Digital Wealth Management Outlook

2022

unblu

Contents

Chief Executive's Review

Rapid acceleration of digital across all sectors

The past few years have seen a rapid acceleration of digital across all sectors. In wealth management, this is a complex paradigm that has conditioned client preferences and financial institutions themselves.

Yet, most clients still yearn for human-centric interactions with their advisors. In an industry that has a tradition of personalized relationships and meetings carried out over coffee, this is hardly surprising.

The continuing impact of COVID-19 has intensified this feeling among investors—and from global banking leaders, we're hearing about a similar demand for security and transparency. One executive told Unblu that, in the wake of the pandemic, the bank's principal objective was to protect investments and get closer to clients through extended channels.

In 2022, firms who utilize digital technologies to elevate personalized, people-centric services will be in the best position to capture altered preferences and new demographics. As ever, this starts with an understanding of the definitive shifts in the industry today.

Firstly, we must turn our attention to the changing mass affluent market. A fascinating ripple effect of the digital wave has been the democratization of investing, where new digital players such as robo-advisors and wealthtech startups have lowered the barrier to access for advisory services.

Meanwhile, the emergent transfer of generational wealth is ushering in a new client demographic that largely consists of Millennial and Gen Z investors.

These shifts have translated as a mass affluent market made up of a larger cross-section of investors than ever before. Standing before a financial climate riddled with rising inflation rates, incumbent firms must get to grips with the digital expectations of the incoming wealth management audience.

Among new wealth advisory segments consisting of Millennials, Gen Z, and professionals from the booming tech industry, we are witnessing an evolution of interests and values. Since many are digital natives, there is an increasing expectation for advice that covers crypto currencies, digital assets and data-powered products like personalized stock indices.

These audiences have also fueled the demand for sustainability scoring in wealth management, which is now prevalent among individuals and corporate clients alike. With specialist providers already catering to these profiles, established firms will need to look at tapping into them, too.

The possibilities of digital and data have also driven a wave of hyperpersonalization in client experiences, giving rise to a renewed focus on client centricity. Add to that the experience of the pandemic, which created a double-sided effect. It accelerated the nascent demand for digital services, but it also reinstated the value of human interactions. In the context of wealth management, the personalized aspect of the advisor-client relationship remains indispensable.

To take a use case from one of our major wealth advisory customers, combining different digital capabilities to support personalized client journeys was vital in upgrading online interactions. Having previously faced issues with the integration of various CX tools, implementing Unblu provided our customer with a suite of connected features that enhances the quality—and continuity—of client-advisor interactions.

Using several integrated touch points in this way is also vital for building the foundation of personalized advice: client autonomy. Only by adopting a hybrid approach can firms expect to meet their clients where they are, with several channels available to access advice at any time.

By taking cues from their clients and anticipating the demands of emergent ones, firms can affirm their relevance in an increasingly competitive wealth management market. Wealth advisory players must think carefully about how they will locate, then leverage the available technology to foster high-touch, human experiences.

Luc Haldimann
CEO, Unblu

Introduction

In 2022, digital transformation is rapidly changing how clients interact with their wealth advisors. A growing number of firms are opting to automate parts of everyday processes such as client onboarding, streamlining data entry and simplifying the client experience. Meanwhile, the movement towards a digital-first approach to engagement has given rise to a proliferation of new channels and touchpoints for clients to utilize.

Likewise, demographic transformation is rapidly changing who advisors interact with. In wealth management, the digital revolution has coincided with a historic shift in client demographics—and a result, the skyline of industry is drastically changing shape.

Amid this backdrop, what are the definitive trends in wealth management today?

New investors and novel expectations

Access to investing—and the needs and expectations of new audiences—has evolved. For wealth management providers, this is generating novel expectations around service offerings and client experience.

A workforce in flux

On the inside of firms, offices are beginning to look a little different, too. Between demographic shifts within the wealth management workforce, the migration to remote working, and new acquisitions and partnerships, an altered industry context is being reflected among its primary players.

Post-pandemic outlook

As the upheaval of the pandemic settles, financial providers will have to grapple with the trends that are here to stay. And if they are to win the loyalties of high-potential new segments, they will need to implement significant changes.

Using this report

Strategists and executives at private banks can utilize the following report as a roadmap of key trends that are shaping today's wealth management landscape. Considered in the context of your organization, this should make it possible to identify actionable next steps for your digital strategy.

To begin with, we take a look at the emergent 'mass affluent market' and upcoming transfer of generational wealth. Next, we set our sights on client expectations and needs, looking at how the changing demography of wealth management will condition a demand for expanded service offerings and new models of service delivery.

Finally, we go inside financial institutions to analyze how workforces and partnerships are transforming in line with the impulse of tech and digital.

