



The ultimate guide  
to digital wealth management  
for **Canaccord Genuity.**



The ultimate guide to digital wealth management

# There's no finishing line, but you must be in the running.

For too long, wealth management has lagged behind other financial sectors in digital maturity. It's possible to complete a mortgage, do your banking, buy shares and foreign currencies, and find the right insurance from your mobile. But as customer pressure pushes wealth managers to take more significant strides forward, the race to deliver digital wealth management is on.

It's a race you need to prepare for, but you won't find a guidebook, manual or set of instructions to follow - until now.

This is our ultimate guide for wealth managers who want to take a lead and get their strategy for digital on track. We show you how to get digital right from the outset, the secret to getting value from your digital initiatives sooner, and the barriers you must overcome to get ahead.

**Are you ready? Let's go.**

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# On your marks

A woman with blonde hair tied back, wearing a black long-sleeved top, an orange vest, black leggings, and orange sneakers, is in a starting crouch on a red running track. She is looking directly at the camera. A large, thick pink arrow graphic is overlaid on the image, pointing from the right towards the left, passing behind the woman.

If your digital strategy has been slow to start or hit a wall, you're not alone. A survey into the digital maturity of wealth managers by global consultancy Alpha FMC, found that while all surveyed had made progress with digital initiatives, most firms are at the 'getting organised' stage.

Like many, you may be considering where to go from here and how to scale up your digital capabilities, having made some initial steps. But before you start running in all directions, take a breath to reset and focus on where you are now and what you want your strategy to deliver.

It takes a different mindset to see digital isn't just 'switching on' technology and tools, but about delivering more - and better - for clients.



# On your marks

## Where do you rank in the digital wealth management race?

After a slow start, wealth managers are off the starting block.

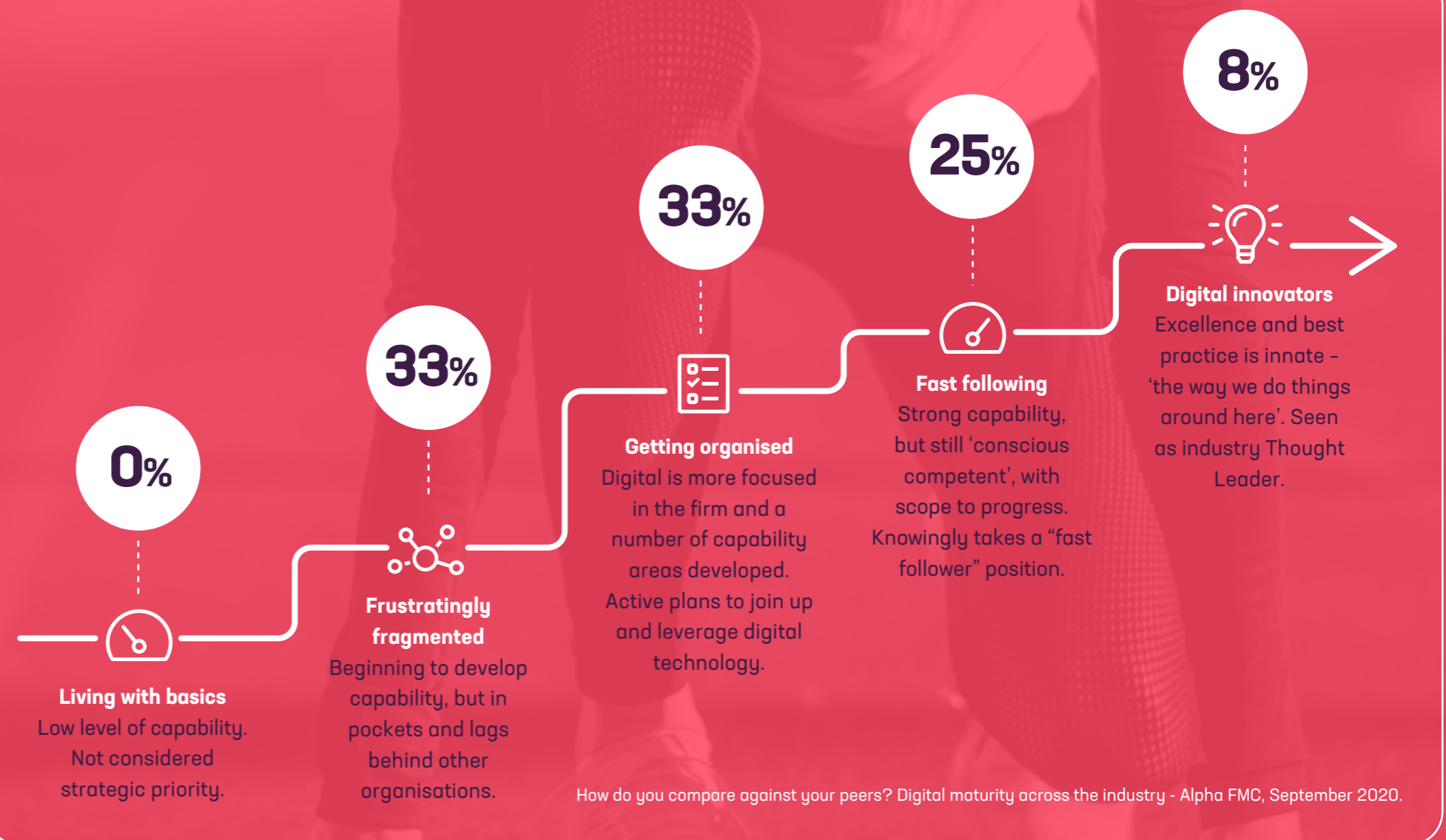
If you're worried about feeling left behind, you needn't be. Very few wealth management businesses consider themselves 'digital innovators' - just 8%. Everyone else is somewhere in the middle, contemplating their next move.

