

**DIGITALLY EMPOWERING
THE FRONT LINE:**

**TAKING CLIENT
ENGAGEMENT TO THE
NEXT LEVEL**



SUMMARY

■ *The Hubbis Digital Dialogue event of March 14 had one mission – to drill down into how banks and other wealth managers can leverage digital tools to enhance and empower client-facing RMs and advisors. It sounds simple but it is not. Optimised digital client management tools and communications are front and centre of outstanding client engagement and can offer a truly seamless client experience, and in Asia, there is great optimism about the future growth of economies, markets, and private wealth. But while some competitors in the wealth industry will enjoy the fruits, it is also likely that those banks and wealth firms that do not adopt the right technologies, protocols and approaches – or adopt them too slowly - could also be left behind.*

SPEAKERS



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SETTING THE SCENE FOR THE DISCUSSION

The premise for the March 14 virtual event was that those organisations that want to stay ahead of the competition in Asia's rapidly expanding and diversifying wealth management industry need to evolve and upgrade their client lifecycle management tools constantly, their digital solutions around client engagement and more broadly, their client communications for differentiation, client acquisition, client retention and for an increasing share of wallet.

This rendition of the Hubbis Digital Dialogue focused on the application of the latest digital solutions for the RMs and advisory in the world of Asian wealth management, as technology revolutionises the offerings and efficiencies of private bankers, EAMs, MFOs, and across the broad wealth management community in the region.

Central to the discussion was analysis of the tools that will help front-line bankers and advisors to boost their efficiency and productivity. The experts discussed solutions such as the RM cockpit, Client Relationship Management (CRM) and Client Lifecycle Management (CLM) tools for onboarding and then nurturing high-net-worth (HNW) client relationships, portfolio management and also reporting solutions, data management tools, and also specialist client communication tools and advances, including AI and Machine Learning, to help the client-facing bankers determine priorities, and generate ideas and filter the right products for their clients.

They focused particular attention on data as gold, zooming in on data curation, data management, data analytics, AI and ML, and defining why smart data is so important to personalisation and the wealth management journey, and what digital tools, protocols and approaches private banks and wealth management firms could adopt to enhance this vital area.



AT A GLANCE: KEY BULLET POINTS AND WORDS OF ADVICE EXTRACTED FROM THE DISCUSSION

- » Digital Empowerment is Crucial: Provide relationship managers (RMs) with integrated, reliable digital tools to enhance client service and communication. "Equip to empower" should be the mantra for digital tool provision.
- » Achieve Personalisation at Scale: Use digital technologies to achieve personalization in client interactions. Tailored advice is not just preferred but expected. Personalisation is the new universal currency of client engagement.
- » Client Data Orchestration: The client data orchestration layer is vital for enabling RMs to access consolidated, actionable insights, facilitating informed and timely advice. Orchestrate data for harmony in advice.
- » Harness Generative AI: Leverage generative AI to integrate and synthesize client data, creating a unified orchestration layer that simplifies the RM's role and enhances client service delivery.
- » Overcome Integration Challenges: While integrating digital tools with existing platforms can be challenging, it is essential for creating a seamless digital ecosystem that supports RMs and improves client services. Embrace the challenge of integration for the reward of seamless service.
- » Prioritise Data Security: Tackle concerns related to data security proactively, especially with smartest software and cloud solutions. Innovative technologies offer enhanced data protection, balancing cloud benefits with security imperatives. Data security is paramount; innovate with caution and discretion.
- » Streamline Operations for Efficiency: Digital tools can streamline operations, enhance regulatory compliance, and make processes like KYC more efficient, allowing RMs to focus more on client engagement. Efficiency in operations is the foundation of exceptional client service.
- » Embrace Future Technologies: The industry is at a critical juncture with digital advancements. Embracing technologies like AI is essential for survival and growth. The future of wealth management is digital; embrace it to thrive.
- » Adaptive and Continuous Learning: Stay adaptive and invest in continuous learning to keep pace with technological advancements and their applications in wealth management. Adaptability and continuous learning are keys to leveraging digital advances.