Jostling for the mass affluent market

The industry at large is mobilizing itself for a push into the mass affluent space, engaging a larger cross-section of investors. While digital startups and robo-advisory players are picking up the lower end of the market, incumbent wealth management firms aren't generating much competition in this space. Goldman Sachs, for instance, is struggling to capture the attention of mass affluent audiences, despite the relatively strong performance of its wealth management division (Institutional Investor)[1].

Indeed, many others are yet to refine the kinds of digital capabilities so in-demand from this new class of mainstream investors.

That being said, reports tend to suggest that robo-advisors still only account for a fairly small proportion of total assets under management (Statista)[2]. Whether robo-advisory preferences pick up or slow down, one thing is certain: the mass affluent market is all to play for.

Democratization of investing

The investor of tomorrow

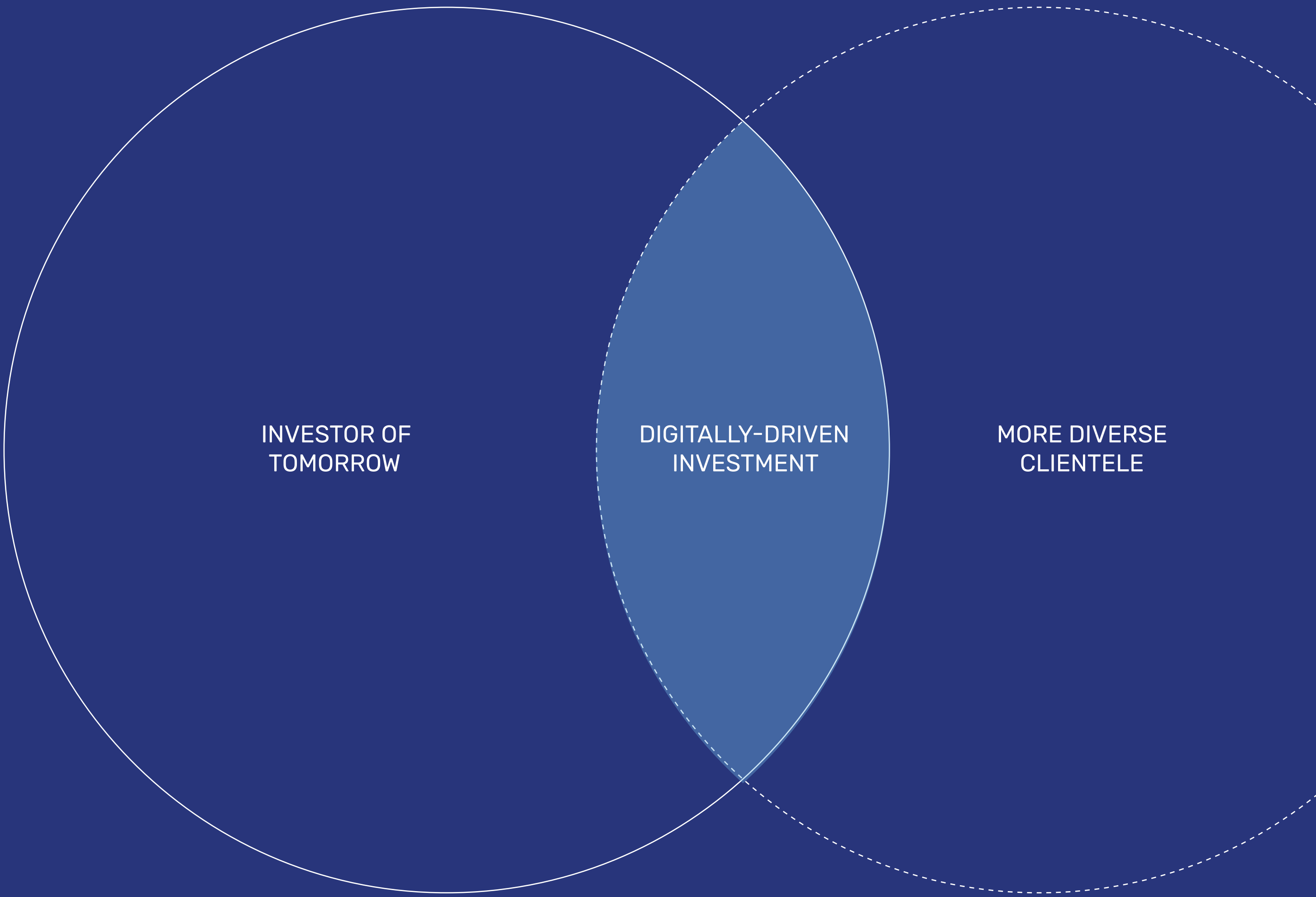
Seismic shifts in client demographics and the emergence of a strong mainstream market for investors means that industry access is no longer defined by age or wealth strata. With younger generations of investors comes a new set of values and client expectations. As a snapshot, the investor of tomorrow is likely to be more individualistic, question traditional authorities and stay skeptical of risk (Deloitte)[3]. All of these characteristics must be considerations in future-forward wealth management offerings.