It's no time to rest. Wherever you are in the race, there's always the opportunity to take digital wider within your organisation, make it a permanent part of your strategy, and ensure the success of the initiatives you take.

**Things are moving forward, but slowly.**

Just 23% of the wealth management firms surveyed believe that their clients are satisfied or largely satisfied with their digital offering.

### Digital maturity across the industry



# On your marks

## The winner's effect.

Need some motivation?

It helps to know why you're in the running.

Get your digital strategy right, and you'll see the difference in your profit margin, increase your service capability, offer better quality service and be able to serve or target segments that might not have been viable before.

“ Client expectations are still outpacing wealth firms' digital capabilities leading firms to re-evaluate whether the progress they have made is moving them forward fast enough.”

Kenn Taylor  
Director - Head of Wealth  
Alpha FMC



### Retain and attract



Deepen  
loyalty



Increase  
referral volume



Differentiate  
your service

### Operate more effectively



Smoother acquisition  
and onboarding



Better client  
servicing



Less business  
administration

### Drive and scale growth



Increase profit  
margins



Increase service  
capability



Tap into  
new markets

# On your marks

## Running smarter and faster.

Don't get stuck in your comfort zone.

Many wealth managers are still offering the full 'white-glove' service and there's a valuable place for it. But clients don't always need (or want) the full face to face service and using technology to deliver a more efficient highly personalised experience can really help your business stand out.

From the first impression...

Acquisition and onboarding aren't known for making a positive impression (think of all those manual processes, data capture and repeated requests for evidence and documentation). Wealth managers that offer a digital platform for clients to self-serve and submit most of that information deliver a much smoother experience. It's significantly faster to meet clients via video call and transact via a digital platform - the quicker you can meet the client and understand what they want, the sooner you can advise on their assets and start to deliver value. So why stop there?

