

# The WFH Factor - Is Working from Home a New Reality for the Wealth Management Industry or Temporary Exigence?

Working from home these days is not a choice; it is a fact of life amidst the global pandemic. Hubbis asked our market experts their views on the effectiveness today, and also the possible durability in a more normalised world. In reality, it is probably still too early to obtain a precise image of the future, after all, there are simply too many uncertainties, and for now, we seem to be accepting this externally-imposed necessity, while expecting a return to normalcy sooner rather than later. However, we can but dip the litmus paper at any one point in time and extrapolate from the results. And what we found is that our experts generally see both sides of this particular coin, maintaining that the combination of the home office and the corporate office could, in the future, be more actively embraced.

**Naturally, the more** than 185 replies we received in this mini-survey varied from totally negative about the experience, to very positive, but in general, we were perhaps surprised to hear how many of those we surveyed indicated this was a positive experience from both a personal and professional perspective.

The key limitations clearly are the lack of direct client contact, a feeling of being cooped up, the absence of direct exchanges, both planned and unplanned, with colleagues to swap ideas and plans, or simply to chat and socialise, and problems relating to physical documentation, the absence of corporate style and culture, and especially for those with younger families, distractions from family members, difficulties in being sufficiently disciplined, weaker IT infrastructure and ease of IT solutions, the lack of the energy present in a positive corporate environment. In particular, the difficulty of engaging and acquiring new clients is being felt most acutely, even if existing clients can be services moderately well from the dispersed providers from their home offices.

The key advantages include more efficient use of productive time, with less time spent commuting and on less-than-useful corporate activities, cost savings from the lack of travel and inner-city costs, greater security (especially if mass unemployment and social unrest blight our post-pandemic world), greater flexibility in planning a typical day, a better interplay of personal, family and professional life, and very discrete communication with clients.

The many pros and cons being weighed up, many of the respondents indicated that a

perfectly sensible approach in the future would be to combine home office and corporate office, perhaps week by week or a certain number of days in each location, allowing the individual to focus on different aspects of their professional lives from the different locations. One reply summarised it neatly as follows: "If I must choose, I would prefer working at the office as personal

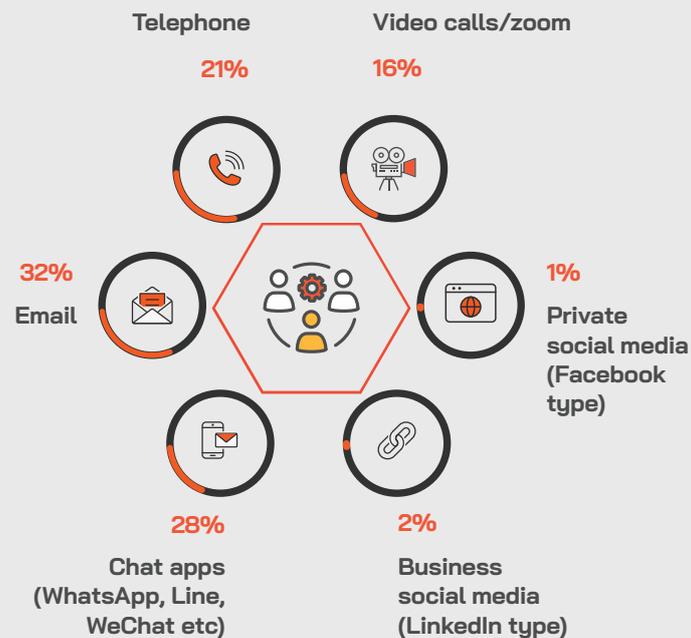
interaction is more efficient, and working from home there are too many extra steps to get things done. Home is comfortable, and time is saved in some respects. Thinking out of the box, a mix of both seems a good idea, and is very doable."

