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# WEALTH MANAGEMENT: DRIVING TRANSFORMATION THROUGH A 360° CLIENT LENS



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01

# FOREWORD

**ED DOWNS,**  
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For asset and wealth managers, access to the right insights is critical to all aspects of the investment business, from making the right investment choices to expanding the number of products offered to clients. The right insights can drive key portfolio decisions that bolsters core revenue and drives incremental revenue opportunities.

The ability to deliver unique and timely investment research insights is a result of discovering hidden connections in data sourced inside and outside the organization. Unfortunately, for many investment research firms integrating the various structured and unstructured data sources required to generate advanced analytics and unique insights with speed and precision is a challenge due to legacy approaches to enterprise database systems. Linking these systems with traditional point-to-point integration has resulted in a complex many-to-many architecture that limits investment research firms' ability to easily search data, develop unique insights and rapidly innovate new products.

At MarkLogic, we work with many leading financial services organizations on solving their data challenges better and more quickly. A key challenge for these organizations has been, and we believe will continue to be, the ability to quickly build 360° views of data assets across business lines to gain new insights, improve client engagement and increase product distribution.

Based on the sentiments provided by many practitioners in this paper, there continues to be room for improvement in both customer data integration and cloud adoption. We hope you find the perspectives insightful and useful in driving your own data-driven strategies.



# 02

## INTRODUCTION

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A 360 degree customer view is fast becoming essential for financial organisations and wealth managers to compete and win in the digital economy – but integrating the vast and changing data sources is often a major challenge.

In recent years, advances in technology as well as global digitalisation have ushered in new capabilities for banks, enabling them to understand their clientele better and, hence, serve them in a more efficient and tailored fashion. The customer 360 view has become a familiar term as organisations utilise increased data analysis to capture holistically customer behaviour and account patterns leading to more intuitive offerings and responses, stronger security and faster processes. It is the ‘who, what, why, when and where’ of customer lifecycle management.

Wealth management, hitherto later to the digital party than other financial services segments, is recognising the benefits to be gleaned from data-led transformation – both those operating independently, and those part of larger banks, for whom a certain level of digital transformation would be required as part of any enterprise-wide initiative. Growth, leaner operating functions, easier compliance processes and cost savings are just some of the benefits to be had.

Clients expect tailored service faster, having become used to it from other digital service offerings. Regulatory updates come thicker and faster, as do shape-shifting fraudsters. Regardless of tradition, organisations need to evolve to survive and carve out the additional benefits to achieving a 360 view.

**“In wealth management, the 360 degree view for customer care and service is absolutely paramount. It literally sits at the core of proper business strategy.”**

**CLARA DURODIE, FOUNDER, COGNITIVE FINANCE, AND AI TECHNOLOGY STRATEGIST**



There are several challenges at play, however. Overcoming data and technical silos to deliver a unified and actionable view of customers is foundational for improving client service and automation programmes and is no minor undertaking. Financial institutions, struggling to deliver insights and applications under tighter timeframes, are looking for solutions that enable the business to improve big data access and monetise data assets, while also removing the operational burden associated with managing the data infrastructure in IT. Cloud is called upon to deliver new and differentiated service levels. Hence, organisations are increasingly looking for new and scarce skillsets, to boot.

This paper by Finextra, in association with MarkLogic, is based on several discussions with senior financial services and wealth management experts covering key business and technical drivers for creating the need for a 360 degree customer view, the challenges to be overcome in the process and the long-term benefits to be gleaned as a result.



## 03

# WHY CORE DATA MANAGEMENT IS NOW AT THE FOREFRONT OF FINANCIAL ORGANISATIONAL STRATEGY

## KEY BUSINESS AND TECHNICAL DRIVERS FOR CUSTOMER 360

### EXTERNAL DIGITAL INFLUENCES

Client experiences are changing dramatically, and fast. It is increasingly important for financial organisations to stay on top of what different clients want and keep up with digital market forces. The client base is also changing rapidly, compounding the reason to understand the different needs and wants and gain a holistic view of the customer.

“We cannot deliver quality work in this space unless we understand the particular circumstances which define the background of each of our customers. No customer is the same. In wealth management, the 360 degree view for customer care and service is absolutely paramount. It literally sits at the core of proper business strategy. Technology investments must deliver business strategy objectives,” says Clara Durodié, founder, Cognitive Finance, and AI technology strategist.