THE KEY POINTS AND INSIGHTS IN MORE DETAIL

What is Digital Empowerment?

The discussion commenced with an introduction to the theme of digitally empowering the frontline staff in wealth management. The moderator set the stage for an exploration of how digital tools and technologies could elevate client engagement to unprecedented levels. The session

aimed to dissect the integration of digital innovations into the wealth management sector, examining its impact on the relationship between RMs and their clients.

Empowering RMs with Digital Tools

The panel offered views on the necessity of the value of robust

digital tools to support RMs effectively. One speaker shared an analogy from their military background, emphasizing the critical reliance on equipment: "In the military, we were constantly reminded that our equipment was supplied by the lowest bidder. Yet, we depended on it for survival."

This sentiment was paralleled with the current state of digital tools in wealth management, suggesting a need for a seamless and reliable digital ecosystem that empowers RMs to provide top-notch client service. The discussion pointed towards the “kaleidoscope of different systems” currently in use, highlighting the necessity for a more integrated approach to support frontline staff effectively.

Personalisation and Client Engagement

The significance of personalising client interactions was unanimously underscored by the panel. The advent of newer digital technologies, including AI, was seen as instrumental in achieving personalisation at scale.

“In an era where personalization is not just preferred but expected, AI can serve as the linchpin in crafting tailored client experiences,” one expert stated. The panellists concurred that leveraging technology to understand and predict client needs more accurately was paramount in the current competitive landscape of wealth management.

The Role of Generative AI in Client Data Integration

The conversation then pivoted to the potential of generative AI in revolutionising the way client data is integrated and utilized.

A speaker remarked: “Generative AI stands as a beacon of promise, offering the capability to synthesize the arsenal at the disposal of the frontline into a cohesive force.”

This integration is crucial for RMs who navigate through a myriad

Experts Views – Key Quotes extracted from the Dialogue

“Digitally empowering the frontline is essential, reminiscent of how crucial reliable equipment is on the battlefield. RMs need integrated digital tools to navigate and succeed in the complex landscape of wealth management.”

“We’re witnessing a digital engagement evolution, where technology’s role isn’t just about empowering advisors but also about improving the service and solutions offered to clients in a digitally inclined world.”

“A successful RM advisor today must not only be financially literate but also digitally literate, understanding and leveraging the latest technological tools to enhance productivity and client experience.”

“The power and glory of AI in wealth management lie in its ability to amalgamate various sophisticated systems, simplifying and enhancing the frontline’s capabilities to serve clients effectively.”

“Generative AI technology is promising due to its ability to connect the dots across the value chain, humanising digital investments for frontline use and optimizing client engagement.”

“The challenge of implementing digital solutions in wealth management is akin to a 15-month puzzle, where each piece represents a different technological tool. When correctly assembled, it creates a seamless, efficient platform capable of transforming client service.”

“Data security and the careful adoption of cloud solutions are paramount, requiring a balance between leveraging cutting-edge technology and protecting client information against emerging digital risks.”

“The hesitation around adopting cloud solutions in wealth management, particularly in Asia, poses a significant barrier to leveraging AI and machine learning capabilities to their fullest.”

“Personalisation has become a base requirement in today’s service industry. Wealth managers must embrace digital tools and AI capabilities to meet and exceed these client expectations.”

“The future of wealth management lies in a bold, decisive action towards digital transformation, ensuring that digital innovation is woven into the very fabric of our operations.”



of digital tools and data points to tailor advice and strategies for their clients. Generative AI was heralded as the key to unlocking the full potential of investments, simplifying complex processes, and enhancing the delivery of personalised advice.

Challenges in Digital Integration and Solutions

Despite the optimistic outlook on digital tools, the panel acknowledged the challenges in integrating these technologies within existing systems.

