

Synpulse's Yash Shah on 'Wealth as a Service' and Optimising the Potential in Asia's Booming Mass Affluent Market

Yash Shah, a Partner and the Head of Wealth at Synpulse, gave delegates at the Hubbis Thailand Wealth Management Forum a lively and engaging presentation on May 24.

Yash highlighted that we all need to look beyond Asia's top rank of wealthy private clients to understand how wealth managers are gearing up with innovative wealth operating models to capture and service the rapidly growing mass affluent population in Asia's emerging markets, which are still significantly underserved while offering huge potential for wealth managers.

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Yash Shah
Partner, Head of Wealth
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Global wealth managers are investing heavily and with a laser focus on capturing the wealthier HNWI and UHNWI markets, with local universal banks around the region revamping their client segments to provide tailored advisory services to the wealthy, especially as 'onshorisation' of wealth management increases.

But in the process, are they missing out on the great opportunity the accelerated growth of the mass affluent market will bring, as it potentially overshadows the HNWI wealth base in the near future? Shah believes so but, armed with an excellent and very detailed slide show, he pointed to a turn of the tide taking place as wealth managers seek to grasp the massive opportunity that Asia and the expansion of private wealth in the region offer the industry.

He told delegates that Wealth as a Service is the means to unlocking this potential, leveraging technology, processes and human capabilities to produce an efficient and scalable business with an intense focus on a very

personalised approach to the clients, and he proceeded to explain to delegates how Synpulse can help deliver those solutions.

Shah explained that the investible wealth of private investors in Asia has grown apace, and is growing robustly as investment needs evolve fast. Across APAC, investible private wealth has now surpassed the numbers in the US.

While UHNW and HNW wealth continues to grow, especially in Asia relative to the Western economies, it is the mass affluent segment, often known as the priority or preferred banking segment, which is growing the fastest in terms of

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private wealth generation and is very clearly the most underserved segment because less than 8% of the assets of this segment are invested today. This represents a massive opportunity.

In order to optimise the potential of this type of market and growth, all layers of the banks and wealth firms must improve with technology, from the IT system bottom layer to the middle operational level (compliance, risk management, operations teams, settlement, payments, and so forth) and then the top layer where

the institution interfaces with the clients and where they deliver their value proposition.

Shah cited the example of a wealth manager with around 8000 clients and a total of USD2.8 billion in AUM, and selling a fairly simple suite of insurance, FX, equities, fixed income and funds, and with some 80 advisors. In the middle and back office, this business has some 33 people looking after those clients and the AUM.

In such a typical scenario, Wealth as a Service, or WaaS, is ideal for such a business. Technology, in the form of core wealth platforms, can enable the decoupling of back office operations from

client-centric processes, giving rise to a new realm of business opportunities.

In taking this type of approach, the bank or wealth firm can achieve operational stability, lower operating costs (with a target of 10 to 15bps per annum in operating costs) and greater stability, as well as market advantages such as greater operational flexibility, to offer new products and services within short cycles, and access to advisory and execution services through omnichannel distribution networks.

Tackling the new age of Asian wealth clients also requires wealth managers to re-evaluate their business propositions and venture into ecosystem partnerships that can better help curate offerings under a client-first mentality. They should therefore be looking at the system partners, technology companies, sales, and consulting providers who can actually help to optimise all this.

Synpulse is the wealth industry's

transformation partner, taking clients from strategy to implementation, and driving the highest value in a rapidly changing regulatory, technology and consumer landscape.

Synpulse has grown apace in the past decade in APAC, with now over 800 people in 11 different locations. Synpulse has a team of 17 in Thailand and plans to build that number rapidly to 50 or more over the next couple years.

The firm offers a full suite of solution across their clients' value chain, and recently launched in 2022 Synpulse8, their technology powerhouse.

Synpulse and Synpulse8 combine in-depth financial services expertise and IT know-how, including software development, under one roof. As a customer, they have one contact person and thus always get the full overview, Shah explained. ■

See this link to the excellent slide show he offered delegates:

<http://pdf.hubbis.com/pdf/synpulse-thailand-wmf-2023.pdf>

