

# The Future Generations of Money: Design Thinking for Tomorrow's Wealth Clients

*There are businesses with intriguing names, and The Curious People Solutions is certainly one of those. Delegates at the Hubbis Asian Wealth Solutions Forum listened intently, some might say curiously, to what proved to be an enlightening Workshop presented by the firm's two founding partners, Ken Kwan and Alfred Tan. The subject matter was the need to leverage the people-centred and needs-driven principles and methodology of 'Design Thinking' in order to recalibrate and strategically rethink private banking and wealth management.*

**T**HE PREMISE FOR THE TALK WAS THAT THE FUTURE GENERATIONS OF AFFLUENT CLIENTS IN ASIA and many of the very wealthy and powerful families are changing the private banking and wealth management industry, and also have new expectations that will somewhat differ from those of previous generations.

The workshop was designed to share insights into how 'Design Thinking' can uncover a wealth of insights into the new expectations and the evolving needs of the future generation of wealth market clients. They also shared industry examples of how Design Thinking is embraced and applied within the private banking and wealth management industry, as well as to highlight how 'Design Thinking' can personalise and socialise engagement with affluent clients.

## Two curious founders

Kwan and Tan introduced themselves. Kwan explained that his specialisation is in research, innovation and creativity and that he was trained in finance, statistics, and research. He added that he is also an Adjunct Professor at the Singapore campus of Curtin University, as well as at the London School of Economics based in Singapore.

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**ALFRED TAN**

The Curious People Solutions



**KEN KWAN**

The Curious People Solutions





Tan reported that he had begun his career in market research with The Ritz-Carlton Hotel Group in New York, opening their two hotels there before returning to Singapore, where he was trained up by the government on ‘Business Design Thinking’ which he soon learned could be applied across all industry and all the sectors as a design methodology that provides a creative approach to solve business problems.

### **In the eyes of the beholder**

“It is human-centred and needs-driven, focused on uncovering and meeting customer needs,” Tan explained. “When you focus on doing what the customers need, you can eliminate unnecessary processes to deliver a product or service that the customers truly want, therefore generating business growth and new markets. And we both believe that this has direct application in the private

banking and wealth industry, and we were involved in initiating efforts at the Bank of Singapore to embrace this concept, as well as, of course, OCBC. Even UBS has set up a Centre for Design Thinking and Innovation housed within the UBS University in Singapore”

### **The future is theirs...**

Kwan then explained that, naturally, the millennials and younger generations will control the wealth in the future. “By year 2030,” he reported, “the millennials will have about five times as much wealth as in 2018, so they will really be the driving force, not only in finance but across many business sectors.”

Armed with some lively and informative slides, Kwan told delegates that based on Accenture research from 2017, they found out that millennials consider traditional wealth management to be bureaucratic, they feel the

advisers do not offer sufficient value for what they charge, and they do not enjoy the current customer experience, which is neither smooth nor seamless.”

### **Understand what they want**

He explained how more than 62% wanted a mobile platform that directly connects them to their adviser, rather than meeting face-to-face. Two-thirds of them want self-direction, whereas the equivalent figure for the older generations is just 35%.

“And they want the private banking platform to incorporate social media and sentiment indices,” he added, “showing that as to their investment decisions, they care about what their friends are doing as well, they want peer evaluations, they want to compare the advice they are offered with their friends’ advice, as well.”

Furthermore, Kwan elucidated, the millennials want to learn

through entertainment, almost via gamification. “Teaching has changed; you have to almost be an entertainer nowadays,” he remarked, “these folks want to have fun while they are learning, they want to be engaged, and to be engaging. They are fast and furious because they want it fast (almost now) or they will become furious.”

**Everything must change**

The result of all this, he extrapolated, is that the old strategies, the old models, the old way of reaching out and selling to private wealth clients must change.

“Friction is the central issue,” he noted, “these people will have less and less patience for anything that is not smooth and seamless, they want fast response, fast interaction, they won’t just sit there and wait, they want to take charge of their own experiences and to derive their own outcomes. They want to be at the centre of the action.”

**Helping customers through a maze of emotions**

Nevertheless, they still value the role of the adviser to help them sort out the maze of emotions. “Actually,” Kwan explained, “they are emotional creatures who in reality, seek genuine relationships with the advisers, rather than ‘brand’ relationships. They want personal connections.”

The wealth industry, therefore, needs to react rapidly and offer a radically different approach. “And this is where we introduce the Business Design Thinking,” Kwan reported. “People move centre stage, they are the start, middle and end of everything. And we structure this through the Es, namely empathy, and emotionally engaging experiences.”

With that, Tan took the

microphone to explain more about the Design Thinking concept and how to strive towards its goals.

The world of design thinking, he reiterated, applies to the creative world as well as to the business world. “The man that popularised it for the creative world would be David Kelley from Stanford,” Tan reported. “He is famously accredited for helping Steve Jobs, which as we all know has resulted in the constant creation of products that people love, hence the company’s ethos right from the first iPod and first iPhone.”

And Design Thinking for the business world was popularised, he reported, by Roger Martin, former Dean of the School of Management at Rotman and one of the world’s most influential management thinkers, which is where Tan and Kwan were trained. “We were actually trained by him before he left for an institute created in his namesake called The Martin Prosperity Institute, which is an NGO that consults with governments, and even sovereign wealth funds, on sustainable prosperity by embracing the principles of Design Thinking,” Tan explained.

**Innovate...or else**

He explained that innovation is the most powerful way to drive business growth in today’s constantly changing economic environment. This makes it critical to find new ways to innovate.