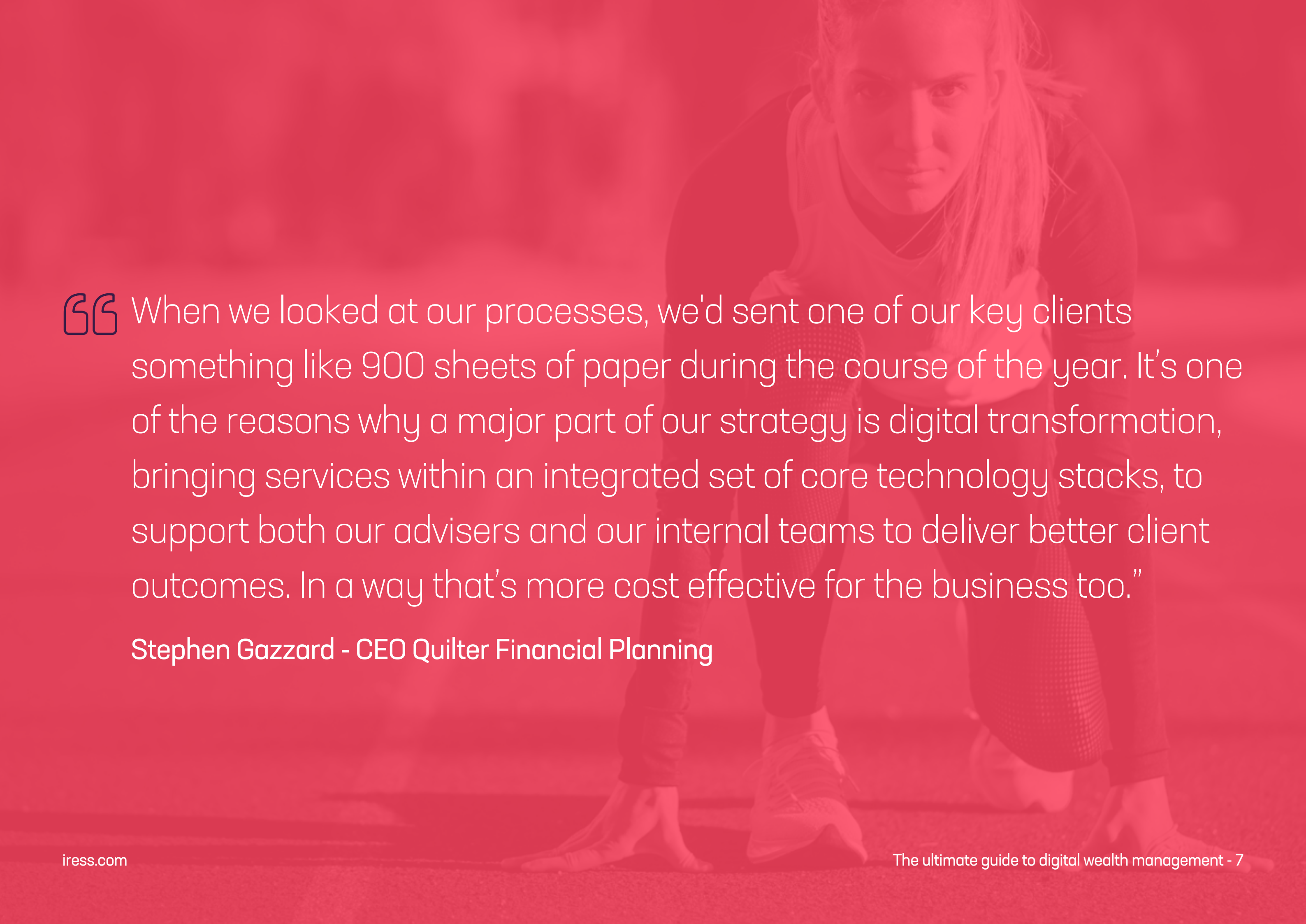
...to keeping clients longer (for less cost)

It's difficult to earn client loyalty and find sticky clients, but a winning digital strategy can change all that. Get all your clients' data onto a 360-degree dashboard, and you can proactively manage a client's entire lifecycle. The reduction in admin can bring substantial cost savings. For one advisory business, auto-generating reports and publishing them via an online client portal brought savings of over £800,000.

It's 40% quicker to onboard clients and 65% faster to prepare for client meetings using digital.





A woman with long blonde hair, wearing a dark long-sleeved top and patterned leggings, is in a starting crouch on a track. She is looking directly at the camera with a determined expression. The background is a blurred outdoor setting.

“ When we looked at our processes, we'd sent one of our key clients something like 900 sheets of paper during the course of the year. It's one of the reasons why a major part of our strategy is digital transformation, bringing services within an integrated set of core technology stacks, to support both our advisers and our internal teams to deliver better client outcomes. In a way that's more cost effective for the business too.”

**Stephen Gazzard - CEO Quilter Financial Planning**





# Get set

You've seen the benefits of a digital way of working and now need a game plan to get there.

Whether you're a digital novice or a digital leader, the optimal digital strategy is what's right for your business. In other words, it's the one that's going to deliver the best results for your clients and your business.

Depending on what you think are the most significant needs or problem areas in your business, you might want to prioritise in the short term. Ultimately, you should look to maximise the benefits in all areas. So, aim high.



# Get set

## Three steps to get your strategy for digital on the right track.

### 1. Get clear on what you're implementing and why.

It's easy to talk about and visualise the benefits of digital tools like client portals and digital signatures. Success, however, lies in the implementation.

For example, if digital signatures aren't built into workflows and business processes but rely on changing advisers' behaviours, you're likely to see much less adoption and fewer benefits.

