

# The Future of the Advisor & Relationship Manager – Digitally Enhanced and Empowered

The premise for our Digital Dialogue discussion of March 2 was that the relationship manager (RM) and the advisor will continue to be central to and crucial for the delivery of enhanced capabilities and solutions in the Asian wealth management industry, particularly for the HNW and UHNW segments. In short, the wealth industry is future-focusing the RM/advisor community for both direct and 'virtual' communication, empowering them with the right strategies and the optimal digital tools and solutions so that they can deliver personalisation, relevance and a positive experience for clients, whilst also presenting the best versions of themselves and the banks and wealth firms they represent.

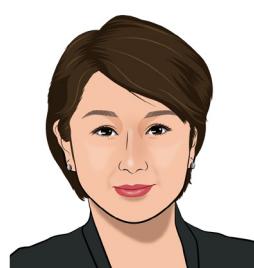
## SPEAKERS



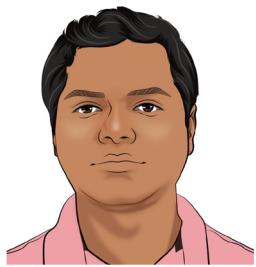
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**THESE ARE SOME OF THE QUESTIONS THE PANEL ADDRESSED:**

- » Where does the RM/Advisor fit into Asia's wealth management market in the future?
- » Is the hybrid model the way forward for the upper segments of wealth in Asia?
- » What digital solutions are being introduced to enhance RMs skills, capabilities, and productivity? What is in the pipeline?
- » What skills and expertise do the RMs/advisors need today to be effective and productive, and how can digital tools help advance these skills?
- » How do the best RMs/advisors actually deliver and time their recommendations and key information to their clients to ensure they are seen, heard, and understood?
- » Where do AI, ML and advanced data analytics fit in?
- » What is hyper-personalisation in wealth management, and how can the RMs be empowered to deliver that?
- » What solutions and tools are in the pipeline that will further enhance personalisation, relevance, and higher-quality advice?
- » ESG: technology support to extend the vision.

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**Setting the Scene**

We all know that the client has become far more front and centre of the world of private banking and wealth management, and the experts will debate how the wealth industry can employ digital solutions and optimal strategies to better align with the needs of those clients and the ongoing quest for client-centricity and the objective of boosting RM engagement, and of arriving at and retaining the trusted advisor status, which is so central to future revenues and longevity.

While Asia's economic growth and private wealth creation has been truly remarkable for the past two decades, the wealth management market has in some respects lagged behind its counterparts, for example, in the far more mature markets of Europe. Boosting the capabilities of the RM is a crucial element in upgrading capabilities and productivity for the private banks and the independent wealth management sector, as they fight increasingly tough and smart to retain and boost their share of the buoyant HNW and UHNW markets.

There are many ways in which the relationship manager can be re-invented in the decade ahead, and many steps are already being undertaken to achieve precisely that. The March 2 discussion analysed how the RM's day has thus far been structured, how much of that day is essentially dedicated to non-productive administrative and compliance tasks, and what tools and technologies the RM can be provided with to make them more efficient, more productive and most importantly more client-centric. The panel discussed what the RM's cockpit or workstation should look like and what it should comprise. They considered how the top management of the banks and WM firms must adapt their approach and strategies to the mission to empower the RM, and how the RMs themselves must evolve in order to improve outcomes for their clients and to enhance their share of client wallet, as well as their professional satisfaction and career longevity.