“But what really is innovation, and how do we innovate?” he pondered. “For something to be called an Innovation, it has to be relevant to both users - the consumer and the business or service provider. And that is why we need to embrace Business Design Thinking. The enables us to identify and seize opportunities in





the external environment by being curious about everything, this we can call empathy. It helps you to explore ideas and to thereby be constantly creative and to forge that creativity into solution concepts. And it facilitates the co-creation of strategies with your users to implement solutions for quick-wins and greater buy-ins.”

### **A holistic effort**

He explained that this is a company-wide initiative. “It is not something that you pay some consultants lots of money for and then expect them to return a few months later with a wonderful solution,” Tan explained. “It is a constant two-way process. So, for example, we will come in and we would lead the whole entire workforce and we will move through the three phases in this way, so as the entire company moves through these three phrases, internally achieving unity amongst your teams and externally acquiring satisfaction with your customers. This is a natural progression, and without this synergy internally and externally, you will risk losing the battles ahead.”

Tan told the delegates how design thinking is taking off in Singapore. “For example,” he reported, “Singapore Airlines has been embracing Design Thinking for many years, without formalising it, and we have been then working with them to structure all this more clearly.”

### **The leaders...**

He pointed then to financial institutions that have been at the forefront of this movement, including UBS, with its innovation lab in Zurich, its Centre for Design Thinking and Innovation housed within the UBS University in

Singapore, or BNP Paribas with its Design Factory. He noted that, for example, IBM offers design thinking services for wealth management using big data. Accenture has its innovation hubs. And amongst Singaporean banks, both OCBC and DBS have been using Design Thinking to reinvent or enhance their customers’ banking experience, expanding this gradually from the retail side to wealth management.

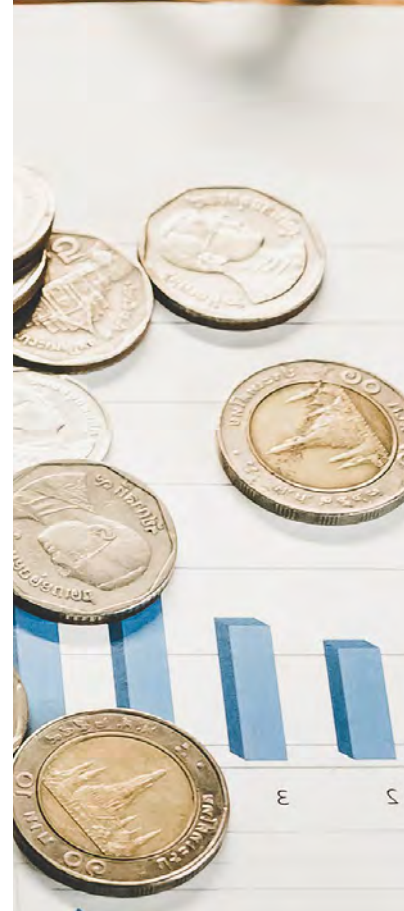
“The key,” he noted, “is to use human-centred design to put the consumer, our clients, at the centre of what we are developing.” That ensures that the products that wealth management firms release are exactly what the clients want, rather than simply being new, or technology-focussed, without having a clear view of the customer’s expectations.

He reported that, for example, there is a considerable effort currently in the use of analytics to deliver the right type of information to both external clients as well as to the advisers, researchers and product specialists. Digital identity across a myriad of different services is another key area.

### **Valid experiments**

Kwan then offered delegates a further insight into the UBS efforts towards innovation, through its UBS Innovation Lab in London. “It is all about new advice, new choices and new wealth, and aligning these to people’s needs,” he reported.

Taking advice first, he reiterated how millennials want personalised advice, anytime, anywhere and adapted to their lives and their current needs. “UBS has been working hard to empathise with these clients, to help empower them to assemble their own wealth



services, to be self-directed, and self-examplifying, to make new choices,” he explained.

As to new wealth, he highlighted how, for the new generations, wealth is expanding into the realms of relationships, family, health, and knowledge. “The main idea to have all these things again related back to the individual, to their personal goals and vision.”

**Qualitative research leads**

Tan took the microphone again, noting how Design Thinking is about people-centred empathy, resulting in emotionally engaging experiences. “The first step towards Design Thinking is qualitative research,” he explained, “in other words all about the emotions. Quantitative research then is the validation

that shows it this is the right or the wrong outcome, whether the customers are satisfied or disappointed. This is why Design Thinking focusses so markedly on qualitative research.”

And with that, both Tan and Kwan offered delegates more detail on their approach to Design Thinking. “Most innovation proponents reveal the process of how to cultivate an innovative culture in an organisation,” Kwan reported, “but the real issue is always missed - where does innovation begin?”

“Well,” Tan concluded, “innovation begins with people. Curiosity about people in all aspects, we believe, is the secret of sustainable innovation. This curiosity results in unexpected connections among peoples’ behaviours, needs, and emotions.”

**The Curious People’s mission**

Kwan’s final word was that their mission at the firm is to help clients understand and master what they need to do to gain valuable insights that can help them develop ideas that will give birth to truly sustainable revenue-producing innovations.

“And,” he said on closing, “we do that by adopting a synergistic approach in research, combining traditional quantitative methods with the exploratory qualitative methods of Design Thinking in your innovation journey. Please come and talk to us, there are vital and far-reaching implications for the private banking and wealth industry as you shape up to meet the needs and expectations of the future generations of clients.” ■

