



# Singapore Fund Services

IN FOCUS 2020

## Growth and strong prospects in a tough environment

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### DIGITAL INNOVATION

Technology drives change within  
asset management businesses

### SCALABLE SOLUTIONS

Growth in mass affluent sector  
a challenge for wealth managers

### REGIONAL POTENTIAL

Supportive ecosystem critical  
to progress of funds industry

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# Mass affluent growth leads progress in scalable solutions

Interview with Stig Olsen

As the mass affluent investor segment is tipped for growth, wealth managers should ensure they have scalable solutions to manage the potential increase in client numbers which could come with capturing the progress in this area.

This development does not only need to happen within a manager's back office operations but similar considerations need to be made in relation to front office functions as well.

Stig Olsen, Senior Director at SS&C Advent with responsibility for EMEA & APAC clients, believes the distribution of wealth across Singapore is driving growth in the mass affluent investor segment. This will have repercussions on how wealth managers run their business.

He elaborates: "Asset and wealth managers will need to have a larger number of mass affluent clients in order to increase AUM to a level that can be compared to managing institutional clients. Therefore, scale comes into play. Firms need to have scalable solutions in order to capture growth in this mass affluent market.

"Not only will they need to scale their platform to manage more clients, but also to increase capacity at the front office in order to manage this in a cost efficient way."

In Olsen's view, this focus on the front office is, to some extent, a consequence of the Covid-19 pandemic: "Portfolio managers and client advisors are coming to terms with the need of getting the right technology in place, in order to help streamline their front office tasks."

Another trend which has been spurred by the coronavirus outbreak is the increased need for self-servicing platforms. "We can also observe the increase in demand for such platforms. Covid-19 has made it more difficult to meet people in person. So solutions that can offer more self-service capabilities to investors are getting more focus now.

"It is not new. For example, client portals have been on the agenda for quite some time, but the need to improve these digital solutions was accelerated by the pandemic."

According to Olsen, the combination of these two trends

is critical for managers looking ahead: “On one hand, the digital shift is accelerating, and at the same time there is the likely growth in the mass affluent sector, which increases demand for scalable solutions. Being able to respond to both trends will be a key success factor going forward.”

Although challenges differ from company to company, Olsen identifies one primary struggle among firms: “Often the core solution does not scale, or have capabilities that can help them get through this digital shift. Changing a firm’s technology infrastructure is a big operation; it’s a huge decision.”

### The right talent

In order to be in the right position to make that decision, firms need access to the right talent and competence. “Firms need to hire the right people to help figure out what the right way forward is for the company. For example, they can decide whether all the old technology should be replaced, or if new solutions can supplement existing technology to save on cost. These are really important questions, and making these decisions is crucial to a business. You cannot rewind and change your mind after three months,” Olsen advises.

Olsen says through his discussions with clients and industry players, he observes a correlation between success and talent: “The clients that have the right people seem to be making more of the right decisions and working in a more efficient manner.”

In his view, one way of getting that talent is having a professional – or a number of professionals – who know the company very well – both broadly and deeply: “Broad competence – someone who knows the entire value chain of your company – is key. But that knowledge also needs to be deep.

“If you ask a front office professional to implement a solution, in all likelihood, they will not take mid and back office into consideration because they don’t really know how it works. Therefore, you can end up with a solution which is far from optimal for the business.”

Instead, firms need to find a combination of professionals who can provide broad and deep knowledge of the company. This could be done through blending the expertise of inhouse staff, together with consultants and continued dialogue with different vendors, for example.

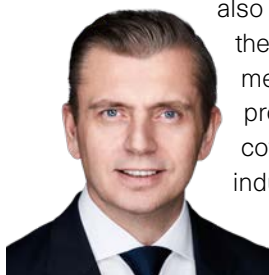
### Deep and broad understanding

Olsen observes how the technology challenges asset managers face in Singapore and elsewhere are hard to generalise, since they largely depend on the nature of the particular business. He does however note the differing needs that various types of managers can exhibit. “An asset manager that produces products to be sold by other wealth managers have more of a business-to-business relationship. Therefore, they may not require deep investment in something like a self-service platform. A company like this would rather use a solution that provides broader instrument coverage. On the other hand, a wealth manager that distributes other managers’ products and has more of an advisory role, would need to focus on scale and digital solutions.”

The way managers develop and grow, and what they need in terms of technology and support going forward, is closely connected to their overall business strategy. Two firms may appear similar from the outset, but a deeper look may uncover very different needs from a product perspective, depending on what their unique selling point and competitive edge may be.

When it comes to SS&C Advent and its growth in Singapore, Olsen comments: “We have generated growth and brought in new clients. We also see our existing clients demonstrate a keen appetite for the digital solutions we offer as well as those related to portfolio management.”

“We aim to continue delivering a premium service to all existing clients as well as those we are onboarding as new clients. We will also maintain our efforts in the research and development of new products to provide solutions which cover all aspects of the industry.” ■



**Stig Olsen**

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Stig Olsen is the Senior Director, Relationship Management of EMEA & APAC at SS&C Advent. He provides ongoing insights to clients and teams in our organisation on fintech and the financial industry. He also oversees our international client base and ensures our clients thrive by using our solutions and services. Before joining Advent, Stig worked 12 years at SEB, and spent the last 6 years as the COO of their Asset Management and Private Banking division in Norway. Stig joined SS&C Advent in 2010, and is a member of the Senior Leadership Team in EMEA & APAC.