

WEALTH CREATION AND WEALTH MANAGEMENT

Tan Su Shan of DBS Bank talks about the role and development of wealth creation and wealth management in Asia.

“Knowledge is free but insights are not and if you can find a partner that can create insights out of this knowledge, you’re going to win this game”

This is an extremely exciting phase for the wealth management industry in Asia. The regulatory framework being developed in the region and the changing needs of the increasingly wealthy customers has pushed the industry to a technological inflection point.

Banks are dreaming, conceptualising & visualising breathtakingly innovative solutions and partnering with industry leaders in the technology world to help bring them to reality. The mantra is to connect with the customer, engage them and empower them. This means, the relationship isn’t only about helping them manage and grow their wealth, but also extends to assisting them in creating their wealth.

The industry is pushing advisers to go beyond their conventional role. To truly be able to forge a deep connect with the client, in a modern environment, it is important to give the client transparent information about their investments and a wide variety of other information that is relevant to their business.



Tan Su Shan

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Tan Su Shan recalls episodes from her early days as an advisor and says that the level of connection that she can build with a client by understanding him and his business is much stronger than the one she can build by simply providing him good advice & good investment opportunities.

Bridging wealth creation & its management

Tan believes that it is important to understand where the wealth of the client is coming from. Her advisors try to understand how their clients make their money. This enables them to have much more meaningful conversations with the client because not only can they help them invest the wealth they've previously created, but can also help them create more wealth by helping them finance their business efficiently.

“If you want to be at the front end and you want to be in distribution, you need to understand the human brain online, understand the customer needs”

There are plenty of examples that Tan shares which explain how exactly a wealth manager can assist the client build wealth. Pages from her diary reveal a client whom she had a lot of difficulty getting on board. He was in the “crane business” and she didn't know much about them. However, after being persistent and visiting his office, she realised what exactly it is that he is doing and offered to put him in touch with people who could help. That opened the doors to their relationship.

That's precisely what the role of a private banker is. To help the client do more business in a better way by introducing them to the network they have cultivated, either within the bank in other departments or clients and specialists outside of the bank who can help and mutually benefit from opportunities.

It is a similar case when Tan works with clients who're buyers of palm oil in China and mandarin speaking

sellers of palm oil in Indonesia. DBS has built an extensive network within the industry which facilitates more business relationships and generates new client introductions.

The value that can be delivered to the client is enormous. For example, one of Tan's clients who worked with her for fifteen years called her when she joined DBS. He requested to meet with her and asked her to bring along the head of Shipping from DBS. Tan claims that prior to that meeting, she only thought of him as a savvy fixed income investor but after listening to the conversation he had with her head of Shipping, she understood his business and learned how much value her colleague could deliver to the client. The client was obviously grateful and their relationship deepened beyond measure after that meeting.

With an Asian client where the wealth creation process is very real, to be able to offer a solution to them and not just sell them something from the arsenal of products that wealth managers are armed with is valuable. Conventional products don't solve a lot of the problems they have like concentrated exposure, a need for liquidity, a need for network & a need for growth and Tan believes that if you could combine both, then your proposition is super powerful for the client.

Serious about big data

However, to deliver real value to clients, the adviser also has to be more efficient. In fact, he has to be very good at managing his client's transactions and other administrative details to be able to spend time understanding the client and having those meaningful conversations with him. To help with that, DBS has partnered with IBM for a solution called Watson. It is an intuitive and intelligent machine that aids advisors in research, analysis and content deliver because of its cognitive computing capabilities.

Currently, it is only used to aid advisors but the difference between the performance of the human brain and artificial intelligence are constantly monitored and compared. The results could change the way they model their business. At present however, the human capabilities are highly prized and very valuable to the firm.

Tan believes that knowledge is free but insights are not and if you can find a partner that can create insights out of this knowledge, you're going to win this game. In fact, DBS is also heavily investing in “big data” and trying to analyse their choices and behaviours to be able to predict what clients might want from them.