Similarly, rolling out a client portal without a clear plan for how it's going to change the way you work with your clients, will struggle to gain traction. And if it doesn't get traction, it's not going to achieve the benefits you want.

#### Questions to ask:

- ▶ What processes are you looking to transform and why?
- ▶ How can you - or technology - free up people to focus on more value-generating activities?

### 2. Understand the outcomes you want.

Before jumping into technology and letting that dictate your process, think holistically about the outcomes you want.

#### Questions to ask:

- ▶ What are the optimal ways of working that will have the biggest impact?
- ▶ Who will be involved and make a success of this? (Get them involved from the outset and bought into the outcomes you want.)
- ▶ What's the desired end-to-end customer experience you're aiming for?
- ▶ What can you launch with now and what can you build on later?

### 3. Identify the tools or technology you need.

Once you've considered the previous steps, you can start to think about the most appropriate tools or technology to do the job.

#### Questions to ask:

- ▶ Will it integrate with your existing technology or stand-alone? How will that impact the optimal ways of working?
- ▶ What are your data requirements? And what do you need in place to make it a success?
- ▶ How will you measure the impact? You can't learn and improve without this data and will struggle to get the investment if you can't demonstrate the effect.

# Get set

## Using technology to unlock your full potential.



Work towards a future vision.

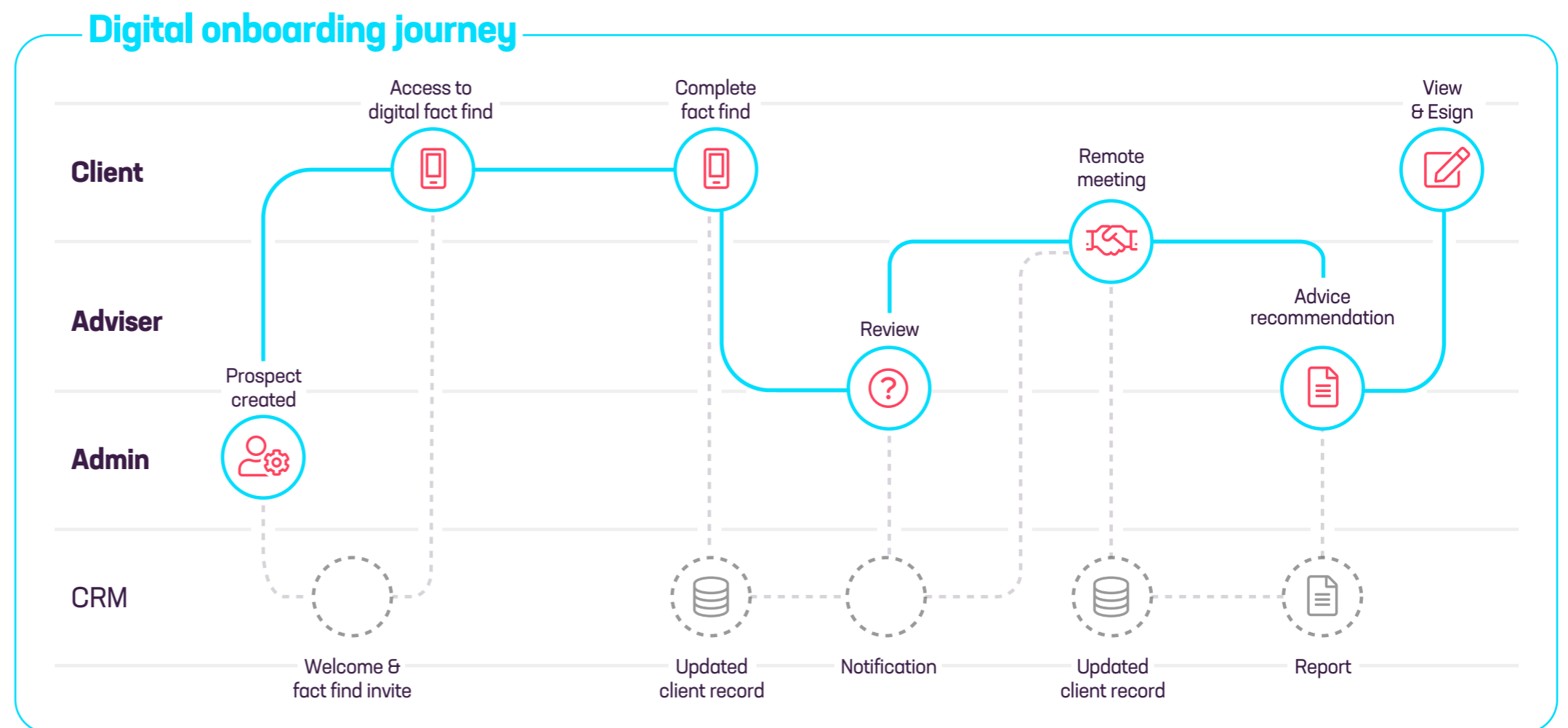
When you look at the tasks to undertake for any clients in any of your advice channels, there will be many time-consuming, repetitive tasks possibly carried out by individuals who should and could be doing more value-generating activities. How many of these manual but crucial jobs apply across all or many of your advice channels? Digitise these, and you'll be able to apply more time to service clients.

