

Unprecedented market changes can be a ‘fantastic opportunity’



Patrick Dreyfuss, Chief Operating Officer for DBS Wealth Management speaks about how digitalization is enhancing both client experience and engagement, increasing RM productivity, ensuring compliance and laying the foundation for future growth.

Executive Summary

The impact of technology, client expectations, evolving regulations, competition from other incumbents and new entrants are amongst the challenges faced by the banking sector. However, DBS Wealth Management Group COO Patrick Dreyfuss believes that digitalization is key to helping them gain a competitive edge by raising the standards of client service, supporting relationship managers (RM) and building a sustainable business.

A key part of this is digitalizing internal processes and controls end-to-end in order to enable productivity gains, ensure consistency and quality of controls, underpin service provision and help RMs foster better relationships with clients, whilst lightening the administrative and regulatory burden.

Coupled with providing extensive digital capabilities for the increasingly digitally savvy clients, DBS is looking to leverage digitalization in a market environment, where Dreyfuss says the pace of change will be unprecedented.

However, rather than seeing it as a threat, he highlights that it is a fantastic opportunity and it is one that DBS is willing to take on.

Not only will it help DBS to improve client experience and engagement, it also empowers the relationship manager with tools that will drive productivity and ultimately increase the bottom line. It's all part of DBS' plan for expansion having set its sights on developing its client base across the region and beyond.



DIGITIZATION AND THE RISE of artificial intelligence, amongst other technologies, might be the biggest threat to the status quo – but it also provides huge potential.

“The pace of change which is happening – and going to happen – is unprecedented,” he says, citing the impact of new technologies, client expectations, regulations competition from other incumbents and new entrants from the tech world amongst the challenges faced by the banking sector. “The market will change much faster than before and it can be a threat – or a fantastic opportunity.”

Despite increased competition, the affluent and private banking market in Asia keeps growing. And Dreyfuss intends to use digitization to capitalize on this. Given DBS was recently named “World’s Best Digital Bank” by Euromoney for the second time in three years, it is certainly well-placed to take on the challenge.

According to Dreyfuss, being truly digital involves a deep transformation of the bank, from the front office to the back-end functions.

“What this also means is that digital is not just something done separately and only for customers. To be successful, we have to invest in people and skills differently, adopt agile and cooperative ways of working across the organization between business and technology.” In fact, DBS is so focused on ensuring that employees have a start-up mindset that “digital” KPIs are added to the employee scorecards.

He adds, “We also design our IT architecture efficiently, by focusing on the job to be done and embedding the controls in our processes. For instance, suitability controls for a trade

Key Priorities

DBS provides a range of wealth management services for clients with investable assets from SGD350,000 to above SGD5 million and more for Private Banking.

This includes DBS iWealth which allows clients to track their wealth management portfolio, banking and trading from a single dashboard application. Accessible 24/7 and from any location, it provides advisory expertise and access to insights and investment tools. Swiss research company MyPrivateBanking recently named DBS iWealth as the world’s top app and online banking website for wealth clients.

Enhancing further such tools, including desktop and mobile client-facing platforms, are part of DBS’ priorities over the next 12 months, as well as continuing the journey towards a complete end-to-end digitalization of all processes.

With a clear focus on developing a sustainable business for the future, DBS will continue to work on its risk culture and framework and relationship manager training to ensure portfolio-led and needs based advice.

The firm’s third area of focus will be expanding and capitalizing on its digitization work done so far, and its value proposition. This will help develop its Private Banking activity of its Singapore and Hong Kong Booking centres across the region, including developing the activity in the Middle East, London. In addition, it is scaling its wealth continuum and client base regionally, for instance with the recent launches of Treasures Private Client in Taiwan and Indonesia, following the recent successful acquisition of the ANZ business in five countries.

Having won FinanceAsia’s “Best Asian Private Bank” for three consecutive years and named Global Finance’s “Safest Bank in Asia” for the last 9 years and “World’s Best Digital Bank” by Euromoney, the bank is well positioned in building a sustainable future by capitalizing on digital assets to raise standards in wealth management.

can be called as a service by various internal applications or client channels, but are performed centrally by our core system.”

DBS is also working with plug-and-play solution providers to help underpin their services, with Dreyfuss alluding to the fact that robots and automation would play

a major role in the future of wealth management including fraud control.

“We are engaging with quite a number of Fintech and regtech companies. And for some, we are providing support to work on proof of concepts. We are interacting, and we are very keen to see what they are offering,” concludes Dreyfuss.



PATRICK DREYFUSS
DBS Wealth Management

A sustainable business

After all, for any business, profitability is at the heart of sustainable growth. “What we are doing in our digitalization agenda addresses both net and gross income. Digitalisation helps reduce costs by achieving productivity gains. But it also helps improve our revenue, by extending our reach and engaging our clients more and better.”

For Dreyfuss, developing a sustainable business extends beyond the financials, “Commercial targets are important to meet, but this cannot be at the expense of doing the right thing for the client and meeting their expectations. This includes meeting risk and control targets.”

The bank follows several risk indicators. “We have a dashboard for each banker, with point systems depending on specific indicators which for instance includes potential operational losses, KYC reviews overdue, or any non-compliance with the selling process.”

It works, Dreyfuss says, because it does not only apply to the bankers, but also to their managers, and because the bank walks the talk by

taking these into consideration in the appraisal and compensation process.

The bank also regularly organises a risk task force forum with all the business heads to identify risk areas of concern or share industry best practices, and formulate comprehensive action plans, including communication to the front line.

