



4

**FAILSAFE WAYS TO
PRESERVE CLIENT SERVICE
WHEN REMOTE WORKING**



**WEALTH
DYNAMIX**

INTRODUCTION

Never before has any world event triggered such a dramatic shift in working practices, as quickly and universally as the 2020 Covid-19 pandemic.

Almost overnight, the entire global population of wealth managers, their colleagues and their clients became at-home remote workers. Wealth management firms who were already behind the curve on digital transformation, or had an inadequate business continuity plan, were overwhelmed by mission-critical operational and compliance difficulties.

The result? Ineffective communication, substandard client servicing and uncertain regulatory compliance. Despite these challenges many firms have experienced substantial cost savings, which senior executives are keen to perpetuate into the future, and so remote working looks set to remain permanently – in one form or another.

A March 2020 Gartner study of 317 CFOs and Finance leaders revealed that 74% of firms will move at least 5% of their on-site workforce to permanently remote positions in the future, to

realise cost savings. Nearly 25% of respondents will shift to 20% permanent remote working, in the hope of avoiding more severe cuts in the future and minimising the downside impact to operations.

90% of CFOs have reported minimal disruptions to their accounting close process, with almost all activities able to be executed off-site. On-premise technology spend has already been deferred or is planned to be by 32% of respondents, and 22% are already benefiting from or planning reductions in real estate costs.

The prospect of remote working is fast changing from being a threat to an opportunity. Early indications are that wealth management, despite being a high-touch sector that thrives on personal service and face to face interactions, will follow suit.

In this e-book we analyse the role of technology in preserving client servicing quality, operational efficiency and regulatory compliance throughout the Client Lifecycle Management (CLM) process, while working remotely.



CONTENTS

03 | **Support internal communication**

05 | **Automate internal tasks**

07 | **Facilitate external communication**

09 | **Ensure regulatory compliance**

1
SUPPORT INTERNAL COMMUNICATION



1 | SUPPORT INTERNAL COMMUNICATION

For most clients, the primary interface with their wealth management firm is via one person – their relationship manager. In reality, however, every relationship manager operates as part of a broader team that must collaborate effectively to ensure exceptional client service throughout the client lifecycle. These wealth management engine rooms, sometimes referred to as pods, desks or clouds, may include for example, wealth managers, junior support staff, a legal representative and a personal assistant or secretary.

Internal communication is vital. Typically, team members are co-located and by sitting alongside each other they are able to talk freely, pass notes and documents to each other, participate in calls, take meeting notes, clarify instructions to avoid misinterpretation and assign actions very quickly.

THE IMPACT OF REMOTE WORKING

Pre-2020, the thought of converting these highly interactive teams into individual remote workers would have been unthinkable. What is potentially lost through remote working is complete visibility of what is happening with each client account, as it happens, along with the ability to share ideas and debate investment strategies. When co-located, each member of the team is available for discussion, knows when a client has called the office, whether they are happy or dissatisfied, when an instruction has been issued and who has taken ownership of getting the job done.

Mass remote working was thrust upon us with very little warning. Some wealth managers believed that internal communication issues could be solved simply by spending more time on the phone and video conferencing. While collaboration tools like Microsoft Teams, Zoom, Webex and Blue Jeans have undoubtedly helped to aid communication and bolster team spirits, they are just one small piece of the internal communications puzzle. In isolation they cannot facilitate all of the follow-up tasks that arise during video calls, or feed into other phases of the client lifecycle, in a compliant and auditable way. The chat alone would not provide a 360-degree view of a client's preferences, thereby impacting the ability of a new member of staff to prepare fully for client calls, for example, or a colleague to cover for others in case of absence.

WHO IS FARING BEST?

Contrary to expectations, many wealth managers have risen strongly to the remote working challenge, in some cases even improving productivity rather than experiencing detrimental effects.

The most effective wealth management teams have been supported by technology tools and fully automated Client Lifecycle Management (CLM) platforms capable of replacing the naturally occurring communication that is shared so easily when sitting together. Productivity and visibility are at their greatest when internal collaboration tools are integrated with client engagement, onboarding and client management systems, and are made accessible via a single dashboard view.