“Merging new digital tools with legacy platforms is akin to blending oil with water – a complex and often frustrating process,” one speaker observed. Yet, the narrative was not devoid of hope, as examples were given of successful integrations that have streamlined operations, enhanced compliance, and freed RMs from the shackles of administrative burdens, allowing them more time for productive client-focused activities.

Data Security and the Adoption of Cloud Solutions

Data security emerged as a critical concern, especially with the cautious approach towards cloud solutions in Asia. The discussion shed light on evolving technologies that promise enhanced data protection.

“Innovations in data encryption have opened new doors for securing client data in the cloud, challenging the traditional apprehensions surrounding cloud adoption,” said one panel

member. “We underscore the importance of balancing the benefits of cloud scalability and efficiency with the imperative of data security.”

Efficiency in Operations and Regulatory Compliance

The role of technology in improving operational efficiency and regulatory compliance was another key theme. The panellists discussed how digital tools have streamlined processes like KYC, making them more efficient and less cumbersome.

“The digital transformation in compliance processes not only mitigates risk but also significantly enhances the RM’s capacity to focus on what truly matters – the client,” remarked a participant. This point reinforced the value of technology in not just enhancing client service but also in ensuring adherence to regulatory standards.

Insights on Client Data Orchestration and AI

Analysing the concept of a client data orchestration layer in more depth, the panel elaborated on its significance in aggregating and harmonizing data from diverse sources.

“Imagine having a conductor for the symphony of client data, where every note is in perfect harmony,” said a panellist. “This orchestration layer is pivotal for enabling RMs to access consolidated, relevant, and actionable insights, thereby facilitating more informed and

timely advice. The orchestra is in harmony.”

Personal Insights and Future Trends

Concluding the discussion, the panel shared personal insights and prognostications on the evolving landscape of wealth management technology. The consensus was that the industry is at a critical juncture, with digital advances like AI not just as tools for efficiency but as essential components for survival and growth.

“The journey towards digital empowerment is fraught with challenges, yet the path is clear,” said one guest. “The future belongs to those who embrace these technologies to redefine client engagement,” encapsulating the sentiment of the discussion.

Conclusion

This latest Hubbis Digital Dialogue articulated the crucial role of digital technologies in transforming the landscape of wealth management, particularly in enhancing the relationship between RMs and their clients. Despite challenges in integration, data security, and system compatibility, the benefits of digital empowerment in terms of personalisation, efficiency, productivity, job satisfaction, client outcomes, and regulatory compliance were underscored. Any serious competitor needs to address these issues strategically and proactively.

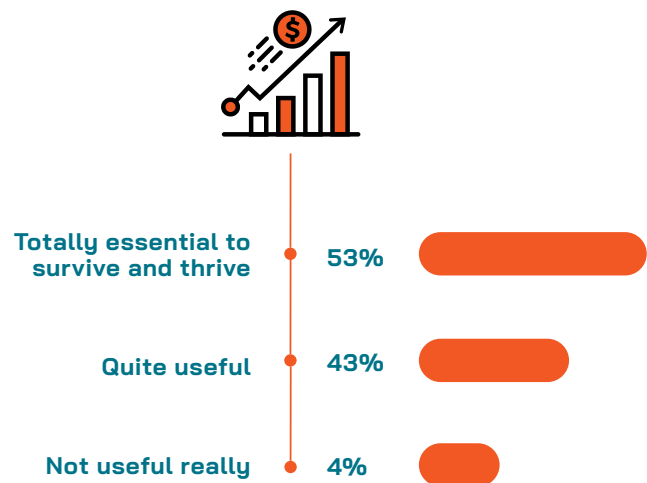
KEY FINDINGS FROM THE HUBBIS POST-EVENT SURVEY ON DIGITALLY EMPOWERING THE FRONT LINE

Hubbis also conducted a post-event survey amongst delegates, which cast some interesting and often confirmatory views, which we have summarised here.

