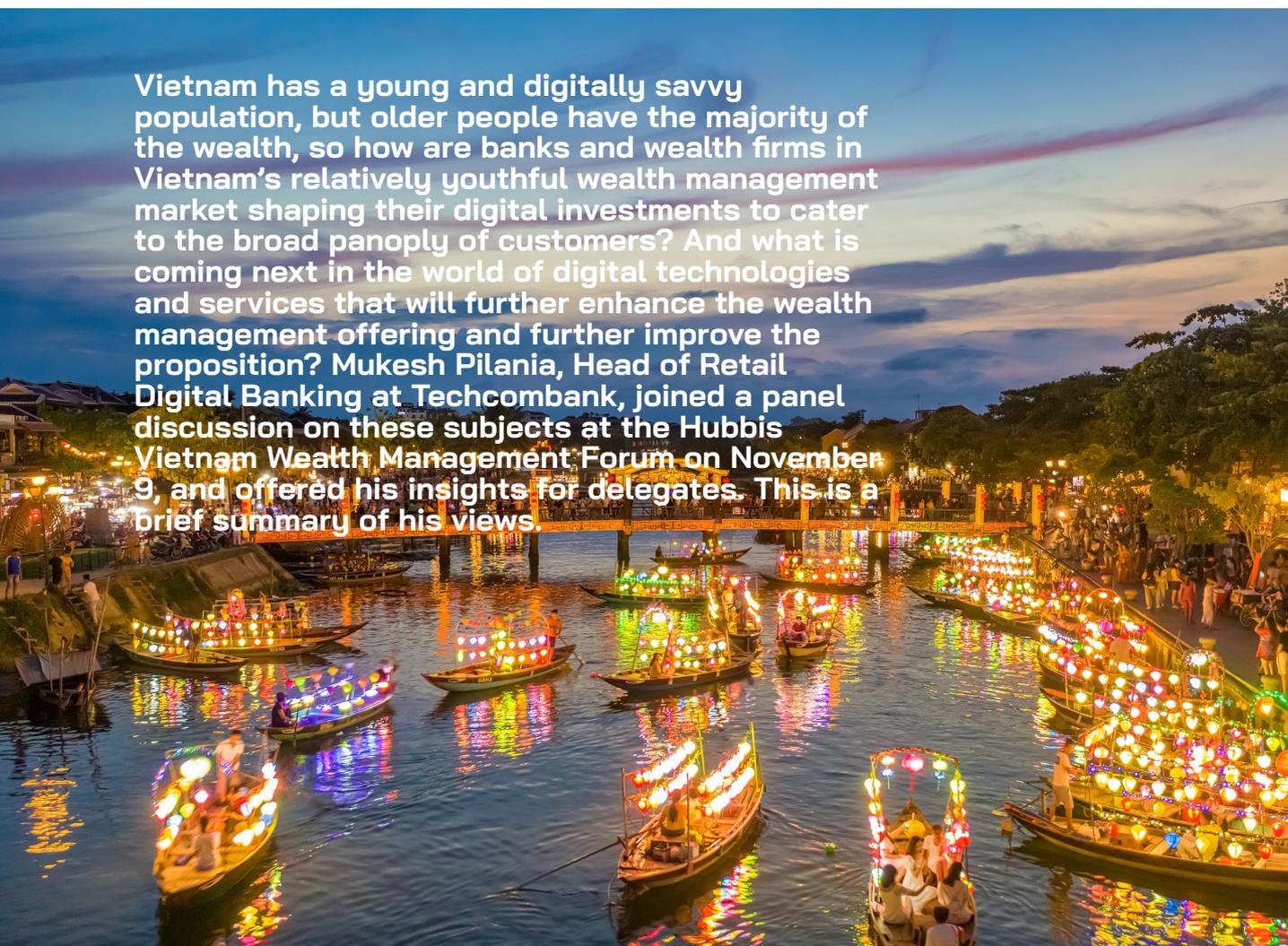


The Road to Digital Transformation in Vietnam's Wealth Management Market

Vietnam has a young and digitally savvy population, but older people have the majority of the wealth, so how are banks and wealth firms in Vietnam's relatively youthful wealth management market shaping their digital investments to cater to the broad panoply of customers? And what is coming next in the world of digital technologies and services that will further enhance the wealth management offering and further improve the proposition? Mukesh Pilonia, Head of Retail Digital Banking at Techcombank, joined a panel discussion on these subjects at the Hubbis Vietnam Wealth Management Forum on November 9, and offered his insights for delegates. This is a brief summary of his views.



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Mukesh Pilia
Techcombank

Mukesh Pilia leads the Retail Digital Business for Techcombank Vietnam. Together with a diverse mix of business directors, senior product owners, data & technology team - he is responsible for driving digital transformation of consumer business for the bank.

