

# Embracing Digital Automation to Build Scale in Wealth Management

*A major concern today for banks and wealth advisory firms is how they can satisfy their customers' evolving wealth management expectations. The danger, Johnson Robson told delegates at the Malaysia Wealth Management Forum, is that failure to act decisively and embrace digital transformation will heighten the risk of customers drifting away to the growing number of competitors with appealing new digital offerings.*

**R**OBSON BEGAN BY INTRODUCING QUANTIFEED AS A Hong Kong-based company founded around seven years ago and today with offices also in Singapore and Australia.

“We have been successfully developing a core common code that enables us to deliver digital wealth management solutions to financial institutions here in Asia,” he explained. “We delivered our first platform in 2015, that was actually to CIMB Securities in Singapore, and since then we have been delivering solutions to more and more banks and brokerages in this region, including the recent and already well-known DBS platform they have called ‘digiPortfolio’.”

## Seismic change

Stepping back from the detail to look at the bigger picture, Robson said there is a seismic change taking place in financial services, driven largely by customer expectations. “They expect you to deliver services to them,” he told the delegates, “and to put them right at the centre of the conversation, and if you don’t, they will find someone else who does. Here in Malaysia or in Singapore, it is nowadays so easy to hail a taxi via the apps, it makes our lives so much easier and nicer. In the wealth management space, we must strive towards this type of quality, ease and service.”



JOHN ROBSON  
Quantifeed

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### **The mass affluent market**

He also advised the audience to look far beyond their typical HNWI clients to a broader base of mass affluent. “The most important asset that any financial institution has is the customer, and if you are not smart, you will lose them one by one, perhaps to smaller fintech companies, or to BigTechs that enter our space, or to the major private banks that are truly digitally engaged.”

Robson recalled that even as recently as two years ago at wealth management conferences, people were sceptical about digital. “Today,” he said, “there is no such doubt, and as smartphones become more sophisticated and the speed of delivery ever faster, we are seeing digital wealth management flourish.”

### **Look at the US**

Look at the US, for example, where companies such as Wealthfront and Betterment some years ago started to offer wealth management through digital channels directly to consumers in the US, and then Charles Schwab and Vanguard joined them shortly thereafter, followed by others, causing further disruption to the banks’ traditional customer base.

“Vanguard,” Robson noted, “already has more than USD160 billion of assets on their online digital wealth management platform. And here in Asia, we at Quantifeed have been delivering similar solutions to Cathay United Bank in Taiwan last year, with their goals-based investing platform and of course more recently to DBS with digiPortfolio.”

### **Avoid digital complacency**

Robson highlighted a report from PWC that warns against digital complacency and highlights how clients want their wealth management to be effortless. “What effortless means,” he explained, “is giving people really good access to discretionary portfolios, access to the best portfolio managers and really automating and thereby also opening the door to clients with very low minimum investment amounts.”

The message, therefore, is that digitally enabled wealth management firms can cater optimally to the HNWIs and professional investors, but also all the way down to someone starting out his or her working career and setting out in to invest for their futures.

**DBS gets it right**

Robson focused on the DBS digiPortfolio platform that Quantifeed developed for them. “I must say it has been a real pleasure working with DBS,” he remarked, “as from the outset they have been so totally focused on customer experience, and they knew exactly what they wanted.”

He explained how with digiPortfolio the customer answers three questions. They are asked ‘Are you going to invest in Singapore Dollars or US Dollars?’. Will they invest more than ten thousand dollars or less? And finally, they are asked if they are ‘slow and

steady’, or ‘comfy cruising’, or ‘fast and furious’. “These are brilliant questions and, in a snapshot, define who the customer is at the outset,” Robson commented.

**Wealth management on your doorstep**

Robson explained how digiPortfolio leverages the excellence of the DBS HNWI and ultra-HNWI discretionary portfolio management experience of more than a decade - for clients with many millions to invest - and deliver it to everyone that has got upwards of just USD1000 to invest. They now

facilitate customers to buy one of three portfolios that are either Singapore Dollars or US Dollars.

“It is an incredibly simple experience,” Robson stated, “it delivers to customers a true customer experience, it brings the ultra-HNW proposition to the retail market, in short, it is effortless wealth management in reality.”

**Leverage the opportunity**

Robson concluded by reiterating that the opportunity is for the wealth industry to leverage the seismic changes taking place by embrace the opportunity that digital platforms bring. ■