## The hybrid model prevails and thrives in Asia, especially for the upper segments of private wealth

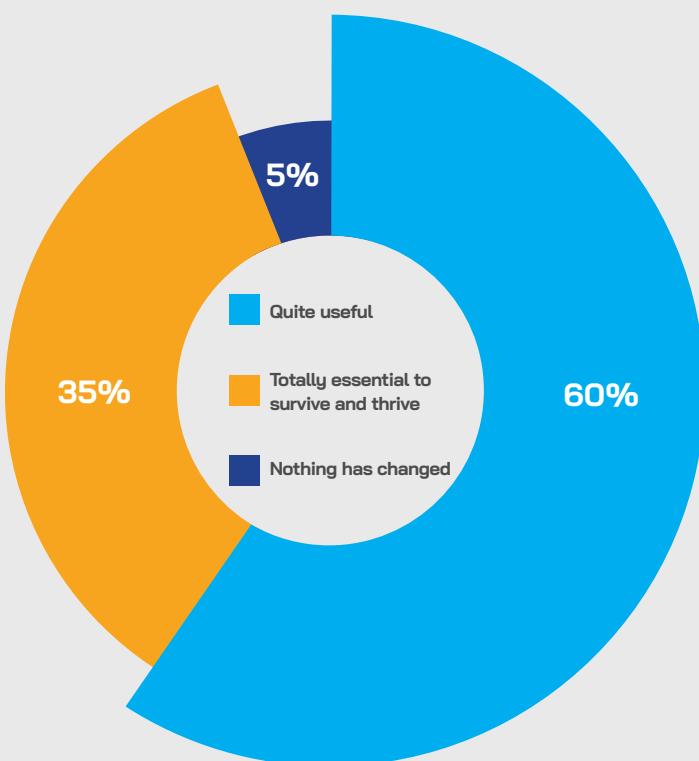
A panellist opened with the statement that from their extensive knowledge of working with banks and wealth managers in the region, the hybrid advisory model is the way forward for the upper segments of wealth. "The hybrid advisor model combines the best of both worlds by aligning the relationship building of the human advisor with the efficiency and scalability of technology-driven solutions," he reported.

"As we know," he added, "in Asia, the upper segments of wealth are growing very rapidly, and we know there is a major need for more personalised and sophisticated wealth management services. At the same time as well, clients are more tech savvy, and they are increasingly using digital channels to manage their finances, hence the compelling need for financial institutions and advisory firms to adopt new technologies to stay competitive. Moreover, this approach as well, it allows clients to choose the level of engagement to suit their needs, whilst still receiving high quality advice."

He said the hybrid advisory model also provides the banks and firms with a unique differentiator and helps reduce overall costs, for example by using technology driven solutions for certain tasks such as portfolio rebalancing, risk management, cutting the mundane workloads of their advisors and thereby freeing them up to focus their time and energies on higher value activities, such as personalised advice and relationship building."

*The Future of the Advisor & Relationship Manager – the Post-event Survey of Delegates*

### FOCUSING ON THE UPPER TIERS OF WEALTH MANAGEMENT CLIENTS, HOW IMPORTANT DO YOU THINK DIGITAL TECHNOLOGY SOLUTIONS OF ALL TYPES ARE TO HELP FREE UP THE RM'S TIME AND ENERGY FOR GREATER CLIENT-CENTRICITY AND PRODUCTIVITY?



## Removing pain points is a major part of the battle for client centricity

All the wonderful attributes and skills a private bank or wealth firm can bring to clients count for little if the misery of onboarding has already put them off, and that is still all too often the case. An expert explained that it is possible to reduce the pain by following three key protocols the clients want. First, let them know exactly where they are in the onboarding process at any time and don't force them to keep asking. Second, don't keep

asking for the same information all the time. Thirdly, progress things as rapidly as possible.

And then the clients like to get proper and consistent advice and support from their advisors. To achieve that, they need technology to help them see the client's data and activity easily and comprehensively, they need freeing up from the mundane tasks that afflict their productivity, and they need seamless access to research and other information that will help them advise their clients effectively.