Mukesh has close to two decades of experience in Banking and Financial Services industry in Asia markets. He has worked across Global MNC organisations and country specific start-ups; worked in well-established matured markets like Hong Kong, Singapore to emerging and fast developing markets like India, Indonesia & Vietnam.

He brings a long and diverse experience in leading large scale strategic initiatives across business value chain - sales & distribution digitisation, robotics process automation and operational excellence, customer experience transformation, target operating model optimisation, direct to customer and digital assisted omni-channel advisory services.

Vietnam has a relatively young, digitally smart population, but the wealth is mostly held by the older generations. We have heard today that segmentation is required, and the older, wealthier clients need more direct face-to-face connectivity with their wealth managers, meaning that there is a drive to empower RMs with digital solutions for this upper tier of clientele, while in the mass affluent segment, delivery can be more through digital channels. What is your experience and what is your view on all this?

I am responsible for the digital banking at Techcombank across all products, including wealth management. I have almost two decades of experience working across different markets in Asia, starting from India and then in Hong Kong, Singapore, Malaysia, and now Vietnam.

We estimate about 50% of the population of Vietnam are below 35 years old and are aspirational, and need to save and invest while the older generations own most of the wealth currently and have preferences of their own.

To give you an anecdote related to movies- The needs of the older clients are better served by wealth advisors or RM in face to face interactions but these advisors need to be equipped with Iron Man type of suits, so their human capabilities are boosted with technology and they maintain their human relationships but quality of advice is enhanced by digital tools, so

everything is faster, better, easier, and more relevant.

And the younger ones need more self-service tools like auto bots – fully automated, such as mobile apps so they can come to their own decisions, access information, access investment products and even advice digitally, and then potentially conduct more of their business via self-service.

Techcombank is renowned as a technology-based bank, so how are you developing your digital solutions?

We use technology everywhere, but it is actually not the technology which is important. Our digital transformation programme and initiatives start with the customer. Everything starts from customer, the customer needs, their journey, how we can optimise that customer journey, how we can help overcome some of the obstacles along the way, and so forth.

That is how we approach digitalisation in Techcombank, and we are leading on both fronts, on the customer segment and also from the business aspect, building scale and automation to help deliver the right solutions and products across the client base.

We work very closely with our securities company, TCBS, to make sure that we provide and capture all the automated digitised products for retail customers.

And for our wealthy HNW customer segment, we have specific propositions enabled by digital tools. For example, I think we are the only bank in Vietnam who have our own bancassurance advisory tool, a digital tool equipped in the

form of an app that the RMs work through with customers to provide a complete financial needs analysis tool and then tailor solutions delivered by the bank. And we integrated that with our insurance partner, which is Manulife.

The RM meets the customer and conducts the financial needs analysis, sees where the gaps are, recommends the product we can then deliver, and the customers understand the process and the solutions, making it easier to confirm and go ahead. And then we seamlessly integrate that digitally with Manulife to issue a policy and manage the policy.

If you look forward, what do you see in the future, what do you expect Techcombank to be doing in terms of digital solutions beyond where you are today?

Mukesh Pilania: Nobody has a clear crystal ball, but yes, we certainly try to identify trends and see that whatever we develop today should be serving customer needs, is platform based, is adaptable and

highly scalable, so we can capture that future growth potential as the business expands and evolves.

At Techcombank, we work on three key pillars. One pillar is data, the second is the customer experience, and the third pillar is talent.

As I mentioned, our securities company TCBS is also one of the most innovative securities companies. They have developed robo-advisors, they have automated risk analysis, they have financial planning on their app, they have roundup savings, booster savings, and so forth. They have also very recently announced a blockchain-based product already, a smart contract product in the market.

So, Vietnam is very rapid in terms of adoption of technology. I have no doubt that Vietnam is already on the path to adopt these new technologies to solve the customer problems. And Techcombank is definitely also on track. For example, in wealth management, we launched a new goals-based savings product this year with amazing results, especially amongst mass affluent customers who are

using this digital tool, setting their own goals and we assemble the data to then help nudge them to make the right decisions in their investments and savings.

More broadly, we are always ready to adopt any new technology that we see, which will help us to solve a specific customer pain point and any particular problem. We have built a number of new platforms over the last couple of years, a new mobile app, new internet banking, a lot of tools for RMs and the branches. And we execute it all very fast, delivering the most personalised and frictionless service we possibly can.

I can add that we also work regularly with many FinTechs to improve our solutions. For example, the bancassurance advisory I mentioned earlier is a FinTech product, which we jointly developed and built. We always look to find the best technology, the best solutions and to work in partnership wherever we can identify the best outcomes. ■