Wealth management, in particular, is the epitome of bespoke service and individualisation. Despite it being a predominantly one-to-one, face-to-face focused segment, the insight that effective utilisation of data can bring a wealth manager is still invaluable, in terms of knowing their customer and providing a highly personalised service.

### PORTFOLIO GROWTH

At the same time, there is increased consolidation in the industry. The numbers of clients on the books of many wealth management firms is growing, and more to the point, that is the primary goal for most wealth managers – to grow their client-base. With this in mind, does it not follow that the use of technology and data will be driven by the needs of the organisation to serve the customer, rather than the individual appetite of the client themselves?



Indeed, Chris Worle, chief digital officer, Hargreaves Lansdowne, says, “Going back ten years when we had about 10,000 clients, they had similar expectations of us. As we’ve grown into more than a million clients, the expectations of those clients vary dramatically and therefore for us it is becoming increasingly important to understand the needs of those clients.”

Further to this, it would seem wealth management organisations are compelled to get their data ducks in a row, on account of the increased amounts of data they process and increased regulatory requirements on protection thereof.

## INCREASED REGULATORY AND RISK COMPLIANCE PRESSURE

Says Adam Jupp, head of data & analytics, Coutts, “From a risk and regulatory perspective it is also critical to ensure that you have the right approach and capability to safeguard data, to protect your clients and the integrity of your brand.”

It would seem that data management, therefore, is absolutely to the fore, both for managers to deal with mushrooming client numbers and increased regulatory requirements, and also to field the expectations of high net worth individuals.

Kurt Pillay, head of technology, Standard Bank, adds a risk angle to the approach to data, and makes it a high priority. “From a financial client management perspective, it shows us the risks associated to the customer – domestic, multi-region or international. This allows for a client risk assessment view that allows us to associate a high, medium or low score associated to this client.”

Protection of data, the process of capturing and storing, knowing what data is useful and why, and managing and achieving all this at a pace that ensures technological advances haven’t outrun the processes that the organisation is ironing out, is as important as it is challenging.

As Shashank Khare, head of group strategy, Lloyds, points out, there are competing requirements- beyond the continual challenge of making sure the data is validated, current and the organisation is moving as fast as technology advancement: “Sales want to respond quickly with the best service, risk people want to ensure that control and compliance requirements are not sacrificed in pursuit of speed.”



“Ensuring we are fit for the future and what we want to do,” is one of the greatest challenges, according to Worle, who also alludes to the greater burden of data protection that GDPR [Global Data Protection Regulation] updates have brought about.

“We have operated for twenty, thirty years in the same environment so we need to ensure we take the right steps and the right measures to handle and manage that data appropriately. And with GDPR, client understanding is changing, which is rightly challenging business and industries around what happens with data and how it is managed. That 360 degree view of the client, how you use that to affect the client experience and do that at scale – improve, change, personalise the experience they have through whichever channel they choose to use – that’s the really important part,” Worle says.

**“A single client view remains an important part of optimising an organisation’s data assets, creating a true picture of our client and how they engage with a business.”**

**ADAM JUPP, HEAD OF DATA ANALYTICS, COUTTS**





# 04

## TRANSFORMING DATA STRATEGY TO NAIL BUSINESS STRATEGY

Refining a data strategy needs to be a considered and involved undertaking. A data strategy needs to be as bespoke as a wealth manager’s client strategy. It should be business-led and economical in the sense that only the right data should be captured at the right time, and crucially, accessed and processed as and when required.

### LEVERAGING TECHNOLOGY TO UNDERSTAND AND DRIVE CUSTOMER BEHAVIOUR

As Hargreaves Lansdowne’s Worle explains, it would be a mistake for firms to chase visibility of everything at every point; “Most businesses already have enough data and visibility and it’s more about bringing it together and creating benefit to the customer.”

Durodié affirms these points even more emphatically: “The correct algorithms need to be selected and then trained on the correct datasets. Naturally, proper datasets, integration and labelling is required. This is time consuming and capital intensive. But once you’ve done that, you are able to achieve something which we’ve always wanted to achieve in our industry, which is to truly deliver personalisation at scale, or precision wealth management, as I sometimes refer to it. Personalisation of services sits at the very heart of what wealth management is all about. That’s why a 360 degree view is absolutely essential for wealth management.”

