

Enhancing the client experience

Optimizing wealth management
engagement with a client portal

WHITEPAPER

In this paper we examine the changing landscape and the technology available to help advisors get ahead of evolving client expectations.

A powerful digital client experience is critical to successful wealth management engagements in today's marketplace. This paper examines the changing landscape and the technology available to help advisors get ahead of evolving client expectations.

Upgrading client connections

First impressions count. For today's wealth management clients, those initial contact points—and subsequent relationship interactions—will increasingly come through your digital front end. Therefore, a slick and sophisticated online portal is crucial to attracting prospects, converting them into customers, and sustaining those relationships for the long term.

With the arrival of the digital age, client expectations are changing. The almost ubiquitous adoption of mobile technologies, instantaneous access to information and communications, and the rise in demand for do-it-yourself financial capabilities is revolutionizing the investment services landscape. In response, wealth managers must rethink how they operate their businesses and connect with clients.

In this paper we examine the changing landscape and the technology available to help advisors get ahead of evolving client expectations.

No time to stand still

For years, financial advisors and wealth management organizations have based much of their customer service model on a quarterly cycle of paper reports and static information, interspersed with the occasional phone call or face-to-face meeting. In today's 24/7 mobile, social and cloud computing world, such infrequent, arms-length interactions are no longer sufficient.

Clients expect access to more convenient ways of staying informed and on top of their financial lives. They want faster and more painless onboarding processes, rapid and responsive access to their advisor, along with real-time financial information and online portfolio management capabilities on their device of choice.

Demand is high, with 65% of high net worth individuals (HNWIs) indicating sophisticated digital channels are extremely important to them, according to global consulting firm Cap Gemini¹. And so are the stakes. Cap Gemini's World Wealth Report² found 73% of HNWIs say digital maturity is very or somewhat significant in their decision to increase assets with their wealth management firm over the next two years. Meanwhile, almost two-thirds (65%) would leave their wealth management provider due to the lack of an integrated channel experience.³ That figure rises to 80% for under 40s.

Further to go

Advisors and wealth management organizations increasingly appreciate the need for, and value in, digital tools as well. The Cap Gemini World Wealth Report found more than 80% of wealth managers recognize the positive impact digital tools can have on client interactions, and their overall ability to do their job. Both top-line revenue benefits and bottom-line efficiencies are on offer by enabling wealth managers to collaborate more closely with clients, better track and leverage client data to grow their business, reduce paperwork, and automate or eliminate low-value operational and administrative tasks.

To date though, the service reality does not live up to demand. PwC notes that while 69% of HNWIs now use online/mobile banking, only a quarter of wealth managers offer digital channels beyond email.⁴ More generally, wealth managers "rank among the slowest adopters of digital technology in the global financial services sector," observes the PwC report.

¹ *Top 10 Trends in Wealth Management 2017*, Cap Gemini, December 6, 2016, https://www.capgemini.com/resource-file-access/resource/pdf/wealth_management_trends_2017_web_0.pdf

² *World Wealth Report 2016*, Cap Gemini, June 23, 2016, <https://www.worldwealthreport.com/download>

³ *Wealth Management in the Digital Age*, Cap Gemini, https://www.capgemini.com/resource-file-access/resource/pdf/wealth_management_in_the_digital_age_2016_web.pdf

⁴ *Sink or swim: Why wealth management can't afford to miss the digital wave*, PwC, June 1, 2016, <http://www.strategyand.pwc.com/media/file/Sink-or-swim.pdf>

Platforms that combine automated investment advice and consolidated account reporting are raising the stakes for traditional advisors, and changing what is now acceptable as the client experience.

And this creates frustration, on both sides. For instance, Cap Gemini research revealed 47% of wealth managers globally are not satisfied with the digital tools their firms provide to them.⁵

With the rapid emergence of more technology-enabled advisory services, including the burgeoning and diversifying robo-advisor sector, wealth management firms will need to embrace sophisticated and differentiated digital and self-service tools to create a cumulative channel experience that encompasses in-person, phone, video conferencing, and client portal communication options. Only by enhancing the client experience by incorporating a rich online and mobile-friendly digital platform into their existing offerings, and integrating their clients' data across these multiple service channels, will wealth management organizations stay relevant to clients, attract new prospects and remain competitive.