By picking your battles within this space and making incremental changes towards a future vision, you'll deliver value more quickly, learn as you go, learn sooner and be in a better position to move onto the next battle.

**The optimal digital model is when you've got front, middle and back-office systems working together to drive automation, support better ways of working and deliver real benefits for everyone.**

Below shows a series of steps involving different systems and actors connected and orchestrated by workflows in a CRM.

- ▶ The technology has automated all the repetitive steps, reducing overheads and ensuring consistent outcomes.
- ▶ Workflows and data are re-used to ensure there are no - or limited - breaks in the chain.
- ▶ The adviser and admin team are looking after the high-value touchpoints.
- ▶ The client hopefully has a fully digital and frictionless experience.



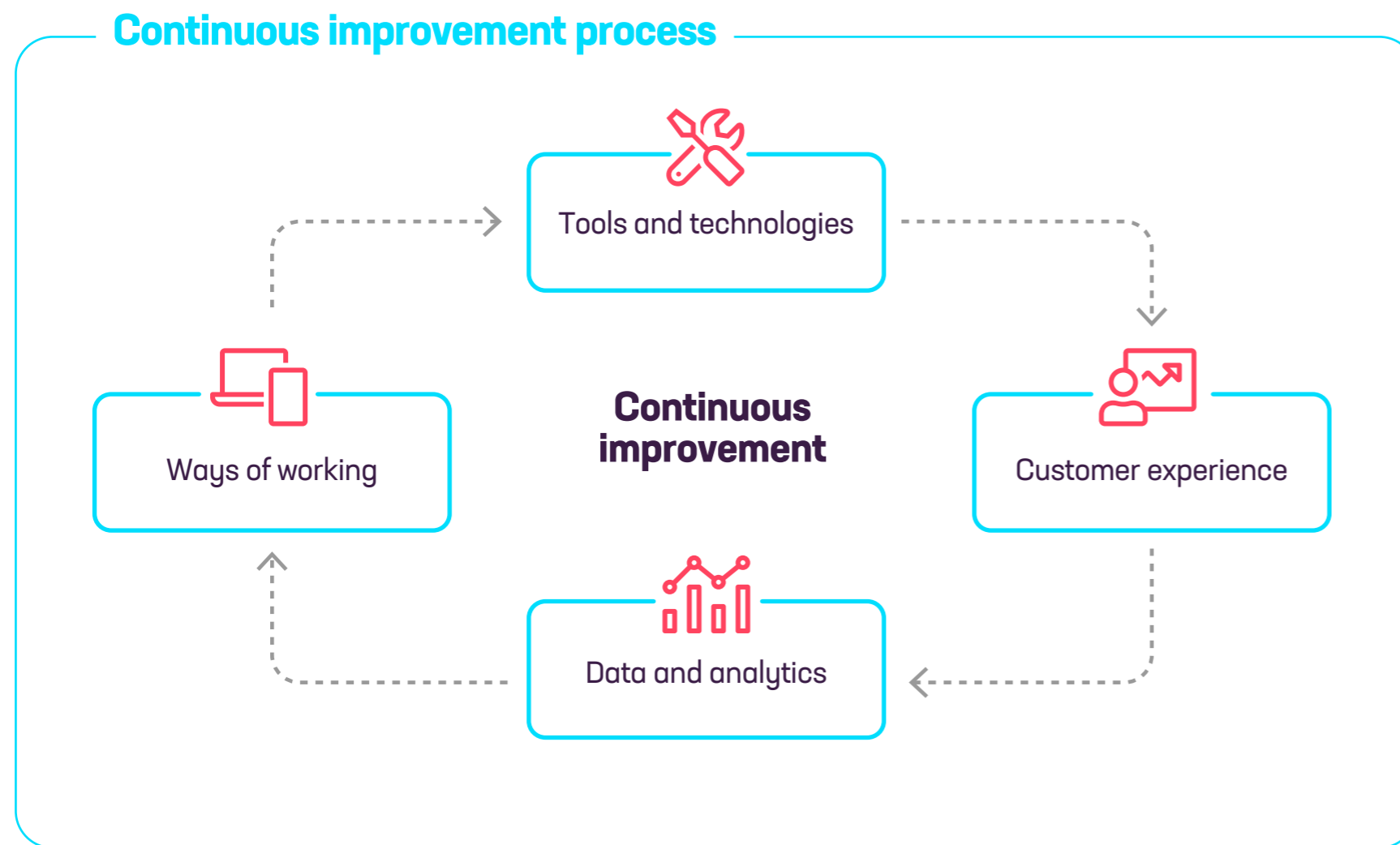


# Get set

## The digital culture shift.

Success comes from a continuous improvement mindset.

Fundamentally, a good digital strategy is about laying foundational capabilities that you can continue to iterate and build upon.





“There is no end state. In this race, there is no finishing line. You should aim to implement a continuous improvement culture, making a shift within your business to use data to make better and faster decisions. That’s the digital utopia.”

Andrew Walsh - CEO Iress



# Go!

You wouldn't run a marathon without warming up, so don't try to deliver everything at once.

If you're a digital novice or have limited resources, it may be better to take a series of incremental steps that would continuously move you towards the same end state.

One step forward would be offering clients a digital option instead of a paper fact find or building remote meetings automatically into workflows. Both will deliver a better customer experience while reducing overheads and can be used for other journeys too.

By taking things one step at a time and learning as you go, you'll find your digital strategy will be more achievable and deliver benefits sooner.