IMPORTANCE OF DIGITAL SOLUTIONS FOR RM EFFICIENCY AND CLIENT-CENTRICITY:

The majority view digital technology solutions as fundamentally crucial, with **53%** deeming them totally essential for survival and thriving in wealth management. This underscores the critical role of digital empowerment in enhancing productivity and client focus.

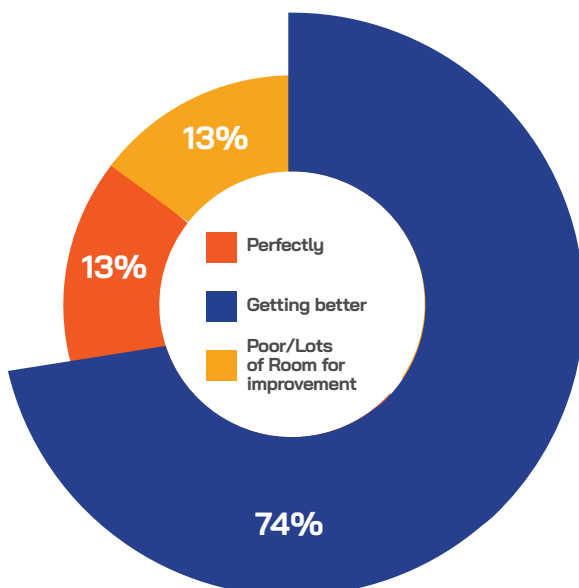
Focusing on the upper tiers of wealth management clients, how important do you think digital technology solutions of all types are to help free up the RM’s time and energy for greater client-centricity and productivity?



RM EMPOWERMENT THROUGH DIGITAL TOOLS:

In terms of the digital tools at their disposal and their daily responsibilities, to what extent are RMs and advisors in Asia at the banks and EAMs/MFOs properly empowered to offer a truly client-centric service?

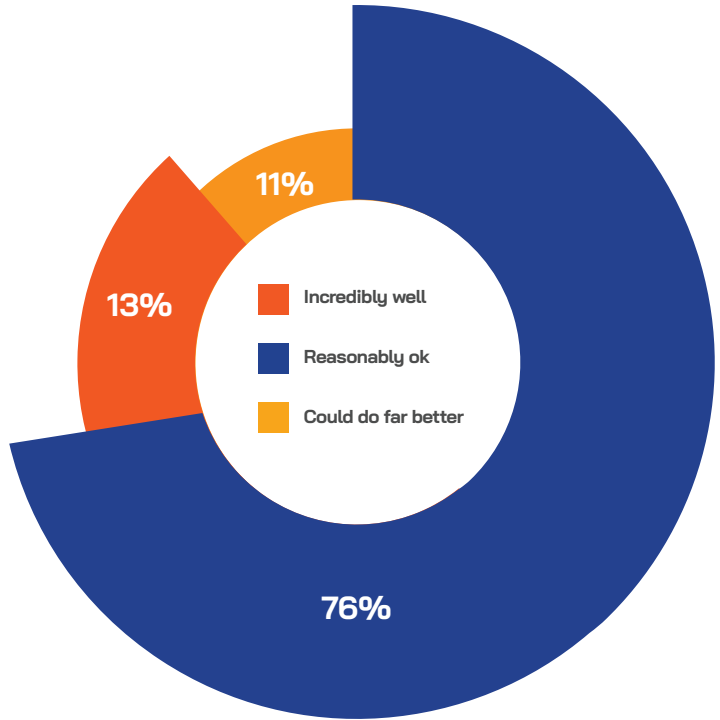
A significant **74%** of those we polled believe that RMs and advisors are becoming better equipped with digital tools, suggesting a positive trend towards more client-centric services, although there’s acknowledgment of room for improvement.