Supporting RM performance

As part of its drive to raise service standards and grow the activity, DBS places huge importance on supporting RMs to be more efficient.

“The job of a relationship manager is very different from what it was ten - even five - years ago. They have a lot more to do and certain processes have become fairly complex,” says Dreyfuss. He adds, “We provide them with our RM Mobility tablet, which is an integrated

their situation and needs, and connecting the clients with the right experts in the bank, such as a wealth planner or an investment counsellor to ensure appropriate needs-based advice,

“Another example, obviously, is KYC. Over the years the source of wealth corroboration requirements have increased, which is why we have implemented a new KYC case management system to further structure the data, automate the tasks and controls, including the screening and web searches and better manage the process with a real time MIS, to make it more efficient and minimise the number and extent of reworks, to save time for all the parties,” says Dreyfuss.

Improved client engagement

“Not only are we empowering the relationship managers and our clients, but this also turns out to be beneficial from a financial standpoint, because clients who are

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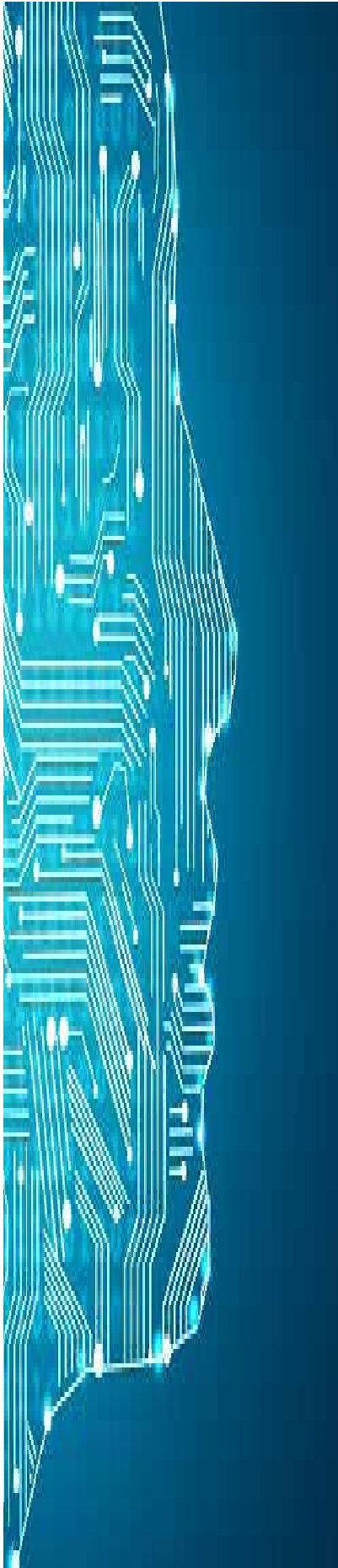
digital platform for client engagement. It comes with a comprehensive RM Dashboard with relevant events pending actions related to the client, client portfolio details, dynamic presentations tailored to the customers portfolio and more.”

“Technology is definitely bringing significant efficiency benefits, so bankers can spend more time with clients and on value-adding tasks.”

For Dreyfuss, this includes spending time on understanding

engaged digitally are much more profitable,” enthuses Dreyfuss.

“Clients who engage digitally tend to follow their portfolio more closely, and be more active. It’s essential for us to be relevant, timely and deliver value to them. They get access automatically to all the research that is relevant to their portfolio and investment insights adapted for their profile, and alerts related to their holdings or their account, such as price alerts, corporate actions, product maturity, or order status,” says Dreyfuss,



Getting Personal

Patrick Dreyfuss has more than 20 years' experience in the financial sector, mainly in France, Luxembourg and Singapore.

He joined DBS Bank in October 2014 as Chief Operating Officer of the Wealth Management Group, following the acquisition of Societe Generale's Asian private banking business. Patrick's role includes driving DBS' wealth management business growth, contributing to lead bank's digital transformation and ensuring a robust control environment.

Having joined Societe Generale Private Banking Asia (SGPB Asia) in 2004, he was responsible for the successful spin-off of the private banking operations into a new legal entity – Societe Generale Bank & Trust (Singapore branch), and the set-up of a regional hub dedicated to private banking in Singapore.

Prior to joining DBS, Patrick was Regional COO of SGPB Asia and was also Deputy Regional CEO since March 2011. He also acted as Project Director for Societe Generale when DBS announced its plans to acquire the French bank's private banking franchise in Asia.

Prior to this, he worked with the Société Générale Group in Paris, France in the inspection department, where he was responsible for high level audit and consulting assignments worldwide.

Paris-born Patrick majored in IT systems and networks whilst studying engineering at SUPELEC, a renowned engineering school in France. When he is not working, Patrick enjoys reading about history, tasting global cuisine and traveling, including visiting friends and family in France.

who points to the fact that clients now demand a much better experience and the capability to take action anytime, anywhere through whichever channel that is more convenient to them.

If news breaks in the night, they can place a trade rather than wait until the next day and miss the opportunity.

Part of meeting these expectations is proposing the right solutions and products to the client - and being able to automate as much of the suitability process

as possible is key. "It's critical for us to offer advice which considers the entire situation of the client," says Dreyfuss who adds that DBS is set to roll out a new suitability approach based on the entire portfolio composition rather than the individual risk rating of the products.

"We are upgrading our suitability framework later in the year to further improve the granularity and the breadth of the advice - which brings both control and client experience benefits." ■