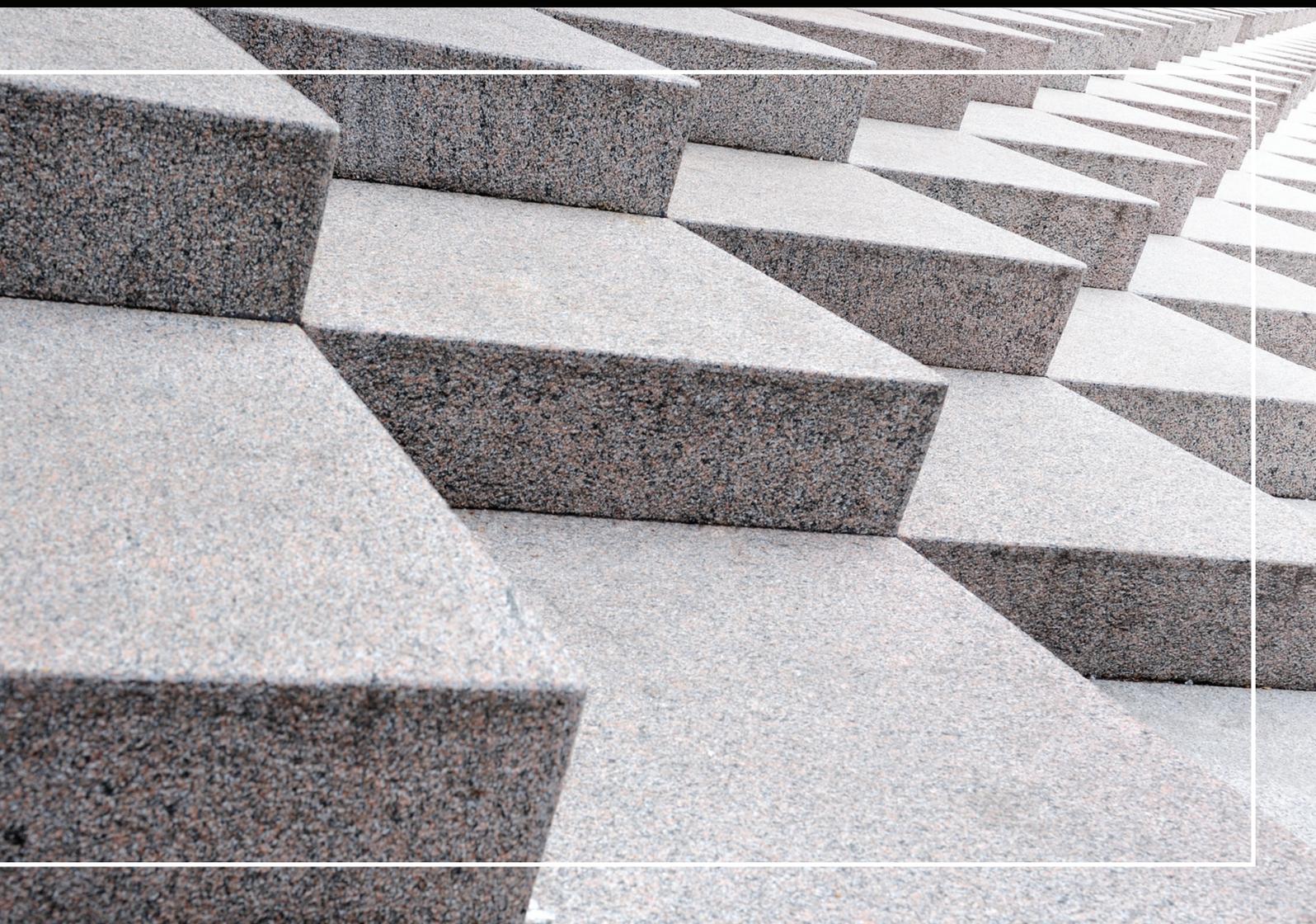


WEALTH MANAGEMENT  
**INNOVATION AND CLIENT SERVICE**

---



**CAPCO**  
THE FUTURE. NOW.

# SERVING TOMORROW'S WEALTH MANAGEMENT CLIENT

The wealth and asset management industry has long been rooted in tradition, trust and personal relationships. Despite being a practically ancient practice, it has continued to be at the forefront of innovation, through accessing new markets, creating new products and alternative investment structures. It is now time for this industry's next transformation, arguably its biggest in 400 years.

But before we look to the near future, we first want to briefly take you back in time to almost one-hundred years ago, when John Maynard Keynes, a British economist, wrote something quite visionary in his book, *The Economic Consequences of the Peace*:

“ The inhabitant of London could order by telephone, sipping his morning tea in bed... the various products of the whole earth... adventure his wealth in the natural resources and new enterprises of any quarter of the world...<sup>1</sup> ”

- JOHN MAYNARD KEYNES

What is remarkable about this quote is when Keynes wrote it, he unwittingly deconstructed the very essence of modern, good client service; a model which we at Capco still think holds true for today, and tomorrow. That model is essentially built on three core tenets: convenience, accessibility and choice.

But what do those three things mean exactly in terms of what wealth management clients expect?