# Go!

## How to deal with barriers on your digital journey.

Don't hit a wall. Tackle any challenges head-on.

The road to digital success often isn't smooth. Moving forward with digital initiatives is a challenge for many firms because they have such a broad impact on the operating model - not just what the client or the adviser sees on their screen.

Alpha FMC have identified three major barriers firms face when trying to progress their digital agendas.

**Address these barriers if they apply to your business, and you'll move up the maturity curve.**

### 1. Legacy technology

Businesses have the appetite to move forward but find their core platform doesn't give them the capabilities they want to put out to clients.

Many companies have self-built applications and routines (like excel) to go around the edge of their core platform, making it more difficult to upgrade or change what they've created to keep their end-to-end processes going.

Businesses are finding ways to overcome this with technology partners' help.

### 2. Culture

Businesses often say that their board 'get it'; they know digital is a priority and want to move forward. Teams on the ground say, 'if only we could make better use of modern technology, our jobs would be a lot easier'. Somehow, the initiatives get stuck in the middle of organisations - it's not a priority, or other things are high on the executive or management agenda.

A business needs a joined-up approach and consensus on priorities to get traction and avoid ending up with a few digital initiatives run in silos.

Many initiatives stall because that buy-in isn't there.

### 3. Data

80% of firms say they haven't got a single version of the truth for some of their core data items, making core digital initiatives difficult.

Firms need to be confident about exposing their data in the digital environment, particularly in front of clients. Cybersecurity threats, client identification issues and the need to have a secure environment to operate also add to concerns.

Good data governance and good data discipline are prerequisites for success.