For some people, those perhaps with enough space, enough rooms and perhaps with fewer family members at home, it is

**97% USE VARIOUS NEWER AND OLDER COMMUNICATIONS MEDIA, BUT JUST 1% OPT FOR BUSINESS OR SOCIAL MEDIA**

Let's hear it for good old email, which in this survey appeared to be the most popular form of communication with clients. And there is little doubt that chat apps have been increasingly dominating our communications with clients, colleagues, family and friends, and our respondents confirmed that this is the case for their communications with clients during the lockdown, with landlines and smartphones coming in only third, while VDO and Zoom calls are certainly increasing in prominence. Notably, almost nobody we polled believes in the worth to RMs or other advisors of business or personal social media.

**In lockdown, how are you connecting to your clients?**



**ALMOST 90% OBTAIN THEIR VITAL BUSINESS AND INDUSTRY SECTOR INFORMATION FROM THEIR CORPORATE SOURCES AS WELL AS INTERNATIONAL AND LOCAL NEWS MEDIA**

It appears roughly half of the information and insights that wealth management professionals consider vital for their client and other communications from collective in-house corporate sources and one-on-one discussions with other teams and peers, while the other key element of sourcing information and ideas and insights is from international and local news media. Chat app and social media feature but are relatively insignificant.

**How are you keeping in touch and receiving information relevant to your business?**



possible to be quieter and more concentrated from the home office, but clearly, this is not always the case. There is no doubt that the

corporate collaboration, style and culture would weaken if many key members of a business work remotely. Trust and transparency

**Trust and transparency are essential if the home office is to be effective, and there must be sufficient support from the centre to support that, although if so many company members are out of the office, there is effectively little corporate centre remaining. And if working from home, the individuals must work out the appropriate way to divide business and family lives clearly and efficiently.**

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Clearly, a key issue is the technological support as well. The IT connectivity and functions between home offices and the company must be honed to become more efficient, and clearly, there is an issue in some jurisdictions with the speed of home and corporate or inner-city/financial district internet.

Another core debate is around marketing and business development. Yes, there are all the normal suspects when it comes to remote communications, from email to chat app, phones, skype for personal/one-on-one, Zoom and Microsoft Teams for conference videos and so forth. But most respondents lament the lack of face to face meetings. Without which it is difficult to maintain the closeness or build a closer rapport with clients. As one reply explained: "We have been immensely impacted, especially among new prospects/referral sources/business finders, who still rely upon body language, eye contacts and casual conversations to break the ice which the remote tools cannot solve, sometimes in view of the poorer connections and quality of reception."

Another respondent said that as a believer that people buy advice and services from people, relationships simply cannot be automated. However, the same individual said

that in this lockdown phase, he had been taking every opportunity to call clients and prospects and engage, also using the marketing team to run online campaigns, attending several webinars and to generally be deeply engaged.

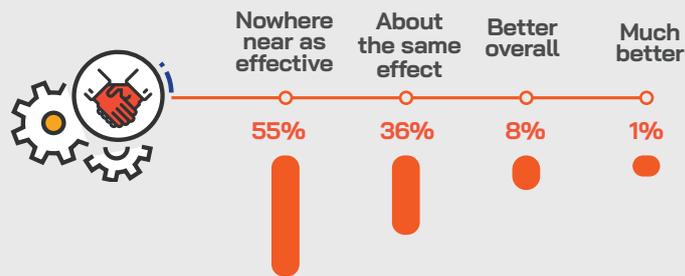
A simple comment sums it all up as follows: "Business development is difficult. You can follow up on existing discussions, but you struggle to start and convert new ones."

However, a counter view came in a reply that stated: "It is still manageable so far, and interestingly, I can convert clients by engaging them over emails or calls." And another perspective was offered in a reply that highlighted the time that wealthy people and families now have on their hands and that they are accordingly reasonably receptive, with many enquiries made from families thinking about their assets and wealth planning.