QUALITY OF CLIENT CARE IN HNW AND UHNW SEGMENTS:

With **76%** rating the care of HNW and UHNW clients as reasonably okay, there is a clear indication that while service levels are adequate, there exists considerable potential for elevating client experiences through further enhancements.

In the HNW and UHNW segments, characterise how the RMs and advisors in the private banks and independent wealth firms today look after their clients.



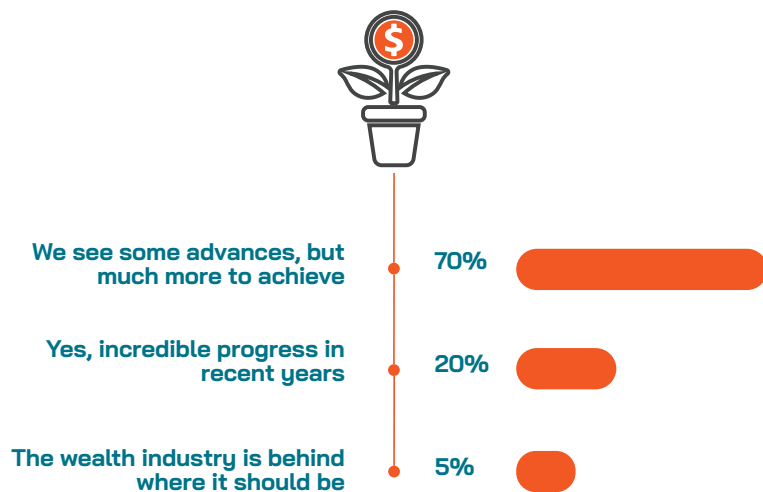
INVESTMENT IN TECHNOLOGY FOR CLIENT ENGAGEMENT:

Is the wealth management industry in Asia investing in and adopting the right technology solutions to boost and elevate client engagement?

A very notable **75%** recognize some advances in technology adoption for client engagement, yet affirm that much more needs to be achieved, indicating a cautious optimism about the progress made so far.

Digital Tools Investment Focus:

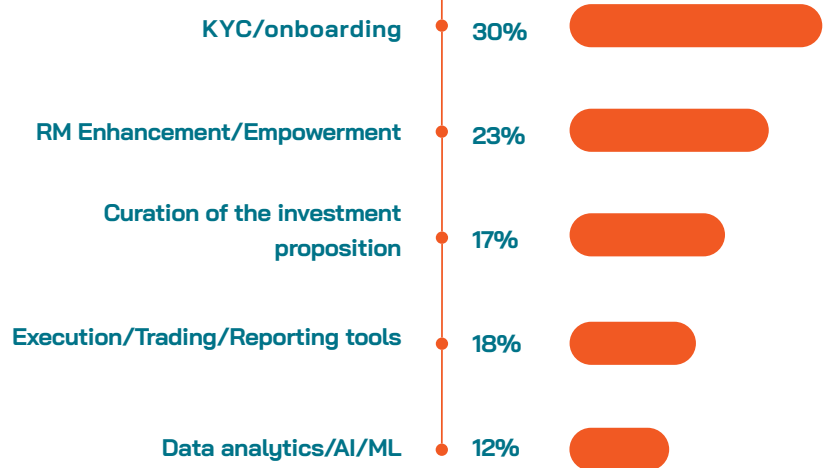
Responses highlight the necessity of a balanced investment in digital tools, with KYC/onboarding (30%) and a comprehensive digital toolbox for RM empowerment (23%) being top priorities, reflecting the need for a holistic approach to digital empowerment.