## CONVENIENCE:

A fluid journey and seamless experience, online or offline



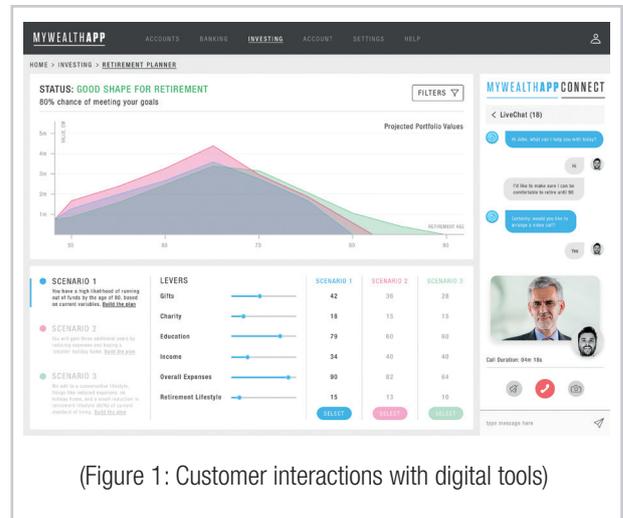
## ACCESSIBILITY:

Information, guidance and ultimately, advice at their finger tips



## CHOICE:

An open platform that delivers a truly diversified solution for their needs



(Figure 1: Customer interactions with digital tools)

While the basic tenets and measures of value are unlikely to change, the underlying technology which supports it will – and is already. Tech giants such as Amazon, Netflix and Uber are transforming how customers perceive value in all markets. In financial services for example, digital and app-based banking and savings products are gaining increasing popularity because they offer a user-friendly and seamless experience akin to those tech giants. In the mind of an investor, why wouldn't wealth providers be able to offer something similar?

Although they are yet to achieve scale or profitability, new entrants such as Pefin, Exo and Wealthify in the wealth management industry are now driving access and value to mass investors with the promise of simplicity, convenience and experience. With this direction of travel, incumbents will be forced to adapt or will surely suffer, as we've seen in other industries.

So, what could this new experience look like? Let's imagine a day in the life of tomorrow's wealth customer.

Sally is a 50-year old nurse from Manchester. She wakes up one morning and decides she wants to see whether her investments are on the right track, but she has not seen a wealth manager before. Whilst drinking a cup of tea in bed, she takes out her smartphone. She remembers her friend saying *MyWealth* is a good way to manage her investments, so she downloads the *MyWealth* app from the App Store.

The app asks Sally whether *MyWealth* can extract her personal details securely from her phone, to save her the time from

inputting any superfluous details, such as her name, date of birth and contact information. Sally then clicks through a few questions on an online form which make certain default assumptions (such as her retirement age, pension values and house value).

From this information, *MyWealth* can immediately map a life plan with forecasted values based on the limited information that Sally has provided. She can move these with a few cursors up and down. The app then provides her with four or five key actions that would change her financial projections. It is only at this point where the app prompts whether an advisor from *MyWealth* should engage with Sally about her plan – by video or a live chat feature. She clicks on the live chat feature and asks the wealth manager to set up her plan for a fee. As a result of the online cash flow forecasting models, she is immediately able to see the devastating effects of not having enough protection products.

Once the plan is set by the wealth manager, Sally is then able to adapt her plan 24/7. She also accesses real-time information about her wealth plan through smart alerts, making alterations online and chat with experts at a moment's notice. Sally particularly enjoys the convenience of engaging on her wealth needs through any device. This is a far cry from the typical wealth management customer experience today, where a referral to speak to a wealth manager and then an eventual recommendation (most likely in the post, or by email if they are lucky) could take in the region of weeks or even months.

Moreover, digital wealth and private banking products and services would no longer remain the preserve of the rich; their accessibility and increased scope for personalisation means that they could potentially serve new customer segments, which will in turn create new revenue potential for firms. Indeed, in 2017, the Financial Conduct Authority found that two thirds of UK adults (65 percent) have no protection cover at all, and over seven in ten (71 percent) have no life insurance.<sup>2</sup> Engaging people 'the digital way' therefore, is a huge opportunity to reach a previously untapped market.

It's not only the customer that will change. Wealth management will not exclusively be the business of IFAs and private banking firms; just as we've seen in other parts of financial services, new product providers will also seek to engage and access the wealth market in one way or another. This is not all bad, however. There is an opportunity for wealth management providers to integrate multiple products and services with third-parties (such as FX, banking, savings and credit card providers) via an open platform. This will further bolster the client's experience and should in turn, keep their products and services competitive.

Improving customer experience is a relentless pursuit for all industries. In an increasingly competitive market landscape driven by innovation, a focus on what constitutes value within client service will be key to delivering the digital experience and not the other way around. Whilst the wealth management industry may have previously been about monetising products, the future is clearly monetising the client's experience.



## REFERENCES

<sup>1</sup> [https://www.econlib.org/library/YPDBooks/Keynes/kynsCP.html?chapter\\_num=3#book-reader](https://www.econlib.org/library/YPDBooks/Keynes/kynsCP.html?chapter_num=3#book-reader)

<sup>2</sup> FCA Understanding the financial lives of UK adults: Findings from the 2017 Financial Lives Survey

## CONTACT

### Niral Parekh

Managing Principal

Niral.Parekh@capco.com

---

## ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward. Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and investment management, and finance, risk & compliance. We also have an energy consulting practice. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

To learn more, visit our web site at [www.capco.com](http://www.capco.com), or follow us on [Twitter](#), [Facebook](#), [YouTube](#), [LinkedIn](#) and [Instagram](#).

## WORLDWIDE OFFICES

### APAC

Bangalore  
Bangkok  
Hong Kong  
Kuala Lumpur  
Pune  
Singapore

### EUROPE

Bratislava  
Brussels  
Dusseldorf  
Edinburgh  
Frankfurt  
Geneva  
London  
Paris  
Vienna  
Warsaw  
Zurich

### NORTH AMERICA

Charlotte  
Chicago  
Dallas  
Houston  
New York  
Orlando  
Toronto  
Tysons Corner  
Washington, DC

### SOUTH AMERICA

São Paulo

[WWW.CAPCO.COM](http://www.capco.com)



**CAPCO**  
THE FUTURE. NOW.