There is no doubt that the mindset of the management has had to evolve adroitly and rapidly. Key professionals and other decision-making team members need the appropriate levels of connection to the firm's key leaders, and there needs to be a framework for ensuring the activity levels are monitored, as well as tabs kept on the mental well-being of staff. Proactive, regular communication on a team and group, as well as on an individual basis, are vital to the business continuity. Perhaps the corporate leaders in this time might on occasions be over-zealous in maintaining lines of communication and trying to retain corporate energy levels and innovation, but that is generally more appreciated than shunned by those professionals who are looking ahead to a rather brighter future. ■

**55% BELIEVE REMOTE WORKING TO BE FAR LESS EFFECTIVE IN DEALING WITH CLIENTS THAN THE TRADITIONAL MULTI-FACETED AVENUES AVAILABLE IN MORE NORMAL TIMES**

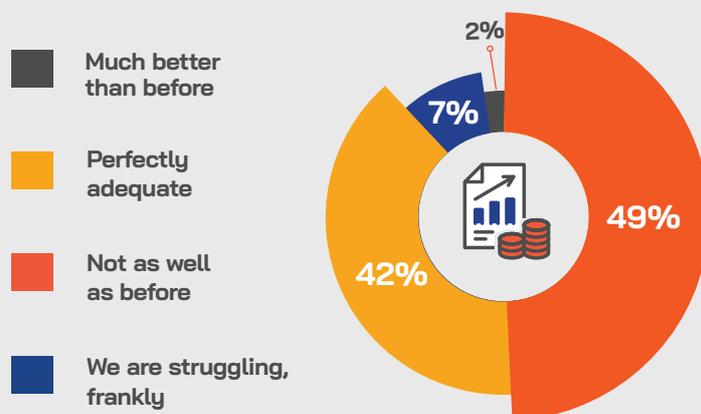
**How effective is home working/digital communication with your clients, but with no face-to-face connection, in achieving your goals with clients?**



**ONLY 44% OF RESPONDENTS HAVE BEEN ABLE TO EFFICIENTLY ONBOARD NEW CLIENTS DURING LOCKDOWN**

There are clearly those banks and other wealth management firms that there have invested significantly in digital onboarding and KYC, and also that are large and resourceful enough to maintain some degree of corporate infrastructure to facilitate the paper documentation that is still required for effective onboarding. Those that are struggling generally tend to either be smaller firms and/or banks or firms that do not have the critical mass to provide the necessary support during this time.

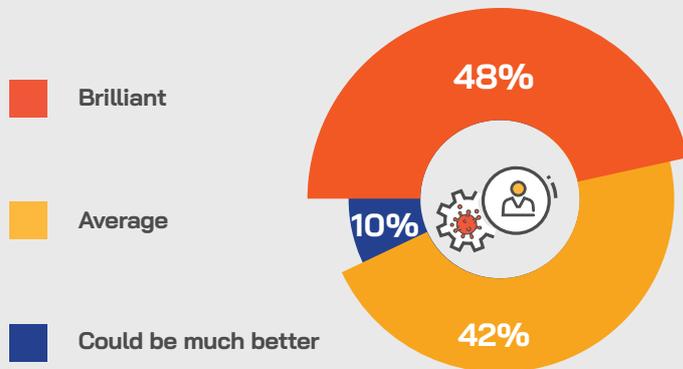
**For any new clients during lockdown, how effectively has your bank/firm been able to onboard them?**



**48% IS A GOOD OUTCOME AMIDST THIS UNEXPECTED CRISIS**

In truth, nobody saw this pandemic coming, even once it had started to take its pernicious grip across the globe. For 48% of our respondents to report that the management support for their remote working efforts and initiatives, is, we can conclude, a fine outcome. Could the wealth management industry do better? For certain, yes, as could virtually every other industry sector. Has it done reasonably well thus far? Yes.

**In terms of management support for your efforts during lockdown, how proactive and communicative have they been?**



**A MULTI-FACETED APPROACH WILL LIKELY PREVAIL**

Aligned with the numerous comments we obtained from the open-ended questions we posed those surveyed, we conclude that in the future, as more normalised global business and societal conditions (hopefully) return, the experience of home working for so many people in our industry will result in a multi-faceted approach to their professional lives, working mostly from the office, partly also from home and, of course, getting out and about plenty to meet with clients, business partners and others to build their banks' and firms' brands, operations and revenues for the future.

**If the pandemic abates, for example the ideal solution of a viable, effective vaccine materialises, how much time do you think you will spend in the office, out meeting clients or networking, working from home?**