## Getting the right investment ideas out to clients is essential, and technology sure helps

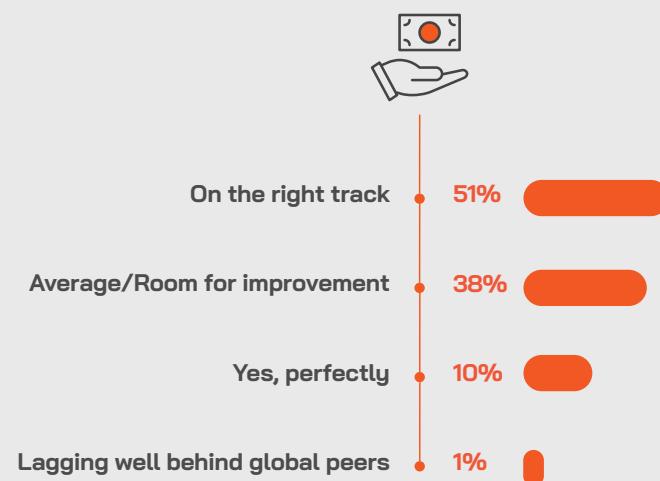
Another expert concurred with the premise that delivery of optimal investment ideas that are relevant to the clients is vital and stated that technology certainly helps achieve these goals.

He said the private banks are fighting back against still being seen as offering too much ‘product-pushing’ and working on ways to use content in a much more intelligent way, to help customers, including those who want to make those decisions themselves.

Advice, he said, used to be more product of the week or month, and now the banks are striving to make that far more tailored and personalised, but to achieve those goals, they need technology and the right processes and solutions to allow them to keep fully on top of each client’s inclinations, preferences and also activities.

He explained that they are also working with more clients on hyper-personalisation around ESG constraints and preferences. When it comes to content, we believe that it’s hard to ask customer what they’re really interested in. Most customers might tell you one or two things, but it won’t really actually tell you when it comes to content. So, we built technology, that if you like, builds up a breadcrumb view of the customer automatically, without them knowing us, that then helps service them and nudging them with the right style of let’s say content. And that’s unobtrusive to the customer. And it feels like it’s a better personalised experience.

**IN TERMS OF THE TOOLS AT THEIR DISPOSAL AND THEIR DAILY RESPONSIBILITIES, TO WHAT EXTENT ARE RMS AND ADVISORS IN ASIA AT THE BANKS AND EAMS/MFOS PROPERLY EMPOWERED TO OFFER A TRULY CLIENT-CENTRIC SERVICE?**



Another guest offered some insights into how they had been helping a leading bank in the region boost their capabilities to become the leader in what he called providing ‘wealth as a service’ in the Philippines. “Wealth as a service is quite a hot topic in the region,” he reported.

### A view from the top – a leading wealth market expert recounts their digital platform transformation journey

Responding to a question on their own digital transformation journey, what they have been working on with regard to empowering the RMs and advisors, and who has been helping them, an expert first reported that the past several years had seen greater complexity across our markets and greater challenges than ever before, making

collaboration with the right partners even more important.

“Our business has been growing by leaps and bounds, registering double digit expansion year by year,” she explained. “Having the right type of digital platform is vital for helping us achieve that growth and achieve scale. As to the model we adopt, we see digital not as substituting for what a relationship manager and an advisor can do for a client, but actually as a complement to what they bring to the table.

They reported that engagement and conversations with clients need to be very well informed, and highly relevant and personalised. The data to support those engagements must be as current as possible, so that those conversations will actually lead to sensible and well-informed decisions, even if sometimes those

are decision to step back, for example to advise clients to take losses and change strategies. We must keep in sight the longer-term goals of the clients and how we can help them reach those.