That said of course, data does create insights into a clients’ needs and behaviours and, hence informs the goals of the business.

Coutts’ Jupp affirms that “a single client view remains an important part of optimising an organisation’s data assets, creating a true picture of our client and how they engage with a business.”

Firms can ascertain better than ever before which products and service offerings clients buy or take up through which channels – and more to the point, which they don’t.



“It is also critical for understanding client journeys within a service organisation and where this can be optimised – it’s often small, thoughtful gestures that clients value highly and are made possible through 360 degree data, such as a courtesy call to say a client’s investment portfolio is not impacted by a negative market incident that’s been in the news,” adds Jupp.

## ACQUIRING AND RETAINING DATA MANAGEMENT TALENT

Finding, hiring, and retaining talent that is both business and tech-savvy is critical for executing data strategy, and was raised as a growing concern for all involved.

Says Coutts’ Jupp of the greatest challenges, “Sourcing and retaining data specialists and upskilling in-house data and analytics teams; high cost and, therefore, pace of using data effectively, often due to legacy data infrastructure and systems, which becomes more difficult as data volumes grow exponentially.”

And naturally, the speed at which data is generated and technology is advancing is generating a natural correlation in the speed at which up-to-the-minute tech savvy talent is required and in demand.

Durodié also stresses the resource pressure at play, given that ETL (Extract, Transform, Load) processes are not yet automated. “Getting key skilled resources who understand this, who can bring in best practice and create strategies for bringing in data – it’s a key challenge.”

## THE SKY’S THE LIMIT – MOVING TO THE CLOUD

There are plenty of data management and advanced analytics tools available. What is moving increasingly onto financial services organisations’, and wealth management firms’, radar is that use of cloud services will reduce the cost of data management and stem the spiralling cost of the overall big data evolution. Cost is touted as one of the key concerns and priorities, and it seems most decision makers are tuned into the emerging benefits that cloud can bring in this respect.

Durodié points out, “cloud providers have approached wealth management and financial services with a lot of enthusiasm and they have promoted the services at such an attractive rate that in the words a bank COO used, ‘you must be lobotomised not to take this offer’ because they are that good.

“Cloud providers are coming up with all sorts of improved layers of machine learning and all sorts of tools you can develop on that data. It’s incredibly attractive,” Durodié continues.



Further to the upfront and obvious cost benefits, another interesting capability that cloud offers is a certain economy of data management, such that only the right information is captured, pulled and processed at the opportune moment. This is efficient both in terms of processing power but also in terms of regulatory compliance around protection, handling and use of data.

Peter Serenita, chief digital officer, Scotiabank, says, “We view cloud as a means of being more agile in terms of our ability to continue to grow our compute power and shrink it when we don’t need it, so it gives us that kind of elasticity. I’ll say it’s becoming essential as we continue to mature, as we continue to grow, and that’s why we’re in the process of cloud adoption.”

Illia Dakal, transaction banking product manager, Citi, speaks of not having cloud services, per se, but reinforces the economical advantages that it brings. “Recently we have adopted a front-end data visualisation tool that is available in the cloud. One of the elements we are focusing on at the moment is data democracy- making sure that data is freely available to those that need it, laid out in a way that is easy to grasp and understand.”

Speed is certainly of the essence in the increasingly real-time environment of financial services, and indeed wealth management. And cloud provides speed and scope in droves.

Hargreave Lansdowne’s Worle: “Cloud is critical on the path towards being able to securely store the data, utilise that data effectively at scale and then use that data to impact the end user experience.”

Coutts’ Jupp is of similar opinion: “We have seen the rise of robo advisors. The industry is also seeing more and better digital capability and getting the blend of offering and technology right is crucial to providing a competitive client services model. There is also a focus on areas that require more pace to scale up rapidly for data storage, where on-premise may take too long but cloud would provide the ability to react faster to opportunities to deliver.”

Of course, there are considerations, and not everyone is full steam ahead in signing up for cloud services. There are still qualms around control of data within a Service Level Agreement (SLA).

Durodié elucidates these concerns: “Cloud providers are not all subject to the same regulatory constraints as [financial services]. Many of their clients think that they should be. How do you design your SLAs in such a way that you retain control of the data and have visibility of what is happening to your data once on the cloud?”