INTERNAL COMMUNICATION: BEYOND VIDEO

Authorised individuals gain full visibility in a single view of all communications, engagement, actions tasks and progress relevant to their team, whether they are co-located or not. For example, they can switch quickly and easily between a structured onboarding activity and a video call, they can document meeting notes in a compliant form and trigger actions, without wasting time logging into and out of a variety of systems. And if they leave their desk for any length of time they can see in a single view the calls that have occurred while they were gone, letters exchanged, notes taken and so on, and they can immediately respond. Push notifications are issued to individuals who are assigned tasks, ensuring that actions are allocated appropriately and nothing is missed.

This degree of digitisation delivers productivity and visibility in equal measures, and supports internal communication, whether the wealth management team is working in the office or not.

“The most productive wealth management teams have been supported by technology tools and fully automated Client Lifecycle Management platforms capable of replacing the naturally occurring communication that is shared so easily when sitting together.”

What are the main challenges for the wealth management sector today and where can technology to make an impact?

2 AUTOMATE INTERNAL TASKS



2 | AUTOMATE INTERNAL TASKS

Internal and external communications generate a multitude of internal tasks, which are clearly visible within office-based teams, for example:

- A conversation between a relationship manager and a client may result in the requirement for a trade, which is passed to a colleague to action.
- The relationship manager receives an email from the client indicating anxious sentiments, which would be best addressed during an in-person portfolio review meeting.
- A member of the team reaches out to the client to arrange a follow-up meeting.
- A junior colleague works with the relationship manager to prepare a client meeting pack and generate a proposal.

Unfortunately, for many wealth managers internal task management is an uphill struggle, whether they are working on-site or remotely. Especially when a firm relies on out-dated legacy systems and paper-based processes for the most simple tasks, productivity and audits become challenging.

It is easy to see why wealth managers can fall at the first remote-working hurdle. In a non-digitised environment, still reliant on in-person

interactions and manual paper-pushing, many processes become challenging or even impossible. Daily task lists agreed amongst team members every morning still require a video conference to get done. In a digitised environment, these lists are automatically generated, visible to all team members, all tasks and actions are tracked across the entire team to ensure that nothing is overlooked and everything is completed thoroughly, on time.

Many routine administrative tasks, such as an address change or account opening, still rely on the printing, distribution and signature of paper documents, and depend on the physical co-location of staff for execution. These basic manual processes pose a threat to business continuity because ‘business as usual’ becomes untenable when working remotely. Client requests cannot be actioned and failure to meet regulatory compliance obligations may result in punishing enforcement fines.

This is not a new problem, however enforced remote working has simply exposed systems and processes that have always stifled efficiency, as well as increasing risk, wasting valuable time and having the potential to impact client experience. As a result, CLM automation has risen to the top of the Board agenda for many firms with a regulatory obligation to establish a more robust business continuity plan.

CROSSING THE CLIENT SERVICING CHASM WITH TECHNOLOGY

Technology-enabled automation is the only way forward. Without automation, for example, it would be impossible for remote workers to effectively and compliantly execute a complex onboarding case involving 20 or more different approvals and forms. With CLM automation, onboarding processes are fully automated, push alerts notify team members when they have an action, and integration with verification tools or e-signature platforms allows clients to sign digitally online. Operations teams are automatically alerted to complete remaining onboarding processes and the investment manager is notified once the account has been opened and a templated, personalised ‘Welcome’ email dispatched. Every approval and action is captured in a fully-defensible audit trail for compliance purposes, the wealth manager saves a vast amount of administration time and the entire process is frictionless for clients.

CLM automation removes the need for physical interaction, to get the job done. It provides a ‘one-stop shop’ for complete client management, thereby increasing control, saving time and enriching service. Following a call with a client, a remote-working wealth manager can make notes directly into the CLM system on a laptop. The system automatically determines the sentiment of the call and can generate follow-on actions that trigger automated workflows. The wealth manager can generate trade requests or ‘book a meeting’ requests, which are automatically assigned to other members of the team for actioning. The progress of every task is visible and easily supervised. Every call can be tagged with specific topics and used to enhance the effectiveness of other similar conversations in the future.

The requirement to digitise and automate is not new, and the pandemic hasn’t caused this to happen – it has simply exposed the risk caused by manual processes incapable of supporting remote working, and the inherent inadequacy of many firms’ business continuity plans.

“Client Lifecycle Management automation has risen to the top of the Board agenda for many firms with a regulatory obligation to establish a more robust business continuity plan.”