### Driving clients towards advisory and discretionary mandates is a key objective, requiring new approaches and far greater digital capabilities

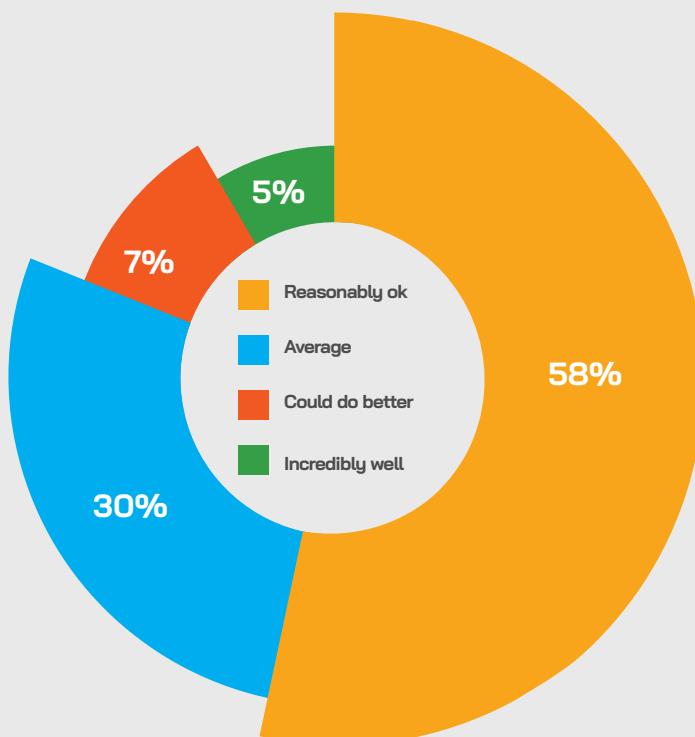
A guest report that although long established in their market theirs is an emerging wealth market, and as such, they only began offering DPM from late 2018, as they realised that clients wanted more, they wanted help on their journeys through the complexity and actually have a sounding board and a real partner working for and with them.

They explained: "To be honest, when we started really thinking through and launching and rolling out the discretionary proposition, it was quite a difficult conversation for most of the local investors, because they were so used to be left on their own to figure out what kind of investments they should get into. We had to first help them through that emotional hurdle of letting go of control. But actually, the results speak for themselves – their DPM performance is so much more resilient than the go-it-alone approach."

She said they offer more of a standardised DPM offering, as well as more customised. "If you want to work with scale, there have to be strategies that are actually there in place, and in which clients can participate off the shelf, so

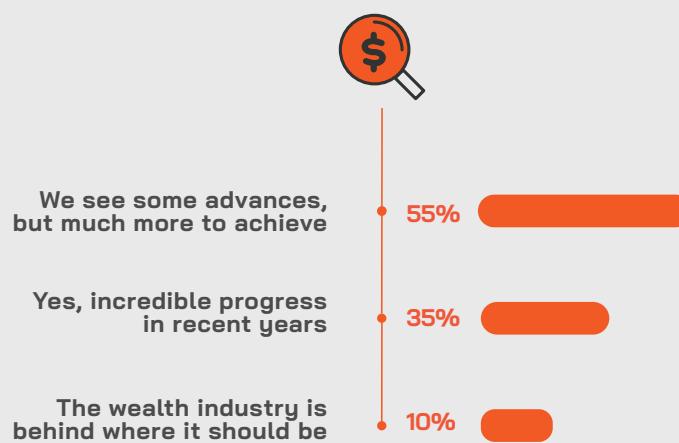
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**IN THE HNW AND UHNW SEGMENTS, CHARACTERISE HOW THE RMS AND ADVISORS IN THE PRIVATE BANKS AND INDEPENDENT WEALTH FIRMS TODAY LOOK AFTER THEIR CLIENTS.**




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**IS THE WEALTH MANAGEMENT INDUSTRY IN ASIA INVESTING IN AND ADOPTING THE RIGHT TECHNOLOGY SOLUTIONS TO BOOST CLIENT ENGAGEMENT?**



to speak. But these strategies can also be customised to more precisely match their exact needs and purposes. If they see the performance, and if there is more money in their wallet, and if they want to further diversify their exposures, then they can have several mandates and several strategies in place.