It is a fair question and one that rests with the cloud providers to clarify. Clearly, speed and agility go hand in hand, both of equal importance to the journey an organisation embarks upon with regard to its data strategy.



# 05

## BURGEONING CHANGE IN DATA MANAGEMENT

### TAKE CHARGE TO REMAIN RELEVANT

Increasing data generation, capture and analysis will require a stronger and more cohesive working methodology across organisations. Apart from the accessibility and permissions, along the lines of the ‘data democracy’ that Citi’s Dakal speaks of, there are continuous data governance and compliance considerations to take into account as well.

Sham Arora, chief information officer, Foundation Services & Technology Strategy, Standard Chartered, describes the mechanics of data management. “Data is extracted and populated into a central repository, on an ongoing basis. If you curate data, that goes into the next layer and basically creates linkages across the data that comes from several systems, including camera and service systems, and sometimes marketing and other systems. It is from this curated data that we run our use cases to return 360 view or risk view.”

It is not something that is created overnight, he hastens to add, saying it can take between one year and ten, depending on the organisation’s size. Advances in both regulation and technology itself create such a pressure of management that firms are increasingly turning to automation. And indeed the element of formatting needs to be addressed, when data is being collected and pulled across different systems that are all linked. As Arora says, “you have to have a meta data model, which basically normalises the data such that they can be used across the board”.

The mapping of data used to be an incredible manual activity, as was identification of PI (Personal Information) data, both of which are increasingly being automated, says Arora.

Scotiabank’s Serenita picks up on the automation tune as well. “You have to be on top of your data, you have to be on top of your analytics. More and more things are happening quicker, turnaround times have to be condensed and compressed. Things that used to take two weeks via submitting a form now need to be instantaneous.”



Underpinning the technological and digital transformation is of course a cultural change. And the key driver for advancement and adoption of technology such as AI has to be business-led, goal-orientated. There is a school of thinking within financial services and indeed the wider, digital industry that where business decisions tended to be followed by data strategy in the past, it is now the other way around: data analysis informs the decision-making. There is a crucial nuance here to be understood, however, because the goals and ethos of the organisation should come first, and they still do. It simply points to the fact that data management and analysis have become so sophisticated they are beginning to enlighten decision makers, bringing to light to new ways of serving, and innovative products and operational methodology.

Dakal explains the new approach: “People analyse the data both from a top-down and a bottom-up approach with an emphasis on data variability. We then make the business decisions based on our data, rather than doing it the other way around.”

Indeed, the use case and business case for data-led services, in wealth management no less than other verticals, will likely shift towards a more competitive arena, ie not only will it streamline operations, inform business direction and finesse product offerings and services, but a firm’s data strategy will also become a key differentiator for the end user.

Hargreaves Lansdowne’s Worle says, “Going forward, businesses being clear and upfront about how they use their data is going to be an area for competitive advantage. It used to be about how do you keep data secure but in the future it will become much more transparent about what data you hold, how you use it, how they can use it and really give them the control. It’s about the value exchange.”



# CONCLUSION

Wealth management, being hitherto such a bespoke and exclusive vertical within financial services, the last bastion of face-to-face and one-to-one banking, is transforming. Utilisation of new technology and indeed automation is fast becoming a requisite to cope with the unprecedented volumes of data and the accompanying protection and compliance measures that all organisations are dealing with.

Customer 360, or 360 customer view has fast become common parlance in financial services, and within wealth management in particular. A holistic, incisive and comprehensive view of the customer is the springboard from which firms can engage, interact and hone their offering to not simply retain, but to grow their books. It is therefore driving and shaping the industry as part of coherent, robust and agile data strategies and will be the cornerstone of a successful, competitive and future-proof business.

Wealth managers as part of larger global organisations that serve the entire gamut of clients and customers will inevitably be hooked into an enterprise-wide data strategy, but standalone wealth managers need to utilise the power and capabilities of AI and cloud technology to capture and analyse data that may inform and shape their services going forward. Certainly, it is the case that wealth managers will always want to increase their client numbers. In this scenario, increased amounts of customer information, better utilisation of data, automation tooling, AI- and cloud to facilitate it all- will equip managers with the valuable insights needed to serve greater numbers with the same level of discrete and personal exclusivity by speeding up the background work for consultative investment advice and otherwise.



# ABOUT

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