EFFECTIVENESS OF CLM/CRM SOLUTIONS:

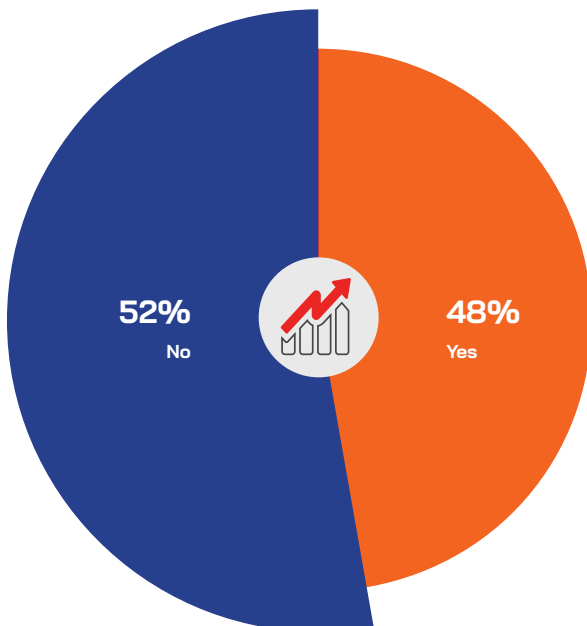
With nearly half (**48%**) affirming the presence of effective CLM/CRM solutions, there's an implied challenge in leveraging these tools to their full potential. While it is clear that they are valued, delegates appeared perhaps less clear about how the results can be most effectively leveraged.

Where should the wealth industry be investing in digital tools to boost communication with clients.



ROLE OF DIGITAL DATA SOLUTIONS, AI, AND ML:

Does your bank/firm have a CLM/CRM software solution that works effectively?

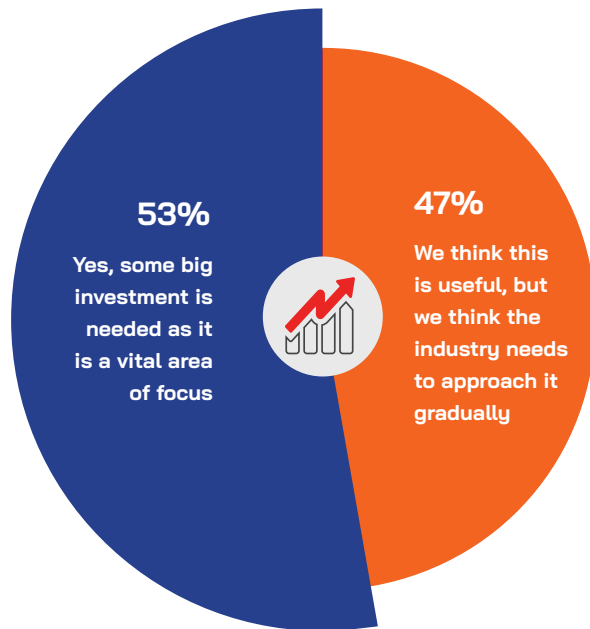


A majority (**53%**) advocate for substantial investments in digital data solutions, AI, and ML, highlighting the critical importance of these technologies in personalizing and enhancing wealth management services.

IMPACT OF AI, ML, AND DATA ANALYTICS ON INVESTMENT CURATION:

While **32%** anticipate a dramatic boost from these technologies in investment curation, a larger segment (64%) expects a marginal but significant impact, suggesting a cautious optimism about their transformative potential.

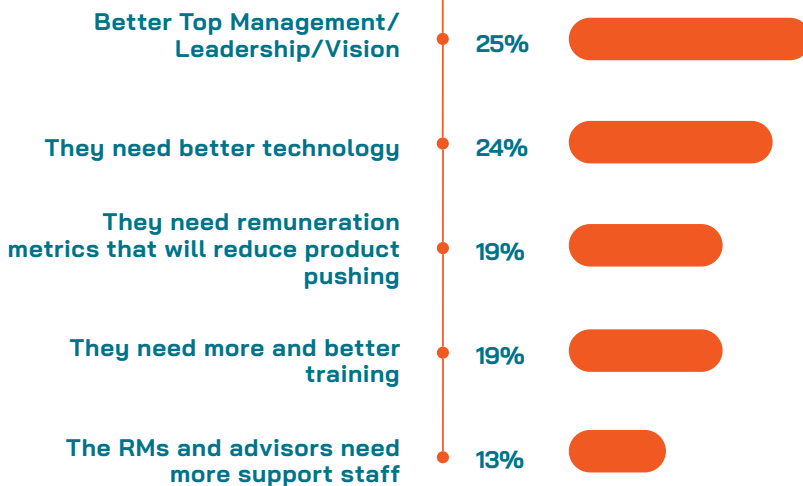
Do you think the banks and wealth managers in Asia should be investing heavily in digital data solutions, AI and ML to boost personalisation and enhance their overall offering?



