

Client Relationships: How to Build and Sustain Them in the Digital World

David MacDonald, Head of Learning Solutions at Hubbis gave a talk at the Malaysia Wealth Management Forum to highlight the key importance of tuning in to the client from their perspective. To do so, he believes that the human skills should endure, augmented but not replaced by digital tools.

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Executive summary

David MacDonald, Head of Learning Solutions at Hubbis, gave a presentation at the Hubbis Malaysia Wealth Management Forum to highlight the key importance of relationship managers and client-facing wealth management personnel tuning in to their high net worth customers from a dedicated and highly client-centric perspective.

To do so, he believes that the human connection should be emphasised and also augmented, but not replaced, by digital tools such as artificial intelligence and machine learning.

Hubbis' range of training programmes includes specific modules on building and expanding client relationships. The mission for relationship managers, MacDonald insisted, must be to elevate themselves well beyond the role of simply reacting and transacting to client instructions.

If the clients see the relationship managers simply as enablers, then the clients will soon migrate to easier or cheaper solutions. However, those client-facing professionals that can communicate incisively, sensitively and meaningfully with their clients and who can identify and communicate their added-value, can prosper in Asia's high growth wealth management market.

MACDONALD BEGAN HIS presentation by remarking how there is considerable diversity of opinion on the role of digital in wealth management, with some fintech or other technology proponents stating that robo-advisory is just around the corner, and others arguing that there is much more development required and that, in any case, the human interface will not be superseded any time soon.

Time and technology has moved on

Nevertheless, the reality, MacDonald observed, is that digital and time have both moved on. “If you want the outcome of your client conversations, your interactions, your engagements to evolve, you need to take into account the fact that they can now do a lot of things without your involvement, cheaper, quicker, and more reliably,” he observed. “You cannot expect to face those clients as you might have done even five years ago and achieve the same outcomes.”

MacDonald then cited the results of a survey conducted by Capgemini in its World Wealth Report 2018. He noted that according to the report, high net worth individuals (HNWIs) across the globe continue to demand hybrid advice, with more than 50% globally saying that it was highly important. The conclusion, according to Capgemini, is that hybrid advice forms a critical top-line growth enabler for firms, with 68.7% of HNWIs globally indicating hybrid advice was a significant factor regarding decisions related to asset consolidation with their primary wealth management firm.

Do you connect?

Additionally, Capgemini concluded that better personal connections



DAVID MACDONALD
Hubbis

between wealth managers and their HNWI clients may lead to better HNWI satisfaction scores. In 2018, only 55.5% of HNWIs said they connected ‘very well’ with their wealth managers, according to the report.

“This is a concern,” MacDonald commented. “How many client-facing people regularly check with their clients whether they are satisfied with their experience, whether they are happy with you with regard to your level of communication, your regularity of communication, your transparency regarding fees, and so forth. Not many people ask clients those types of questions.”

MacDonald maintained that making assumptions about client satisfaction is clearly risky. On the other hand, seeking feedback proactively will help the relationship manager hone the advice and the

delivery and the overall communication to improve the general level of satisfaction.

“With the advent of robo advice,” he noted, “there is a greater need to re-validate the human connection in order to emphasise the relevance and added-value of the relationship manager in the overall wealth management equation. No algorithm in the world will ever be able to fully replace the human relationship, but relationship managers must work harder and more consistently to discover, rediscover and reiterate this added value.”

MacDonald also highlighted another finding from the Capgemini World Wealth Report, namely that better personal connections with clients makes those clients happier. “It is partly about augmenting your reality,” he explained. “We need to be real about what it is we are do-

ing, how we are doing it, why we do it and why clients should continue to want to do it with us.”

Asia’s HNWI’s receptive to Big Tech

Zooming in on Malaysia, MacDonald highlighted a finding from the Capgemini World Wealth Report 2018 that HNWI clients in Malaysia are very receptive to the concept of Big Tech companies such as Google or Amazon moving into the world of banking and finance. “Wealth managers beware,” MacDonald warned. “Do not take any client relationship for granted, find out what it is that the client values and what no Big Tech data factory can do for them.”

MacDonald then quoted the Dalai Lama who advised that cultivating a close, warm-hearted feeling for others automatically

puts the mind at ease, saying that this helps remove whatever fears or insecurities we may have and gives us the strength to cope with any obstacles we encounter. “The Dalai Lama,” MacDonald quipped, “might not be a wealth management expert, but he is remarkably perceptive and intuitive about life and human relationships.”

Elevate your offering and add value

The mission for relationship managers, MacDonald concluded, is to elevate themselves well beyond the role of simply reacting and transacting to client instructions. “If the clients see you as someone who is just an enabler, then you are already on the way to losing the client as they can do that without you, sooner or later, and quicker as well as cheaper. You must come

back time and again to the value you add to your clients.”

MacDonald then observed how AI cannot engage anyone in an intelligent, fluid conversation, or react to or achieve meaningful insights. “We consistently emphasise in our training programmes that relationship managers and anyone client facing should be seen by clients as a true partner, someone that is indispensable in helping them make key decisions that affect their wealth and therefore their lives.”

MacDonald concluded by adding that his mission is, therefore, to help Hubbis clients think about some of the vital strategies and skills that might help them to better and more regularly engage clients in deep, meaningful and insightful conversations and therefore to add value throughout the relationship. ■