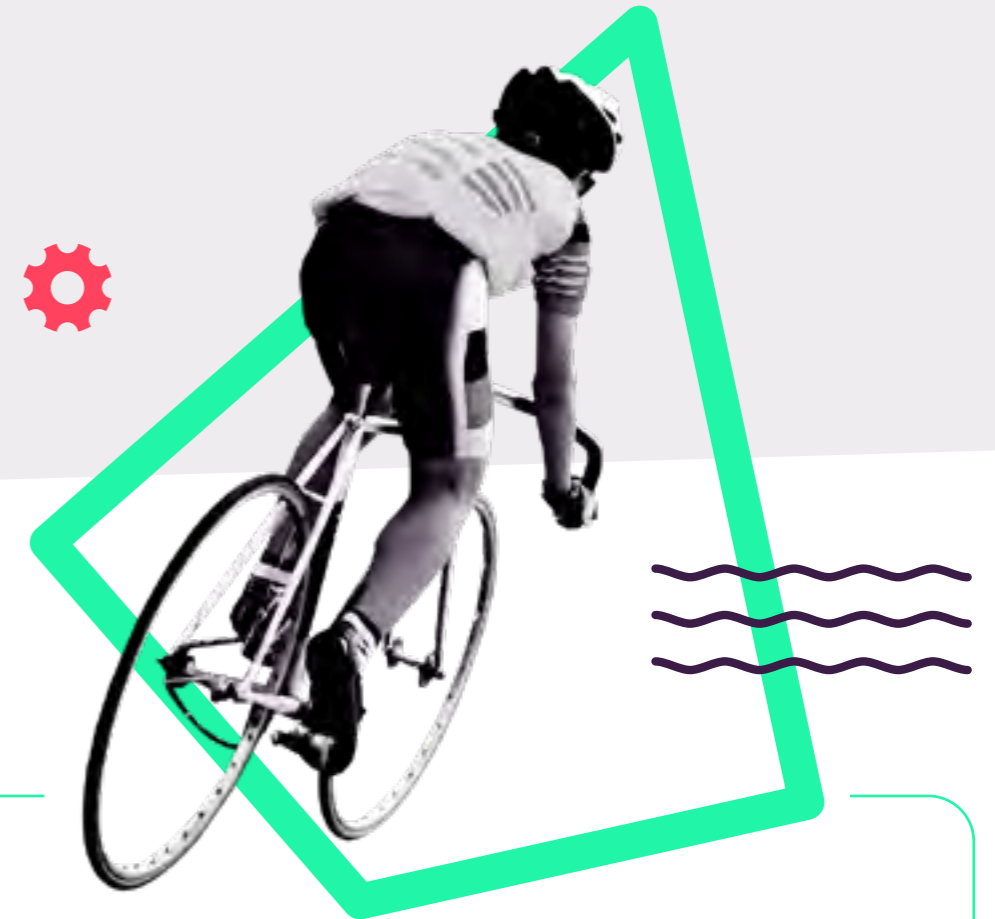
# Go!

## A digital roadmap for success.

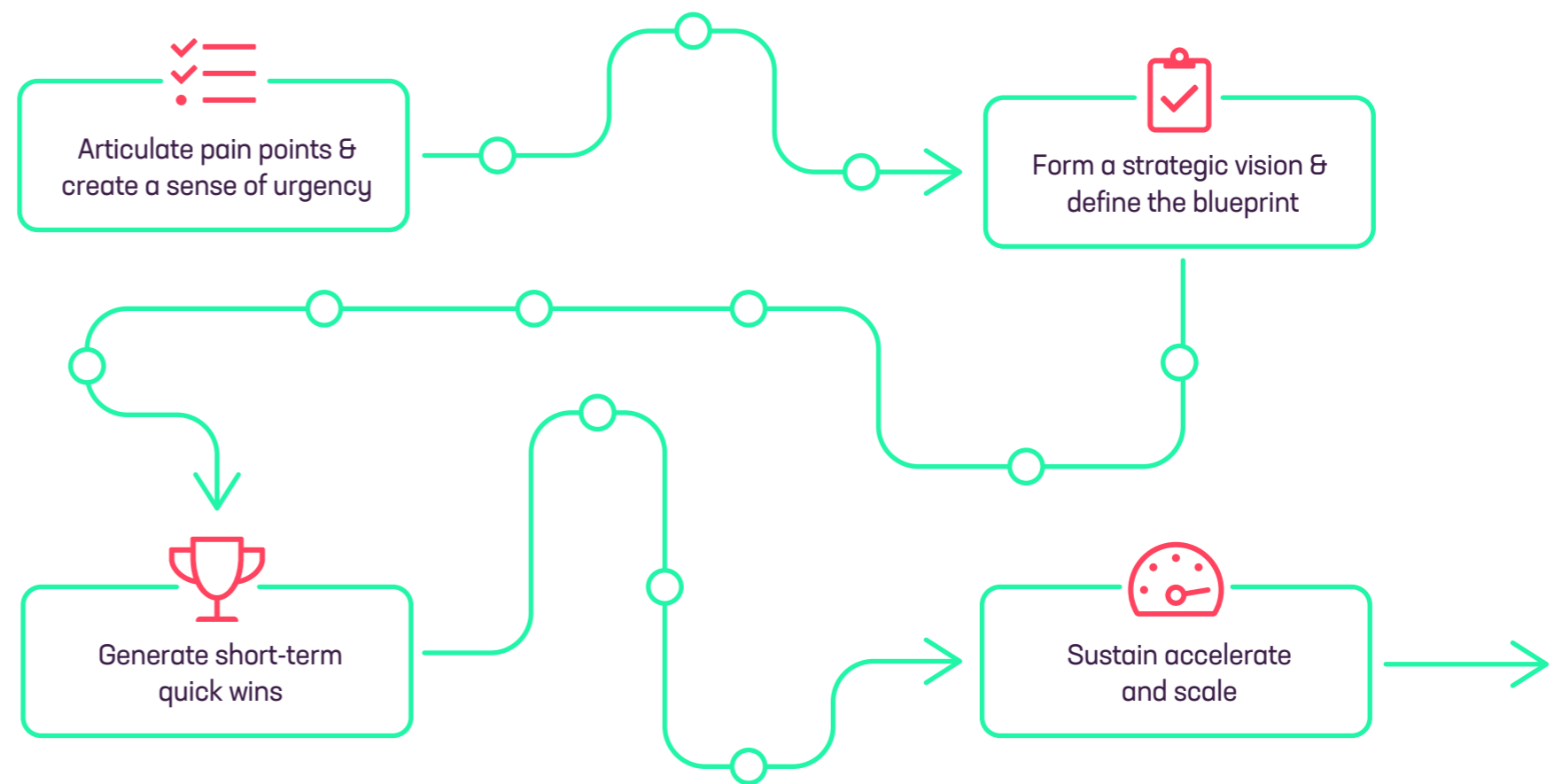
When you know where you're going, it's easier to create the momentum to get there.