RM AND ADVISOR PRODUCTIVITY BOOSTERS:

What do you think the client facing RMs and advisors most need to boost their productivity and capabilities?

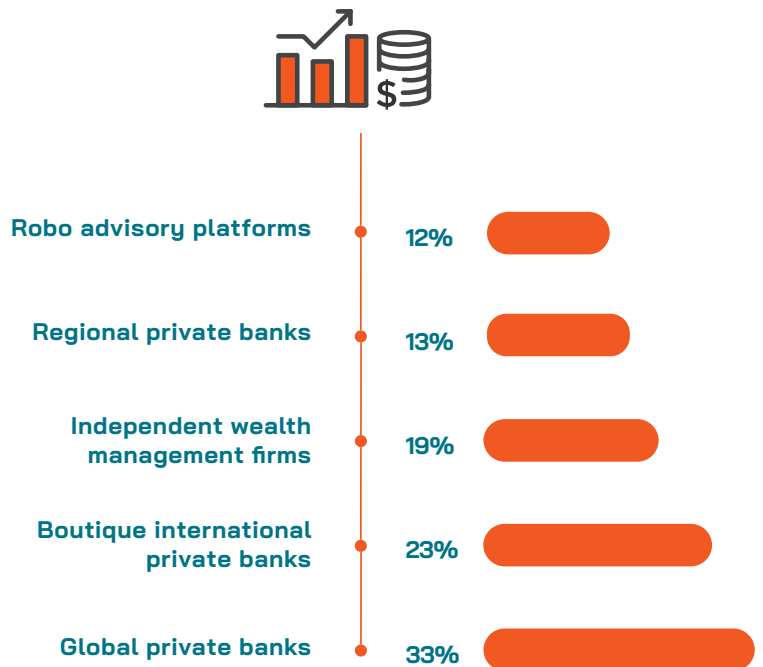
Responses indicate a multifaceted approach to boosting RM productivity, with better leadership/ vision and technology being the top needs, highlighting the importance of both strategic direction and digital tools in enhancing RM effectiveness.



INCUMBENTS LEADING IN RM EMPOWERMENT AND CLIENT SATISFACTION:

Global private banks lead **(33%)** in enhancing RM empowerment and boosting client satisfaction, suggesting that scale and international experience play key roles in leveraging digital technologies for superior client engagement.

Which types of wealth management incumbents are best at enhancing the empowering the RM/advisor and boosting client engagement/satisfaction?



ADDITIONAL FINDINGS FROM THE HUBBIS POST-EVENT SURVEY

Hubbis also asked delegates for their more detailed views on whether the RM will remain central to the wealth management offering in the core HNW and UHNW segments, and the outlook for the decade ahead.

The Role of Relationship Managers in HNW and UHNW Client Relationships: The survey explored perspectives on the continuing importance of Relationship Managers (RMs) in managing high-net-worth (HNW) and ultra-high-net-worth (UHNW) client relationships in the coming decade. The overwhelming sentiment is in favour of the enduring centrality of RMs, attributed to several key reasons:

Human Element in Wealth Management: A significant majority believe that wealth management, at its core, is a people business, underscoring the irreplaceable value of human interaction and the personal touch RMs provide. “At the end of the day, it is a people business,” encapsulates the sentiment that RMs are integral to maintaining the personal connection essential in wealth management.

