

Why Wealth Managers Need Effective Client Onboarding

Shane Meredith, Asia Director - FinTech & Wealth Advisory at Wealth Intelligence Contemi Solutions, told the audience at the Hubbis Vietnam Wealth Management Forum how effective digital client onboarding can be the key for wealth managers to reaching and servicing high net-worth individuals and the region's younger generations of clients who are inheriting and creating the next vast wave of private wealth.

CONTEMI OFFERS IT SOLUTIONS FOR INSURANCE, Bank and other sectors with needs for Digitalisation, Customer Engagement and Loyalty programmes. The firm hails from Norway and the UK and operates in Asia out of both Singapore and Vietnam.

Meredith began his talk by explaining that many wealth managers are losing money because they do not understand client onboarding. Unfortunately, onboarding conducted poorly will drive clients away; because the onboarding process begins the moment at which a prospect becomes a client.

This failure drives clients away because onboarding is the formal process of bringing a customer into a platform. Unfortunately, many wealth managers make the mistake of turning the client onboarding process over to clerical staff, or worse to a legacy platform.

Many platforms lose clients because onboarding processes can be slow, cumbersome, complex, confusing, and frustrating. Some platforms will ask for the same data or paperwork repeatedly, for example.

Under these circumstances, wealth managers lose the client the moment he or she comes onboard. Wealth managers lose business because just one mistake in onboarding can drive a client away.

“A great example of Contemi’s ‘Wealth Intelligence’ offering is an outstanding onboarding process that quickly collects information



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directly from clients digitally,” Meredith told the delegates. “Instead of having employees ask a client questions and enter the data manually. The client can answer the questions in an app or online.”

Onboarding: even more important in Asia

Meredith explained that a good onboarding process is even more important for Asian wealth managers. To clarify, he said many emerging market clients are newly rich, and often unfamiliar with wealth management, and their investment options. “Consequently,” he said, “even sophisticated clients will need extra help. Yet, it is often hard for wealth managers to know if a client needs help.”

To make matters worse, younger clients/millennials have lived all their lives in a digital

economy that often provides near instantaneous customer service. Today’s client is used to placing orders instantly on Amazon or Alibaba. “Consequently,” Meredith observed, “an onboarding process that takes several weeks will frustrate that client.

He added that something else to consider is that Chinese clients have been full participants in the digital economy for over a decade. Therefore, Chinese wealth management clients will require an onboarding process closer to WeChat Pay rather than a series of interviews or questionnaires.

“For example,” Meredith explained, “an app that asks all the pertinent questions once. Such an app only needs to ask questions because it can verify the client’s identity through biometrics.

Obviously, the easiest and most

seamless method of verification will be fingerprint or facial recognition using the customer’s phone.

Attributes of a good onboarding process

Meredith then highlighted some attributes of an effective wealth management client onboarding process.

The process is simple and seamless. For example, the client only needs to enter information once. The process is fast - the client receives a response to all inquiries within a few seconds or minutes, even though the response does not have to be an answer, it can just be an acknowledgement that somebody is working on the problem will usually suffice.

The wealth manager receives an update on every step of the

process. Ideally, the platform will inform the wealth manager of all problems. Thus, the manager will know of trouble the moment it starts. The process complies also with all laws and regulations, such as Know Your Customer (KYC), Anti-Money Laundering (AML), tax reporting, privacy regulations, and so forth. And all the managers and executives need to complete the onboarding process themselves to see if it works.

What onboarding technology needs to achieve

Meredith also focused on the target outcomes, noting that the technology must include the latest technology, biometric identification, blockchain, and so forth.

It must offer fast access to an app that gives the client full access to the wealth management platform. “Remember,” he advised, “today’s client normally gets all the information he or she wants through his or her phone 24 hours a day, seven days a week. To stay competitive, wealth managers must offer a similar capability.”

The technology should use technologies like artificial intelligence (AI), and robotic process automation to process applications as quickly as possible. “Ideally,” he added, “one team will oversee client onboarding for the entire organization, with their job to get new clients into the system quickly and seamlessly.

Frankly, the more automation, the better because automation can increase speed and efficiency. More importantly, automated processes can reduce errors and limit security risks by lessening the need for human involvement. Remember, algorithms have no incentive to lie or steal.”

In closing, Meredith reiterated how all wealth managers need to monitor client onboarding carefully and understand each aspect of the process. “Effective onboarding can lead to happy clients who invest more money,” he stated. “For modern wealth managers, effective onboarding is essential, and if you do not serve clients needs fully from the beginning, the clients will leave.” ■