Setting a roadmap for the future is about being clear about what you are trying to achieve, staying focused on your goals and knowing what you ultimately want from your digital strategy.

- ▶ Better client experience
- ▶ Streamline and improve processes
- ▶ Cut out unnecessary costs
- ▶ Serve different client segments



### Delivering your digital strategy



Alpha FMC, September 2020.

# Go!

## Think big, start small, scale fast.

### 1. Think big

- ▶ Have a strategic vision about where you're trying to get to.
- ▶ Undertake a health check - establish where the gaps are in your digital capability.
- ▶ Identify the degree of agility in your business. Can you stand up to digital initiatives and keep on developing them and moving forward?
- ▶ Pick the top three journeys that cause you the most pain or that you can see the most benefit from.

### 2. Start small


- ▶ Take the time to understand your clients' needs and write out their personas so that you know what you're trying to tackle.
- ▶ Move forward to providing a production version quickly - minimum viable product. Don't try to get everything right the first time; you'll look back in 12 months and still won't have achieved anything.
- ▶ Get into the discipline of moving things forward quickly.

### 3. Scale fast

- ▶ Learn from what works in your business, build the capabilities, get that roadmap in place and focus on iterative development so that you can keep the initiatives moving forward.
- ▶ Short term quick wins could be simple things. The past year has taught us how quickly businesses can move when they need to.
- ▶ Few businesses have the capability they need in-house. Consider if you need a technology partner. Very few wealth firms reach out to partners for help, yet their challenges suggest they should.

Alpha FMC, September 2020.





“While some wealth management firms have been heading towards digital and data-driven ways of working long before it became a necessity, others may only have begun their journey. It’s not too late for any wealth manager to get up to speed by reviewing their technology strategy.”

**Andrew Foster - UK Executive General Manager Wealth, Iress**



# Digital business strategy.

## Consultancy from Alpha FMC.

Alpha is the largest global specialist asset and wealth management consultancy. They work with wealth management clients on some of the most complex and exciting opportunities in the sector. From platform M&A to ESG strategy, outsourcing and operating model transformation to digital business strategy, Alpha's established approach delivers quality and excellent client outcomes.

Thank you to Alpha FMC for their contributions to this guide.

If you're a wealth manager interested in taking part in Alpha's next Digital Readiness Survey, contact [\*\*kenn.taylor@alphafmc.com\*\*](mailto:kenn.taylor@alphafmc.com)



# Aim high, deliver more.

A partnership built for better performance.

Digital transformation might feel complex, but it doesn't have to be that way. The key is to run your own race with a technology partner you can trust.

We work with thousands of financial advice firms, wealth managers and investment managers of every size around the world, helping them put technology at the centre of what they do.

If you're ready to take the lead with a technology partner built for better performance, talk to us or visit **[iress.com](https://iress.com)**



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