Key industry trends

With the ongoing shift towards mobile technology and more powerful online platforms, the wealth management industry is seeing a number of trends, with a particular focus on:

Personal financial management (pfm) technology

PFM technology acts as a financial hub, aggregating the user's financial information and transactions in one place. It gives investors an at-a-glance view of their net worth, and enables them to simplify their finances, and track and manage their

financial goals. With their intuitive and easy-to-use interfaces, consumer adoption has increased dramatically.

Robo-advisors

Robo-advisors are enjoying rapid growth, as they provide a low-cost way for investors to obtain professional, algorithmic-based investment management at a fraction of the cost of a traditional wealth manager. Analysts at Morgan Stanley predict robo-advice could grow into a \$6.5 trillion global market by 2025.⁶ While fintech disrupters pioneered the segment, the Morgan Stanley team found 70% of the banks it surveyed in Europe and the US say they already have a robo platform or intend to introduce one within the next 12 months.

Platforms that combine automated investment advice and consolidated account reporting are raising the stakes for traditional advisors, and changing what is now acceptable as the client experience. With elegant portal capabilities to deliver a unified client experience, these online platforms are becoming a powerful competitor to traditional advisor models.

In response, many industry participants are moving towards a hybrid digital advisor model that combines the strengths of traditional wealth management with those of the new digital advisor technologies, notes financial services consultancy Capco.⁷ "By reducing onboarding times, automating a large portion of paperwork and providing a user-friendly interface, the hybrid model improves the experience for both investor and advisor. This improved

experience can help advisors to focus on building deeper relationships with clients. In addition, by taking advantage of digital technology, financial advisors can scale their business, adding clients without reducing customer service."

Self-service technology

The growing incidence and sophistication of self-service technology in wealth management is changing investor expectations and transforming how operations are run. This transformation reflects the increased flexibility and functionality range of multiple new platforms for onboarding clients, financial planning, and trading and managing investments, some of which do not require any human-to-human interactions.

⁵ *Wealth Management in the Digital Age*, Cap Gemini, March 8, 2016, <https://www.capgemini.com/resource-file-access/resource/pdf/wealth-management-in-the-digital-age-2016-web-pdf>

⁶ *Banks on the 'offensive and defensive' with robo investments*, Financial News, February 9, 2017, <https://www.fnlondon.com/articles/banks-on-the-offensive-and-defensive-with-robo-investments-20170209>

⁷ *What's New in Wealth For 2017? Or the Wealth Landscape In 2017*, Capco, February 22, 2017, <http://www.capco.com/insights/capco-blog/what-s-new-in-wealth-for-2017-or-the-wealth-landscape-in-2017>

With investors increasingly using and relying on online portals, offering a rich digital experience, prospectively alongside more traditional service touch points, has become an essential part of today's wealth management toolbox.

According to Ernst & Young's Global Wealth Management survey, a firm's digital channel and self-service capabilities are primary factors in the client service experience.⁸ "In fact, the digital bar for wealth managers is rising, as clients demand that wealth firms offer more interactions—from account opening to the provision of advice—through digital channels. The bottom line is that digital efforts must continue to evolve and expand."

Meeting clients where and how they want

As well as changing the type and frequency of their service expectations, clients want to interact with their wealth management advisors in different ways.

For the most part, face-to-face review meetings are on the decline—often to only once a year, if that. In lieu of individual meetings, more and more of that advisor-client communication is likely to happen online, or through video chat, Facetime, Skype, or other webcast technology. This is especially true of the emerging ranks of millennial investors, who have grown up with digital tools, and are more comfortable accessing services over the Internet than their parents.

A wealth of opportunity

With investors increasingly using and relying on online portals, offering a rich digital experience, prospectively alongside more traditional service touch points, has become an essential part of today's wealth management toolbox.

An efficient and functionally-rich online portal brings clients and advisors closer together. Clients remain more informed

and engaged. Meanwhile, arming client-facing teams with ready access to the portfolio and customer information they need, and the tools to improve and personalize the services they offer, allows advisors to more effectively manage and grow their client and prospect relationships.

As the Boston Consulting Group's Global Wealth report⁹ points out: "Providing clients with quality advice and products at the right time through the best channel—increasingly a digital channel—will dramatically improve the client experience, which will ultimately lead to increased client trust and loyalty, and a higher level of activity and interaction."

Furthermore, by taking advantage of these technology trends, firms can enhance their scalability and operational efficiencies, helping them more effectively compete against both the aggressive new breed of industry entrants and their legacy wealth management rivals.