3

FACILITATE EXTERNAL COMMUNICATION



3 | FACILITATE EXTERNAL COMMUNICATION

Communicating relevant and timely information to clients, and being readily available to address their questions and concerns, has always been important to optimise client satisfaction – yet many wealth managers know that they could be doing a better job of communicating with clients. Furthermore, external communications must be recorded and archived in a fully compliant way, which has also proved challenging.

Given its importance, why are external communications falling short?

- 1. Time to do it.** Many wealth management processes are still manual or outdated, requiring relationship managers to spend more time on administration than client communication.
- 2. Variety of channels.** Communications range from letters and emails through to instant messaging and social direct messaging, all requiring a compliant audit trail.
- 3. Poor client segmentation.** When relationship managers are unable to segment clients automatically, their ability to communicate appropriate information at the right time is impacted.
- 4. Lack of insights.** With client data stored in multiple silos it is difficult for wealth managers to form a holistic view of client requirements and sentiments, which shape communications.
- 5. Stringent regulatory obligations.** All communications must be recorded, archived and retained to comply with regulatory requirements.

COMMUNICATING WITH CLIENTS IN A CRISIS

In volatile times, relationship managers must try to allay the concerns of every client. Everyone needs more specific information in a crisis, however clients have very different requirements and the frequency and content of communications may vary depending on each client's personality or risk profile.

During the pandemic, many wealth managers reported that 20% of their clients are highly anxious, taking 80% of their time. This leaves less bandwidth to communicate with others who, although they may be more optimistic about the impact on their portfolios, still expect some form of communication even if they don't need a personal phone call.

How can you equip remote-working relationship managers to communicate more effectively with clients?

- 1. Free more time for client communication.** Automate CLM tasks to manage day-to-day administration and compliance tasks with digital workflows. In doing so, manual administration is reduced, enabling relationship managers to communicate in a timely manner with clients.
- 2. Enable relevant, mass personalised communications.** When integrated with Outlook, automated CLM platforms can issue highly targeted market updates and commentary via templated emails to clients. For example, when each client is tagged according to their capacity to cope with market shocks, say a 10% or more depreciation in portfolio value, those with greater tolerance could receive an email outlining the situation, promising regular updates and inviting them to contact you with any questions.

Those with lower tolerance could receive an email promising a next day phone call, in advance of them receiving a 10% drop letter, to allay their concerns. By managing client communications effectively in trying times you will build trust and loyalty, and solidify your relationship moving forward.

3. Encourage clients to communicate digitally. Instead of writing, clients could be asked to send secure messages or emails that can be evidenced for regulatory purposes. If clients favour handwritten letters, consider digitising your mailroom so that inbound mail can be scanned by minimal on-site staff, automatically routed to the intended recipient, actioned and tracked electronically. In doing so, every member of the team will gain remote access to a single platform with visibility of the entire engagement log – phone calls, letters, emails, notes and more. When digitised, all of these forms of communication can be used to evidence client requests.

4. Provide tools that enrich video interactions with clients. Many HNWI's prefer face-to-face meetings and enjoy the opportunity to review their portfolio in-person with their relationship manager. Without this option available to them, videoconferencing has enabled face-to-face interactions to continue, albeit on-screen. But video conversations alone are not enough to fill the gap. In the absence of physical meeting packs, relationship managers can enrich the remote

client experience by presenting portfolios and other investment information on demand, in client-facing form on screen, directly from a CLM system.

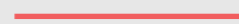
5. Automate compliance processes. When working remotely, phone call recording can be challenging. Where it remains possible, automated CLM platforms can auto-transcribe conversations and record meeting notes automatically, within the client record. Otherwise, call notes can be entered directly into the CLM system and the relationship manager can assign follow-on tasks or trigger downstream processes automatically. Video conferencing and collaboration tools like Microsoft Teams can also be integrated with the CLM platform to provide a fully traceable, auditable log of all communications, providing relationship managers with a 360-degree client view.

The pandemic has exposed the inability of many wealth management firms to communicate with clients effectively, in a relevant and timely way when working remotely. However, it is fair to say that the vast majority of relationship managers would welcome the opportunity to free more time to communicate with clients and gain access to insights that allow far greater segmentation and targeting of messaging – regardless of where they are working. This level of sophistication is easy to achieve, but only through CLM automation.

“Communicating effectively can prove challenging for remote-workers who often experience administration overload due to restrictive manual processing and legacy technology.”

