

5 Ways Self-Service is Valuable for Wealth Managers

Introduction

For decades, the wealth management sector has placed great value on providing clients with personalized service. In return, wealth managers today have accrued \$29.1 trillion in assets under management. Therefore, it's no surprise that they aim to ensure every client interaction is a meaningful one and that all client requirements are met with the assistance of a human advisor.

As wealth managers move into the next decade, however, these firms are increasingly facing a new challenge: how can advisors maintain quality service tailored to individual client requirements while tapping into the benefits of digitization, not only for their business but also for their client base?

Wealth managers understand that in today's competitive market, embarking on a digital transformation is about more than following technology trends and staying ahead of the competition with cutting-edge software. Rather, clients will expect their advisors to offer new efficiencies—and with new efficiencies, better communication, and transparency—with some automation.

This whitepaper elaborates on how wealth managers can meet these impending client requirements and prepare for them by enhancing the advisor-client experience with a digital self-service solution.

The Wealth Advisory Landscape



In the next ten years, the nature of advice and the way it is delivered and consumed will fundamentally change.

McKinsey & Co., January 2020. *On the cusp of change: North American wealth management in 2030.*

Prior to the Covid-19 pandemic, digitization had already been on the horizon for many wealth managers. However, the pandemic and a client base that was already growing more accustomed to utilizing digital platforms were key drivers toward digitizing the wealth management sector.

Advisors and their clients were compelled to quickly adapt to a new way of offering and receiving services and exchanging information. 82% of advisors in the U.S. and Canada say that paperwork holds them back from spending time with clients. (Insider Intelligence: Wealth Management Ecosystem in North America, March 2021).

Views on Automation and Paperwork Among Financial Advisors in North America, June 2020

% of respondents

I need an automated way to keep up with compliance issues	85%
Paperwork detracts from the time I spend working with my clients	82%
Our firm needs better automation to manage my paperwork	81%

Source: Broadridge Financial Solutions, August 18, 2020

Methodology: Broadridge Financial Solutions, in partnership with Research Knowledge and Insights, surveyed 254 financial planners and advisors in the US and Canada in June 2020.

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InsiderIntelligence.com

Meeting Customer Requirements with Digital Self-Service

Digital self-service is the overarching term for customer service tactics that empower users to independently resolve issues or answer questions through digital channels. Today's wealth managers realize the importance of key technological advances that have already benefited other branches of the financial services industry, including retail banks. Developing a digital transformation strategy and establishing a new business model will offer wealth managers a competitive advantage and ultimately position these businesses to retain—and grow—assets under management.

If your wealth management business is beginning to assess—or is already laying the foundation for—a digital transformation strategy, consider these five ways to design and launch your digital transformation process:

1. Understand your (new) clients' needs



As women, minorities, Gen Xers, and Millennials become a higher share of the client base, wealth management will see the rise of advisors who speak their clients' "language," who know how to garner their trust, and are more digitally savvy.

McKinsey & Co., January 2020. On the cusp of change: North American wealth management in 2030.

Over the next several years, a diverse, tech-savvy generation of potential wealth management clients will begin inheriting \$68 trillion. For wealth managers worldwide, it's imperative to invest in digital experiences that meet the expectations of this new generation already accustomed to intuitive customer platforms. Today's clients will require a 360-degree view of their portfolios and assets. From public websites to client portals, a modern self-service platform can establish trust in your advisory services, setting your organization's differentiators at the forefront of the client experience.

2. Create a seamless user experience with one platform

As the number of technologies used and digital channels added increases, customer service technology stacks will start to contain disparate, overlapping systems leading to disjointed user experiences. For tech-savvy clients eager to access critical information and complete transactions within minutes and without hassle, a cumbersome journey can lead to a frustrating client experience. To combat this risk, digital experience platforms (DXP) can facilitate the integration of existing services into one unified, user-friendly platform. DXPs offer a centralized location to deliver digital experiences, which helps to reduce the number of silos within an organization.