Technology as a Support Tool, and not a ‘human’ Replacement: While acknowledging the growing accessibility of market information via digital platforms, the consensus is that technology will serve as a support tool, enhancing but not replacing the human-centric role of RMs. The view is that RMs will con-

tinue to play a central role, albeit with an evolved focus on the core value-added components, especially as wealth transfers to a more tech-savvy generation.

Preference for Personalised Service: The personalisation of wealth services, especially for HNW and UHNW clients with complex, bespoke needs, is highlighted as a critical aspect that technology alone cannot fulfil. The survey reflects a strong belief in the necessity of RMs for delivering tailored investment plans and understanding unique client requirements.

Trust and Reliability: Trust emerged as a pivotal factor, with clients, particularly those who are retired, older, and more conservative, preferring to depend on someone they trust. This emphasises the role of RMs as trusted advisors beyond just financial transactions.

Emotional and Psychological Support: The emotional and psychological aspects of financial advisory, where RMs act as a focal point for client relationships, are viewed as continuing to be relevant. The emotional tangent to financial advisory underscores the need for RMs to provide reassurance and confidence to their clients.

Impact of Digital Tools and AI: A minority view suggests that digital tools and AI may diminish the role of RMs over time, particularly with the advent of digital assets and the potential for AI to disrupt traditional advisory roles. However, even within this viewpoint, the consensus leans towards digitalisation complementing rather than completely supplanting the human element in wealth management.

Hubbis then asked delegates what new digital tools and approaches the banks and wealth firms might be able to provide RMs to better improve their capabilities, productivity, and to boost client satisfaction. The replies shed light on the necessities and preferences regarding the adoption of digital tools and approaches to bolster the capabilities, productivity, and client satisfaction levels of RMs in the wealth management industry. Key findings highlight a multifaceted approach towards digital empowerment:

Integration and Interoperability: A significant concern among respondents is the need for systems that seamlessly integrate, reducing the duplication of workload and enhancing efficiency. “Systems that talk clearly and easily to each other” was identified as a crucial requirement to leverage the efficiencies created by digital tools.

Digital Literacy and Training: There’s a consensus on the importance of RMs keeping pace with digital developments and learning to utilize digital tools effectively. This includes understanding market information accessibility and becoming proficient in leveraging technology for service delivery.

Client-Centric Digital Solutions: Respondents emphasise the need for digital tools that enable RMs to provide timely, targeted advice, and assist better with financial planning. The ability to access all client background information and product tools in one place was highlighted as key to professional and comprehensive client interactions.

Regulatory Compliance and Cybersecurity: The ability to meet all regulatory aspects of their function with more time to service clients is seen as vital. Additionally, as digital tools become more prevalent, prioritising cybersecurity measures to protect client data and maintain trust was highlighted.

Enhanced Personalisation through AI: The application of Generative AI and other advanced technologies is seen as beneficial for extracting relevant data and providing tailor-made investment solutions, thereby retaining personal relationships with clients.

Adaptability to Digital Tools: The necessity for RMs to be adaptable and familiar with digital tools before introducing them to clients is stressed. Making use of digital tools for productivity and efficiency in meeting client expectations is deemed essential.

Client Relationship and Communication: Digital tools that enable real-time messaging, video conferencing, and instant communication are recognized for their potential to enhance collaborative relationships with clients.

Training and Knowledge Enhancement: Training RMs to use new digital tools and ensuring they are up to date with market changes and regulatory aspects is considered crucial for maintaining client satisfaction and leveraging digital advancements.

In conclusion, the survey findings suggest a strong need for wealth management firms to invest in digital tool training, system integration, and cybersecurity to enhance the effectiveness and client satisfaction levels of RMs. Embracing technology, particularly in areas that facilitate personalized, professional, and efficient client service, is viewed as key to the future success and satisfaction in client-RM relationships.

