

The digital revolution is well underway, and wealth managers will need to get on board, according to a recent WealthBriefing survey.

Changing Channels

Digital platforms are no longer optional for today's wealth managers. As the latest "Technology and Operations Trends in the Wealth Management Industry" research report¹ points out, slick digital experiences pioneered by the likes of Amazon and Google have now become the norm in almost all areas of life. To maintain their reputation as premium service providers, wealth managers must follow suit.

According to the report: "Even those with no real digital ambitions have had to develop these channels significantly simply to meet clients' baseline expectations of being able to do business this way. Meanwhile, those with a broader vision have seen that digital delivery is rapidly shaping up to be one of the most important differentiators at their disposal."

The report notes that for a third of UK consumers their smartphone is now their primary internet device (overtaking computers for the first time). Meanwhile, around a fifth to a quarter of over-65s in both the US and UK use tablet devices daily². And in many markets, large numbers of HNW individuals are regularly using multiple financial services apps³.

The retail banking sector has been in the vanguard of this digital revolution. But the growing appetite from both clients and advisors for mobile capabilities that make it easier to communicate, access portfolio information and transact business is forcing wealth managers to get onboard. However, progress is patchy, with few delivering the level of service that is increasingly expected.

Mobile First

HNW clients tend to be "early adopters of technology and their take-up of tools like mobile apps and social media has been rapid across age groups," notes the report. Mobile devices may be superseding computers, yet wealth management apps are often merely "re-skinned" versions of retail banking ones, with less than two-thirds (63%) of wealth managers providing a specific HNW offering⁴.

Properly serving clients requires more extensive, functionality-rich and highly-secure tools – for example, enabling users to follow and analyze portfolios on their mobile devices; offering high-impact investment research; providing secure communication channels such as instant messaging or video chat for clients and advisors; and even including lifestyle content. Given the variable quality of mobile provision at present, those that succeed will likely be rewarded by attracting new clients and making existing ones stickier.

Commitment to Development

Providing a modern digital experience does not come easy though, or cheap. The initial app development can take significant (typically six figure) investment. And there has to be an ongoing commitment, with wealth managers needing a new release every few weeks, rather than the six- to 12-month publishing cycles that are commonplace at present.

Each app needs to be widely accessible too. According to the report, firms frequently focus their app design on Apple devices. However, Android and Windows also have a lot of users, particularly in Asia, so it is vital firms understand and respond to clients'

demands. Likewise, firms' apps will need to accommodate the multiple generations of smartphones and tablets that clients use, with their multitude of operating system versions and screen sizes.

Outsourcing to a good agency or partnering with a trusted vendor to develop and maintain a dynamic app program is one way for smaller wealth managers in particular to continue to innovate.

Wearables

The new generation of wearables are further complicating the landscape. Wearables are still at an early stage. Whether their functionality and applicability stays limited, or they become the next big thing that transforms communications and interactions with clients remains to be seen.

But there is certainly potential. For instance, wearables could include portfolio management and trading tools, provide real-time alerts, and monitor social media responses. CRM providers are already integrating with wearables technology to enable advisors to enhance their connections with HNW clients.

Data Management

Underpinning the digital revolution, and the potential client-facing engagement and servicing enhancements it brings, is a robust data infrastructure. As the report observes, a good-looking front-end—be it mobile or an online client portal—must be “backed by a strong data management strategy so that clients and advisors are always seeing consistent and accurate data.”

Digitalization is bringing an enormous and accelerating expansion in the amount and type of data institutions can mine both to better understand clients' preferences and needs, and improve business efficiency. However, the report found that 39% of firms are poor to average in their client data gathering efforts, with almost a tenth saying their firm only gathers the “bare minimum” of client data.

Along with opportunities to improve client servicing through better data management, there are also serious compliance drivers, as wealth managers become compelled to gather and store ever more information on their clients. Significant challenges loom though. For example, the report states that close to half (46%) of UK financial services firms regard new and changing regulatory requirements for electronic message compliance as a growing concern. And almost 60% of firms have not implemented archiving systems for the most popular financial services social media channels (LinkedIn and Twitter) or mobile/SMS text messaging.

In this environment, revamping infrastructure—for example, by improving connectivity between technology platforms and retiring legacy systems—to ensure greater automation and straight-through processing of data will be crucial.

Enhancing the Client Experience with SS&C Advent

SS&C Advent is at the forefront of helping clients deal with today's shift in investors' interaction expectations. SS&C Advent solutions provide comprehensive and flexible

end-to-end capabilities for designing, producing and distributing online (and printed) communications content to stakeholders within and outside your organization—enabling on-demand and interactive access to customizable content and investment insights, across any device or channel. Our device/browser sensing technology ensures content can be delivered in the best way to satisfy clients' high expectations around user experience, while our powerful capabilities allow different users to be directed to specific content based on their particular requirements.

By equipping your team with a world-class suite of tools, your firm will have the agility to lead the revolutionary changes in communication needs. Contact us to learn more.

For a copy of the full report, “Technology and Operations Trends in the Wealth Management Industry-2015,” contact your SS&C Advent representative or email emea@advent.com.

- ¹ Technology and Operations Trends in the Wealth Management Industry—2015, conducted by WealthBriefing in association with SS&C Advent
- ² Adults' Media Use and Attitudes Report 2014—Ofcom; Pew Research
- ³ Global Survey of Mobile Disruption in Wealth Management 2014—MyPrivateBanking Research
- ⁴ Mobile Apps for Wealth Management 2015—Innovation Leaders and Innovation Laggards—MyPrivateBanking Research

This communication is provided by Advent Software, Inc. (“Advent”) for informational purposes only and should not be construed as or relied on in lieu of, and does not constitute, legal advice on any matter whatsoever discussed herein. Advent shall have no liability in connection with this communication or any reliance thereon.



SS&C Advent

[HQ] 600 Townsend Street, 5th Floor, San Francisco, CA 94103 USA / PH +1 800 727 0605

[NY] 1114 Avenue of the Americas, 33rd Floor, New York, NY 10036 USA / PH +1 212 398 1188

[HK] The Centrium, 60 Wyndham Street Suite 2501, Central, Hong Kong, HK / PH +852 2824 8720

[UK] 127-133 Charing Cross Road, London WC2H 0EW / PH +44 20 7631 9240

Join the conversation



Copyright © 2016 Advent Software, Inc. All rights reserved. Advent is a registered trademark of Advent Software, Inc. All other products or services mentioned herein are trademarks of their respective companies. Information subject to change without notice. Printed on recycled paper.