

The New Age of Wealth Management: Build Your Digital Alpha

Abhijeet Singh Hazare, Head of Sales for Financial Services in South East Asia at 3i Infotech, addressed the Vietnam Wealth Management Forum to highlight how technology can power mass and mass affluent markets by providing the same personalised service and access to investment strategies available to HNWIs. He reported how big data and advanced analytics are on the cusp of transforming the wealth management sector, bringing new ways to engage, advice and service investors. He explained what he sees as a digital revolution with investor experience at the epicentre, and highlighted hybrid solutions, combining Robo and Human Advisory as the new way of providing value and building trust.

SINGH INTRODUCED HIMSELF AS THE BUSINESS & SALES HEAD FOR SOUTHEAST ASIA for 3i Infotech, an Indian headquartered global IT company offering IP based software solutions, including Banking, Insurance & Asset Management and ERP software solutions.

“I first want to take a step back and look at what it takes for a Bank or a Wealth Management firm to build a digital infrastructure,” he explained. “When we are looking at a new age investor, this is someone who wants individual attention, they have good exposure to financial markets and they want tailored and unique advice. They are IT savvy and want to invest by themselves using digital channels, they want the platform to be available 24/7, perhaps through a smartphone or tablet app, a voice assistant, or maybe a chat bot. They are demanding, intelligent and want the same experience across all channels.”

He reported how the growing mass affluent segment needs a host of innovations. “The cost of service in bringing these technologies to the retail investor is very important, so the way we lower the cost of service is by offering services through digital channels,” he elucidated. “We are also talking about a Hybrid Robo-Advisory model,



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which is combination of Machine Learning and Artificial Intelligence powered investment algorithms and coaching by human investment advisors. The Hybrid Robo-Advisor will help make precise investment recommendations and also bring personal touch or human touch for guided investments through coaching and investment education.”

He showed the audience the 3i Infotech ‘Telesto™’ software solution, which he described as a unified and holistic wealth management software platform which is built for providing a world-class investor experience. He added that Telesto™ embraces the concept of ‘Open Architecture’ and automates the entire life cycle of the investor journey, starting from lead capture, to prospect management, KYC and investor onboarding, financial & goal planning, AI-based investment recommendations, portfolio creation, order execution and management, portfolio rebalancing, investor reporting and serving through intuitive chatbots, voice assistants, and smartphones, tablet apps or portals.

“How we consume data is so important today,” he continued, “and this data can be utilised in a very effective manner to provide precise investment

recommendations for generating the most optimum profits for the investor. Accordingly, it is important that we are able to build that open architecture and use smart data through various integration touchpoints.”

He also explained that Telesto™ augments the portfolio rebalancing capability by using AI driven rebalancing algorithms which are based on Nobel award winning investment models. These models make use of structured and unstructured data coming in from financial markets, global and country politics, social media, investor spending patterns and changing risk levels - which are also called as ‘Sentiments’.

He then focused on the hybrid robo-advisory model for delivering this kind of quality, real-time advice. “In one segment,” he explained, “we might be looking at the UHNWIs who require complex assets, customised reporting, detailed financial planning, tax planning, estate planning, and so forth. And on the other side, we can look at mass affluent customers who are typically using a do-it-yourself kind of model wherein it is self-registration, with goals-based advice, some elements of portfolio optimisation and risk profiling.”

He advised that a hybrid robo-advisory model will bring both the aspects of an AI, machine learning model, combined with coaching from a human-based advisor.

He closed his talk by reporting that these innovations, strategies and solutions will help banks and wealth management firms build their digital alpha in the information age. “A key to all this,” he added, “is leveraging structured and unstructured data from a host of different sources, and using AI to help build predictive models.”

And with that he offered an example of a 30-year-old investor and mapped important life events in the investor’s lifecycle, which include getting married, buying house, planning kids future, saving for education, buying a new car, a family holiday, saving for retirement, etc. “Using AI capabilities to use these life events and predict future value of investments is something Telesto™ has been built for.”

“This is the Telesto™ architecture,” he concluded. “Telesto™ is the wealth management software platform which will significantly enhance investor relationships and reduce overall advisory costs.” ■