospectus, fact sheet and everything else for the client.”

It makes for a win-win situation all round: “For the RM, this also means that they don’t

have to construct portfolios for clients on their own. They get this prefabricated in a very structured way that clients can actually execute.”

‘Client-Centric Solutions’ – What Are They?

Client-centric solutions would seem an obvious thing, but this concept could also be perceived as being wildly open to misinterpretation. So what does Standard Chartered hold these to be?

“This is all about creating product capabilities and solutions that meet our clients’ needs in this ever-changing world,” says Bhambri.

For example? “We’ve seen a huge amount of interest from our clients over the last few years around generating yield,” he explains. “Specifically here in Singapore, we’ve been helping clients do that by launching Singapore dollar-based fixed income products that deliver monthly and quarterly incomes. And these have been designed specifically in collaboration with our product partners. We’ve done a product with Manulife which has been hugely successful across both our retail bank as well as our private bank.”

“Another example is our focus on building retirement-based products for our clients, again here in Singapore,” says Bhambri.

He acknowledges that Standard Chartered’s previous retirement products needed updating. “Our retirement products that were there in the market had a long period of waiting before they accrued income. We’ve really worked hard with our product partner Prudential to come up with products that work well in that space.”

Another such solution from Standard Chartered is the bank’s online equities platform. “We rebuilt our online equities platform for Singapore, and are now building other capabilities in the direct-to-client space for the next couple of years,” he says. “We run that platform to make sure that it’s one of the best platforms in the market, with the widest market coverage, and ensuring that our clients get access to those capabilities in the cheapest possible way.”

“So there’s a whole bunch of work going on in the digital space, not just in Singapore, but in many of our markets,” adds Bhambri.

A Strong Framework For Conduct

Standard Chartered has also prioritised building a very strong conduct framework for its employees, and creating a compliance agenda around this.

“It’s around conducting analyses on our business models. It’s around creating a culture where we reward people for good conduct, and putting conduct far ahead of any other financial metrics for the business, to make sure that everyone in our team knows that doing business the *right* way is more important than doing business,” says Bhambri.

“Having a strong conduct compliance agenda and framework is super important in this environment. We need to make sure that our clients can trust us with our products and services. And they always know that whatever we are doing is in their best interests,” he explains. “That’s a culture that we want to build within the organisation, and within the wealth business as well.”

Might this imperative be also due to some of the penalties, from existing regulatory and statutory frameworks, of *not* getting it right?

“A toxic culture can lead to lots of repercussions both social as well as regulatory, which is

something we want to avoid. A culture of strong conduct helps us navigate in this environment, and helps us continue to grow this business, with no hiccups,” says Bhambri. “I think for me, getting it right is all about making sure that our clients can trust us, like I said earlier. We take on a very, very important responsibility when clients entrust their hard-earned money with us, and we don’t want to let them down.”

‘Very Early Days’

Bhambri believes that Standard Chartered understands the wealth management industry quite well, and that the bank has the right skill sets and quality of people to implement and deliver on the core

strategies that have been outlined, especially in the digital space.

“There’s a lot of experimentation happening in the industry, in wealth management,” he observes. “But I haven’t seen a lot of people who have gotten the digital wealth models bang on. While a lot of people are trying, I think there is no clear winner in this space.”

He gives an example: “Everyone these days talks about ‘robo advisory’ - I find this quite contradictory, because the products that people are building are actually either global discretionary products, or they are advisory tools directed at relationship managers. So no one’s quite sure as to what’s the right way forward.”

“For the RM, this also means that they don’t have to construct portfolios for clients on their own. They get this prefabricated in a very structured way that clients can actually execute.”

“I did a survey with about a hundred of our new management graduates a couple of years ago, and even at that point of time, a large number of them had told us that they would happily go towards digital wealth or digital wealth solutions,” he continues. “But a large number of them were also not confident enough about what they knew, and said they would want a human to advise them in this journey.”

Bhambri believes that there are a lot of questions that still need to be answered. “I think it’s still very early days, but we want to continue building our capabilities in this space and hopefully, come out as one of the clear leaders.” ■