4

ENSURE REGULATORY COMPLIANCE



4 | ENSURE REGULATORY COMPLIANCE

With many wealth management firms still relying on paper-based compliance systems, remote working undoubtedly raises compliance risk for any firm that has been a digital transformation laggard. Compliance concerns associated with at-home workers are very valid.

Where is data is being kept, how is client data being handled and who could gain access to it? Are individuals conducting themselves in a compliant way, and are they following the correct reporting procedures?

During the pandemic, due to difficulties associated with remote working, many regulators temporarily relaxed regulatory requirements (for call recording, for example). However, the regulatory obligations of wealth managers were not reduced in any way – the directive was simply to find alternative methods to ensure compliance, taking detailed notes during phone calls, for example, and storing them in a regulatory compliant way.

With remote working looking set to remain into the future, compliance teams must act quickly to accommodate at-home workers more effectively, to avoid compliance breaches and punishing enforcement fines.

Some of the most urgent actions include:

- Update policy and procedures. Compliance teams must adapt policies, procedures and controls to ensure that remote workers are fully aware of their compliance obligations and adequately trained on the systems and processes required to mitigate risk.
- Keep pace with new communication channels. Wherever possible, wealth managers must put communications compliance systems in place to monitor, record and archive conversations on channels like Microsoft Teams, Zoom and WhatsApp, which have seen rapid uptake for business use during 2020.
- Ensure compliant recordkeeping. All client data and records must be retained in a central repository, in a regulatory compliant format, in accordance with records retention policies, and with a full audit trail that indicates who has accessed the records and when. Where relationship managers are required to record notes, assess suitability and so on, they should be input directly into a digital platform that is integrated with centralised compliance systems, where they can be viewed alongside all other communications and activity relating to that client.
- Mitigate conduct risk. Without a compliance officer in close proximity, remote workers must be provided with the tools to ensure they can evidence that they took all reasonable steps to collect, manage and control client data in a regulatory compliant way.

As remote working becomes more commonplace, either by choice or as the result of world events, compliance systems and processes must evolve quickly to mitigate risk. For many wealth managers, compliance remains an intensely manual process. Even when relationship managers and their teams are fully aware of their obligations, compliance administration can become so onerous and time consuming that remote workers may be tempted to cut corners – especially if it gets in the way of AuM growth. This can never be allowed to happen.

Automated workflows within a digital CLM platform ensure that the right compliance checks are completed at the right time. Importantly, you have a defensible audit trail to prove that your wealth management teams are meeting their compliance obligations, in entirety, in the event of a regulatory investigation.

“Without a compliance officer in close proximity, remote workers must be provided with the tools to ensure they can evidence that they took all reasonable steps to collect, manage and control client data in a regulatory compliant way.”

How are savvy wealth managers transforming the compliance and lockdown disruption into an opportunity to strengthen client relationships and add commercial value to the business?



WEALTH DYNAMIX

WHY WEALTH DYNAMIX?

At Wealth Dynamix we specialise in wealth management Client Relationship Management (CRM) and Client Lifecycle Management (CLM).

Since 2012, we have been partnering with large to mid-sized financial services organisations to help deliver exception client servicing quickly, efficiently and cost-effectively.

We have offices and clients in three continents, award-winning implementations, stand-out technology, unrivalled functionality and world-class support services.

Trust Wealth Dynamix to help you manage client servicing more effectively.

ABOUT US

Founded 2012

Privately owned

Headquartered in London, UK

Offices in New York, Zurich, Geneva and Singapore

125+ staff with decades of experience in wealth management

SOME OF OUR LATEST AWARD WINS

2019 - Best CRM System, WealthBriefing European Awards

2019 - Best Technology Provider- Front Office', WealthAdvisor

2019 - Best CRM System and Best Change Management Process/Implementation of a Technology Solution, WealthBriefing Asia Awards

2020 - Best CLM Solution, Asian Private Banker

2020 - Most Influential Financial Technology Company of 2020, The Financial Technologist

2020 - XCelent Overall Award, Celent Wealth Management Client Onboarding Platforms ABCD Vendor View

SOME OF OUR CLIENTS

Schroders

Rothschild & Co

RUFFER

Rathbones
Look forward

QUILTER CHEVIOT
INVESTMENT MANAGEMENT

CHARLES STANLEY



CONTACT US

Interested in learning more about Client Lifecycle Management?