Mainstream investors on the rise

At the same time, digital channels have opened doors for more diverse clientele, reshaping the market of wealth management solutions. In the past five years, start-up firms have strategically capitalized on a growing pool of mainstream investors through digitally-driven investment solutions; whereas until recently, such advisory services were generally reserved for commercial or high-net-worth investors (Deloitte)[4].

Digital is a catch-all preference

That said, this digital drive is having an undeniable ripple effect on every tier of industry. At present, roughly 50% of investors would now be comfortable receiving financial advice via video call, a percentage that has doubled since 2019 (Boring Money)[5].



1 https://www.institutionalinvestor.com/article/b1x2lxtq1p9832/Can-Goldman-Sachs-Straddle-Wall-Street-and-Main-Street
2 https://www.statista.com/forecasts/1262614/robo-advisors-managing-assets-worldwide
3 https://www2.deloitte.com/content/dam/Deloitte/us/Documents/strategy/us-cons-disruptors-in-wealth-mgmt-final.pdf
4 https://www2.deloitte.com/us/en/pages/financial-services/articles/digital-disruption-in-wealth-management0.html
5 https://www.ft.com/content/ee01a83b-a1b8-4ff0-9702-91524649d539

The Great Wealth Transfer

A historic generational shift

The industry is approaching the height of a remarkable generational wealth transfer. Known to some as The Great Wealth Transfer, estimates on its scale tend to vary—but the general consensus is that, in the decades running up to 2060, close to $60 trillion will flow from one generation of adults to the next (Capgemini)[6]. Indeed, that would make it the most significant wealth transfer in history.

Meanwhile, an aging population of financial advisors will soon dissolve long-term wealth management relationships. With 43% of US Financial Advisors aged 55 or over, approximately one third of the workforce is set to retire in the next 10 years (Deloitte)[7]. In planning for their future client engagement, this presents firms with an additional fork in the road.

Retaining family loyalties

These significant demographic shifts will define a new precedent: honing in on multi-generational client relationships through both digital and human means. Firms will need to stay agile, leveraging digital to adapt to new demographic demands while investing heavily in human resources and training initiatives. The necessity of such a strategy is compounded by the current landscape of inheritor behavior.

A staggering 80% of millennials will look for a new financial advisor upon inheriting their parents' wealth, enticed by innovative firms offering digital engagement and mobile-optimized experiences (Capgemini)[8].

To retain family loyalties from long-standing clients, firms must look to develop cutting-edge capabilities. Crucially, they must understand the preferences and concerns of a new generation of investors.

6 https://www.capgemini.com/resources/top-trends-in-wealth-management-2022/
7 https://www2.deloitte.com/us/en/pages/consulting/articles/ten-disruptive-trends-in-wealth-management.html
8 https://www.capgemini.com/resources/top-trends-in-wealth-management-2022/

Inflation

Post-pandemic economic impacts

Inflation hasn't presented a major challenge for financial advisors in around 40 years, meaning many have never needed to guide their clients through it. Nonetheless, the economic impact of the pandemic sparked a knock-on effect that has culminated in soaring inflation, with Forrester reporting a 5.4% rise in the US consumer price index last year. That makes it the highest inflation rate in 13 years—and consumers are only expecting prices to keep rising (Forrester)[9].

The litmus test of client trust

In the drive for the mass affluent market, firms will need to work harder to earn the loyalties of clients, with the current inflation landscape factored in. The vast majority of advisors will be operating in uncharted territory, meaning they will require additional training on inflation-specific wealth management. On a strategic level, firms should look to formulate strategies that protect investment portfolios from the adverse effects of inflation, and implement them rapidly.

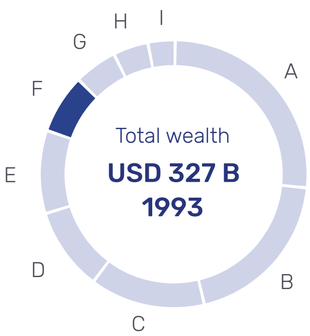
Ultimately, the ability to handle inflation and maintain net worth will be the litmus test of client trust among the emerging mass affluent segment. As an important stake in a changing market, firms could find that this is foundational to lasting success.

