DIGITAL ON-BOARDING OF WEALTH CUSTOMERS: WHAT, WHY AND HOW

BY V. RAMKUMAR,
IBS RESEARCH THOUGHT LEADER
Digital on-boarding of wealth customers: what, why and how

Being the wealth manager of choice for millennial customers also means keeping pace with the winds of change

V. Ramkumar
Senior Partner, Cedar Management Consulting International LLC

That it is imperative to allow a customer to self-onboard digitally, is now a given. Be it the self-service kiosk at the airport, or having a retail banking account created, the need for a physical interaction is long past. Why then, would a millennial wealth customer be any different? Welcome to the world of digital on-boarding – be there or be gone.

What: defining digital on-boarding

Offering a portal for the customer to on-board oneself or delivering an omnichannel experience is just the technological angle to the paradigm of digital on-boarding. The subject here is much more significant. The name of the game is in being able to condense the steps involved across lead generation, customer analytics, need assessment, product recommendation and account opening all together into a consolidated experience that is offered digitally. And this takes a little more than a good technology platform. Let’s explore this further.

In the not so distant past, the lead generation of a classic wealth management customer was all about the personal touch of the senior relationship manager, and having a deep, engaged conversation that helped profile the customer and his or her needs, and reverted with a set of products that were eventually recommended. This was followed by an account opening process, which was also made to be convenient with a digital experience. Well, that can no longer sustain itself with the emerging millennial, young wealth management customers – and that is not a small segment if one considers the fact that $1 trillion is being passed from one generation to another every year.

The mantras for a successful digital on-boarding experience are three:

1. Make it intuitive. Asking the right questions without seeking pre-existent information already known about the customer is fundamental here. More than 50% of the negative experience recorded in the first interaction is when the wrong question is asked. The benefit of using an ID capture technology is not only for Know Your Customer (KYC) purposes, but also to be leveraged in automating the capture of pre-existent information.

2. Make it quick. Turnaround time and minimal paperwork are two sides to the coin of the on-boarding experience. While providing tailor-made advice is fundamental, doing so without spending too much time with paperwork is equally important. Avoiding multiple data entry and ensuring there is no re-keying of data are mandatory for a good on-boarding process.

3. Make it engaging. The propensity for a customer to attrite is highest within the first 90 days of on-boarding, and this is primarily a derivative of how granular the engagement levels and metrics of experience are monitored. Even while the TATs need to be quick, the engagement levels need to be high. A well-defined customer journey-map profiling each stage of the on-boarding process and the moment-of-truth therein is core to the quality of engagement.

Why: the writing is on the wall

Having a mobile-first user experience that is subsequently rolled out to other channels is fast becoming the norm for any industry that predominantly deals with the new-age customer. When customers are switching from one channel to another seamlessly, any successful wealth manager would also need to be able to provide an omnichannel experience including social media connectivity. Not only does this help divert customer engagement from experienced call centre channels to more cost-effective online chats and social media, but also to deal with being relevant in the right place at the right time. Interestingly, client advisors spend more than 30% of their time on non-client facing activities and making it convenient to have web-enabled account management and video calls for an anytime-anywhere experience.

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3. **Product offering.** Is the product offering deep enough to meet the need of the new-age customer? Remember, the ambience of the restaurant can never substitute for the quality of food served.

4. **Capturing and nurturing data.** Does the on-boarding process sufficiently authenticate the sanctity of data, and subsequently in its effective processing? Ultimately, data is the feeder that drives insights of the customer.

5. **Trained organisation.** Is the front, mid and back office organisation aligned with the digital on-boarding model? It’s not just about orienting the customer, but successful transition lies in having the advisors and the operations team well trained.

6. **Technology roadmap.** Do we have the right roadmap to sustain the digital on-boarding experience – be it an in-house application or a third-party platform. Is there a roadmap for sustained feature enhancement and support? This is not a one-time investment.

7. **Governance.** Any framework is as good as it is governance. Having the right governance model is not only to ensure that the RoI is protected but also to set the context for sustenance and continuity.

A great digital on-boarding framework will only make the customer sign into the enterprise with an expectation for an equally great product offering and engagement experience – if not more. Living up to that expectation is critical. More than 50% of attrition happens within the first 12 weeks of the customer coming on board – and the successful wealth managers are those who embrace and respond to this reality.