But there is more to delivering a differentiated, and value-adding, client portal capability than simply bolting on a shiny user interface. Instead, meeting—and ideally exceeding—expectations demands a truly integrated client experience.

Serve me all my investments in one place—and make it to go

An innovative, mobile-friendly client portal, when integrated into a wealth manager's portfolio management and performance reporting systems, enables advisors to create a custom experience for each client—one that provides users with

360°, anytime, anywhere access to their portfolio data and account information.

For instance, account aggregation capabilities allow advisors to take a holistic approach to managing their clients' portfolios. With an aggregated view of a client's entire holdings—including access to data held externally—advisors are in a better position to provide non-conflicting advice and make investment recommendations across taxable and tax-deferred accounts. The opportunity to identify assets held elsewhere for consolidation can also expand the relationship and lead to increased revenues. Furthermore, an aggregated wealth view and deeper client insights may help firms to hold on to assets any time there is an intergenerational transfer.

Reporting tools become significantly more powerful and efficient through an integrated client portal as well. Automatically generating and posting reports to a client's portal saves time, cuts costs and allows for greater reporting frequency. In addition, advisors can leverage client data and send electronic notifications for holders of specific securities if there is any news or changes in their portfolios.

⁸ *The experience factor: the new growth engine in wealth management*, EY, May 2016, [http://www.ey.com/Publication/vwLUAssets/EY-could-your-client-needs-be-your-competitive-advantage/\\$FILE/EY-could-your-client-needs-be-your-competitive-advantage.pdf](http://www.ey.com/Publication/vwLUAssets/EY-could-your-client-needs-be-your-competitive-advantage/$FILE/EY-could-your-client-needs-be-your-competitive-advantage.pdf)

⁹ *Navigating the New Client Landscape*, The Boston Consulting Group, June 2016, <https://www.bcgperspectives.com/content/articles/financial-institutions-consumer-insight-global-wealth-2016/>

Figure 1: **Benefits of an integrated client portal**

	Client	Advisor
Intuitive Interface	User friendly, graphic display	
Mobile Friendly	Information access at the time and on the device of their choice, optimized to screen real estate.	
Dynamic Reporting	Real-time view of holdings.	Ability to generate personalized reports on the fly to enhance the client experience. Saves time and costs of producing, printing and mailing quarterly/annual paper reports.
Account Aggregation	Ability to view all their holdings across accounts, including those managed elsewhere, for complete net worth reporting.	Better placed to take holistic approach to managing client portfolios. Conversations become more forward-looking and strategic. Revenue opportunities by identifying assets for consolidation.
Notifications	Stay up-to-date and able to act on important portfolio-related information.	Enhance service value by proactively notifying clients of events that affect their financial health.
Self Service	Take control of financial health and future.	Reduce costs and enhance operating efficiencies. Free advisors' time to spend on nurturing client relationships and attracting new business.
Easily Customizable	Ability to configure screen and content layout to client preferences.	
Document Vault	Interactive area to upload and download documents seamlessly.	

This ability to create personalized communications in real time by mining client data shows clients their advisor is on top of their situation, and is a powerful time saver for internal client-facing teams.

Meanwhile, the two-way interactions enabled by a sophisticated portal give clients on-demand access to the self-service capabilities and portfolio information they want on the device of their choice, while allowing them to share documents with their advisor through a document vault. This creates a scalable service platform that can solve basic service inquiries automatically, reducing phone calls and freeing advisors to focus their efforts on higher-value tasks and client interactions.

The technology is here, now

The shift in the overall wealth management value chain is happening now. New technology enhancements are contributing to a more robust client experience, while providing operational efficiencies. The result will be a collaborative model in which clients can better interact with their wealth managers, and actively participate in their investment planning and strategies.

Change is happening quickly, however. Firms that delay adoption of technology that supports client-focused, multi-channel strategies risk being marginalized, and potentially missing out on the future growth of the industry. Forward-looking firms that act now stand to reap success and set the stage for growth.

Who we are

Over the last 30 years of industry change, SS&C Advent's core mission to help our clients focus on their unique strategies and deliver exceptional investor service has never wavered. With unparalleled precision and ahead-of-the-curve solutions, we've helped over 4,300 firms in more than 50 countries—from established global institutions to small start-up practices—to grow their business and thrive. SS&C Advent technology helps firms minimize risk, enhance collaboration, improve operating efficiencies, and discover new opportunities in a constantly evolving world. Together with our clients, we are shaping the future of investment management.

For more information on SS&C Advent products visit www.advent.com.