The regulatory environment is also now receptive to these changes in approach, and this expert reported that they of course work closely with their legal teams, with compliance, with the central bank as regulator and with additive as our technology expert to deliver all their solutions and advances in a fully compliant manner, which is especially important when you are delivering advisory and have discretionary control of client funds.

She concluded that as their main proposition is discretionary, they want to enable their clients with 24/7 information, and complete transparency on their portfolios. "But having information is not enough," they added, "as client interaction with the system is also an important part of the engagement, so the next few quarters is really about getting that interactive capability in place between the clients and our digital platform. We also need to consider how we can be more proactive in making new and upcoming investment opportunities more visible to our clients in order to help position their portfolios to the future conditions and their future goals."

### **Delivery of a state-of-the-art digital platform for RMs and advisors is within reach**

Real-world delivery of an advanced an in-house digital platform for client-facing bankers is a

### **WHERE SHOULD THE WEALTH INDUSTRY SHOULD BE INVESTING IN DIGITAL TOOLS TO BOOST COMMUNICATION WITH CLIENTS?**



mission in the making at some of the leading banks, helping the RMs and advisors to use a single workbench for all their daily activities, with AI and ML enhancements to help synthesise external information and client data to bring insights and conversation points to the reach of the advisors at the touch of a key. "We are looking at scaling this across all the countries we operate in across the region, and across all the segments, catering to their individual needs, and making it as seamless and as intelligent as possible," a banker reported.

He explained that in Asia specifically, some 70% or more of potential

customers across all segments are underserved, especially the lower segments, but even the wealthier clients need more support and relevance. "And it is not only investments," he explained. "The advisors need to focus on holistic relationships, the right conversations, and building up for future, on the emerging trends and so forth. To achieve that customer 360 objective, you need augmented information and intelligence to help drive the RMs and advisors' enhanced capabilities."

To attain the right objectives and scale the heights, you need to focus on three key missions

A technology specialist explained that in all their assignments in the wealth space in the region, there are three key motivations - growing the customer base, retaining existing customers, and being more efficient in all areas.

"Asia," he explained, "is still more focused on the growth potential than the cost-cutting potential, unlike in the US and Europe. Making the RMs and advisors more efficient and productive allows them to realise some of that growth potential. In one project, we replaced 18 different systems, meaning 18 different logins, so you can imagine the problems that the RM faced trying to best marry up information before they offer any advice with relevance and also compliantly."

He said the goal is not only to make the RM more efficient, but also more intelligent in front of the customer. Nailing the conversations and the client meetings is essential to building these relationships with people who have the mental aptitude for investments, but often do not have the time, and who want to be properly supported and guided.

Another expert agreed, adding that trust is essential. "When things are fully automated and fully digital, however sophisticated they might be, there is still a trust factor where if somebody is actually discussing something with you, you would tend to believe it more than hearing it from a machine or receiving a message about it," he observed. "This is true for retail and UHNW clients. The RMs and advisors remain very central to our proposition in Asia."

## ASIDE FROM TECHNOLOGY, WHAT IS NEEDED TO IMPROVE THE CAPABILITIES AND PRODUCTIVITY OF THE RMS IN THE PRIVATE BANKS OR EAMS?



## The vital alignment of intent and psychology

A guest highlighted the need to align intent and psychology. She explained that RMs need to do the right thing for clients but also for the banks or firms they work for, and to achieve that there is a shift towards advisory.

"There is so much uncertainty about how to invest right now, and people need that advice, so to be the bank or firm for the future, you need to offer advice with the interests of the client at heart and not being seen to be churning for fees," she said. "The challenge is to make short-term revenue goals while you are pivoting overall as a firm towards always doing the right thing."

She explained that these missions and the broader market

challenges had helped enhance the rationale for DPM, as it removes the emotion from investment decisions.