3. Empower advisors and clients with actionable data

For many financial businesses, including wealth managers, disparate systems result in unreliable, hard-to-find data, frustrating both advisors and clients. With a digital self-service solution, wealth management businesses can provide their advisors better technology so they can focus on high-value activities for their clients. A digitized process offers advisors comprehensive client views, ensuring the personalized experience your high net-worth clients expect from your brand.

Harnessing the power of customer data has become a priority for financial businesses. According to McKinsey & Co, “As data increasingly becomes the ‘raw material’ for success, financial services providers need to behave and function like tech firms.” Wealth managers who invest in new self-service capabilities will gain an immediate advantage by providing clients and advisors with timely, accessible intelligence.

4. Capitalize on operational efficiency

A review of your operations and any potential pitfalls that could hinder your business’ digital transformation is imperative. Wealth management advisors are well aware of the need to continue offering clients personalized service while also implementing new technology designed to improve operational efficiency. For many firms and clients, however, even supplementing the in-person advisor-client experience with a self-service platform is unfeasible and could potentially jeopardize long-standing client relationships. Compounding this situation, there will be fewer advisors for the next generation of wealth—and they will be expected to do more (McKinsey & Co., January 2020. *On the cusp of change: North American wealth management in 2030.*)

As we move into a post-pandemic world that demands new technological and operational requirements of financial services organizations worldwide, the wealth management sector, in particular, will need to rise to these new challenges and maximize operational efficiency, from the front office to the back. A digital self-service platform can lead the way in overcoming integration difficulties, establishing a streamlined experience for both advisors and clients.

5. Maximize the robo advisor while cultivating—and sustaining—the human connection



While the robot versus human debate garners headlines, in our opinion, the future is not an either/or scenario. Rather, it is an ampersand—humans & robots.

Accenture, 2017. The New Face of Wealth Management: In the Era of Hybrid Advice

An overview of the digitization of wealth management and how self-service can benefit advisors and clients must also address the impact of robo advisors on the wealth management landscape. In recent years, the wealth management industry has witnessed the rise of AI, or artificial intelligence, with the implementation and rise of robo advisors. A 2020 PwC survey found that asset managers' top two AI priorities for 2021 are “to identify, collect and aggregate data for AI, and to ensure that AI's data meets regulatory requirements” (PwC, 2021. AI for asset and wealth managers in 2021: Industry priorities and delivering benefits).

An intuitive self-service platform can only become a true value-add for clients and advisors if it unifies disparate data sources and digitizes previously manual processes. Wealth advisors will always have to address the needs of clients who expect immediate service from a human advisor. At the same time, advisors can offer higher quality service if specific functions and client inquiries can be handled via a robo advisor.

Moving Forward: The Future of Wealth Management

The digitization of wealth advisory services will be a client requirement as the sector moves into the next decade. A new client base already comfortable with digital self-service will expect their advisor to provide a personalized experience via a streamlined, easy-to-access platform.

For wealth managers, implementing a digital client experience will result in a competitive advantage when they place clients, advisors, and employees at the center of their business. The requirements of the wealth management sector are unique; the advisor/client relationship requires trust that is first cultivated through personalized service.

“Advisor-driven models still make investors feel the best about their investment decisions, suggesting that making an advisor available on an as-needed or periodic basis is a wise move,” according to Accenture (Accenture, 2017. *The New Face of Wealth Management: In the Era of Hybrid Advice*). Therefore, relegating the human advisor to the sidelines should not necessarily be the end-goal of your digital transformation.

Over the next several years, it will be imperative for wealth managers to introduce current clients to the value of self-service while expanding their client base. And total assets under management will demand those same wealth managers to also meet the expectations of a new generation that requires the most efficient, modern technology. Offering an accessible, reliable self-service that supplies advisors and clients with a seamless platform bolstered with actionable intelligence is one of the most beneficial ways to ensure every client that their wealth advisor is invested in maintaining a long-term partnership.

Learn more about the role of digital experience platforms in the creation of personalized and connected experiences in wealth management. The process doesn't have to be difficult and resource-intensive when you have the right tools. Liferay is the only 11-Time Leader in the Gartner Magic Quadrant for Digital Experience Platforms. See why Gartner continues to position Liferay as a Magic Quadrant Leader for DXPs. Read the report [here](#).



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