Another expert reported that clients in Asia will likely continue to adopt different strategies, so, for example, HNW clients might allocate some funds to robo-advisors, some to advisory, some to DPM and keep some for entirely self-directed activity.

"The strategy that I see as the future strategy is not to treat your customer base as fixed per segment in their behaviour," he said. "You have to try to offer all these services seamlessly and efficiently. In my view, it is the players who can scale that out the best who can achieve the best cost of [client] acquisition, and who will be the most successful."

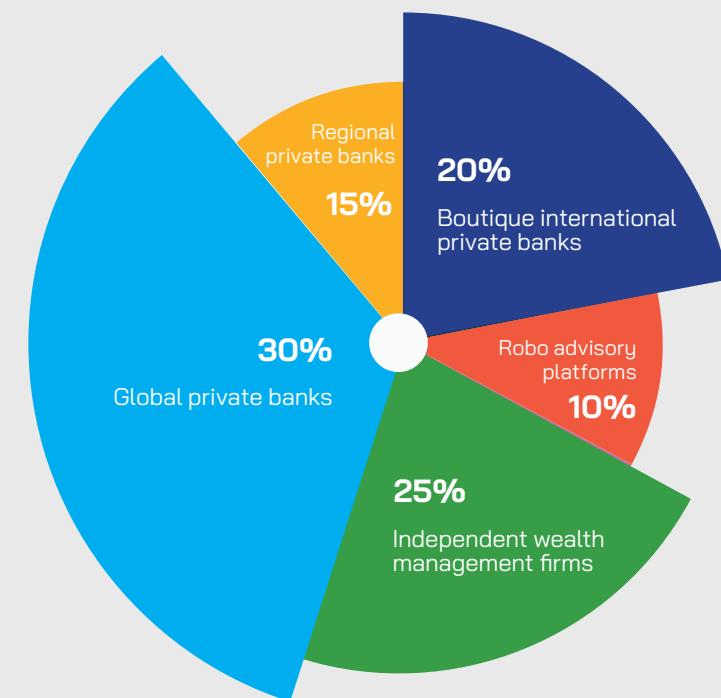
**The RMs and advisors of tomorrow need different and/or additional skillsets from those who were successful in the past**

"The RM of today and the future is not the same as before," opined one expert. "They require a lot of technical expertise, very good investment skills, and a real understanding of what is happening in the markets and also in private and alternative assets, as well as traditional equity and debt investments. RMs and advisors cannot rely on past achievements, they need to adapt and expand their skills to also be a success going forward."

And this same guest also addressed what she said is the false concept that younger people who are now increasingly using AI to help them will rely on that in the future as their wealth grows. "We really think that as money grows, for any investor, their decisions, and even their emotional relationship with money transforms. And that is when professional teams, people whose expertise is in this field, come more clearly into the picture. And we are making sure our teams are there to cater to this demand and these needs."

The advisors must have a more global perspective today and be able to connect all of the current events to their impact on the decisions that will be made by clients. The RMs need to understand the path of their clients' life stages and adapt their advice and offering accordingly.

**WHICH TYPES OF PRIVATE BANKS/WEALTH MANAGEMENT FIRMS IN ASIA ARE DOING THE BEST JOB AT PROMOTING AND DELIVERING PRIVATE MARKET INVESTMENTS?**



This expert reported: "In talking to head-hunters, I explain I do not want to see a CV that talks about a relationship manager being in that position for so many years. What would be now really a great combination are those who have been on the other side of the business, more product creators for example, and who now want to be engaging more directly with investor decision makers. That is one way I have been growing our business, and that type of profile is working well for us."

However, she added that it is also important to have a conscious plan for training, for equipping our talent with more skills. As to remuneration, they are also adjusting their formula to reflect not only AUM gathering, but also the quality of the conversations and how those lead to results. "And we need people who are comfortable working with our digital platform, who see it as enabling and empowering, and thereby helping them bring more value to their clients and to the business," they explained. ■