9 https://www.forrester.com/report/predictions-2022-wealth-management/RES176444

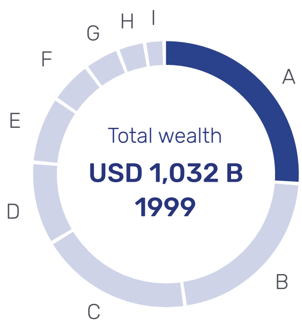
New client demographics, new demands

Investors and HNWIs in new demographics have provided the undercurrent for several emergent shifts in wealth management. In the past 15 years, concentrations of wealth have realigned and, unsurprisingly, today's ultra wealthy are coming from technology, finance and investments categories (Capgemini)[10]. As this new wave of wealth steadily reaches the shores of key financial firms, new demands are already beginning to surface.

Alternative values and priorities among this new generation are expanding the horizons of investment, from crypto and digital assets to sustainability scoring. As a new chapter of the industry dawns, incumbent firms must be willing and ready to reshape their service offerings—or risk being swept away in the tides of change.



A	Inherited	27%
B	Other	20%
C	Finance	14%
D	Publishing & Media	10%
E	Retailing	10%
F	Technology	7%
G	Telecoms	5%
H	Real Estate	4%
I	Oil	3%



A	Technology	27%
B	Inherited	22%
C	Other	19%
D	Finance	10%
E	Publishing & Media	8%
F	Telecoms	5%
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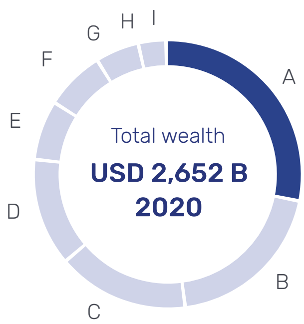
H	Real Estate	3%
I	Oil	2%



A	Technology	29%
B	Finance & Investments	20%
C	Other	16%
D	Fashion & Retail	13%
E	Food & Beverage	7%
F	Media & Entertainment	7%
G	Real Estate	5%
H	Energy	3%

Source: Capgemini, World Wealth Report 2021; Forbes Billionaires: The Richest in 2020, accessed March 2021.

a) Categories represent the individuals' primary source of earning. b) The Finance & Investment category pertains to individuals whose primary source of income is derived from the FS industry (e.g., mutual fund and brokerage company founders, hedge fund managers, founders of FinTech, etc.). c) In the 1993 and 1999 graphs, the Technology category was derived by totaling the original Software, Computers, and Internet categories.

10 https://worldwealthreport.com/resources/world-wealth-report-2021/

Crypto, digital assets and volatility

The digital investment portfolio

The digital revolution has given rise to new asset classes, and many tech-savvy HNWIs have begun to invest. This is no small number, with 72% of these individuals having invested in cryptocurrencies—rising to 91% for HNWIs under the age of 40 (Capgemini). It's therefore unsurprising that we've seen an uptick in the amount of larger players announcing crypto funds. Today, the more serious investor has plenty of options in the digital asset space.

Staying relevant while staying regulated

As interest in these kinds of assets proliferates among investors, an array of opportunities is materializing. Indeed, wealth management offerings that cater to these new demands are becoming necessary, especially for firms who are intent on building loyalties among a younger client base.

That being said, leveraging the digital asset class also will require developing suitable investment strategies.

Firms will need to invest heavily in education on digital asset investment for advisors and clients alike, while also developing robust protocols. In a market that is prone to volatility and regulatory challenges, firms will be under pressure to go the extra mile in order to safeguard their clients' interests.

11 https://www.capgemini.com/resources/top-trends-in-wealth-management-2022/

Sustainable investing

New value orientations

Today's investors are increasingly concerned with how their financial decisions play into the global movement towards sustainable practices. Owing to expanded environmental awareness, wealth management clientele are demanding more information on sustainable investing and ESG impact.

Naturally, this is particularly pronounced among the incoming generation of investors. 39% of HNWIs younger than 40—as well as 43% of ultra-HNWIs—are likely to ask their firm for an ESG score when considering an investment (Capgemini)[12].

Leveraging ESG technology

Among firms, it will be essential to meet these demands by carving out a sustainability commitment complete with advanced ESG scoring capabilities.

For many wealth management institutions, the first order of business will be assessing whether their current infrastructure is actually sufficient to deliver these new services—and if not, considering partnerships with WealthTechs who have expertise in collecting and aggregating ESG data.

Transparency and education

In addition to ESG scoring competencies, firms will need to earn their clients' trust on the issue of sustainability, offering transparent ESG disclosures where appropriate. To make that happen, it will be vital to educate advisors on sustainability so that they can provide well-informed recommendations.

12 https://www.capgemini.com/resources/top-trends-in-wealth-management-2022/

Personalized stock indices

Putting the 'I' in investment

Another growing demand among new wealth management demographics revolves around hyper-personalized services, from customized investment recommendations to hybrid digital advisory experiences.

In response, a growing number of American fund managers are developing tailor-made products that fuse the benefits of passive investing with new customization features. By leveraging advancements in data and analytics, personal stock indices are set to take center stage in this new class of wealth management offering.

Zero commision trading

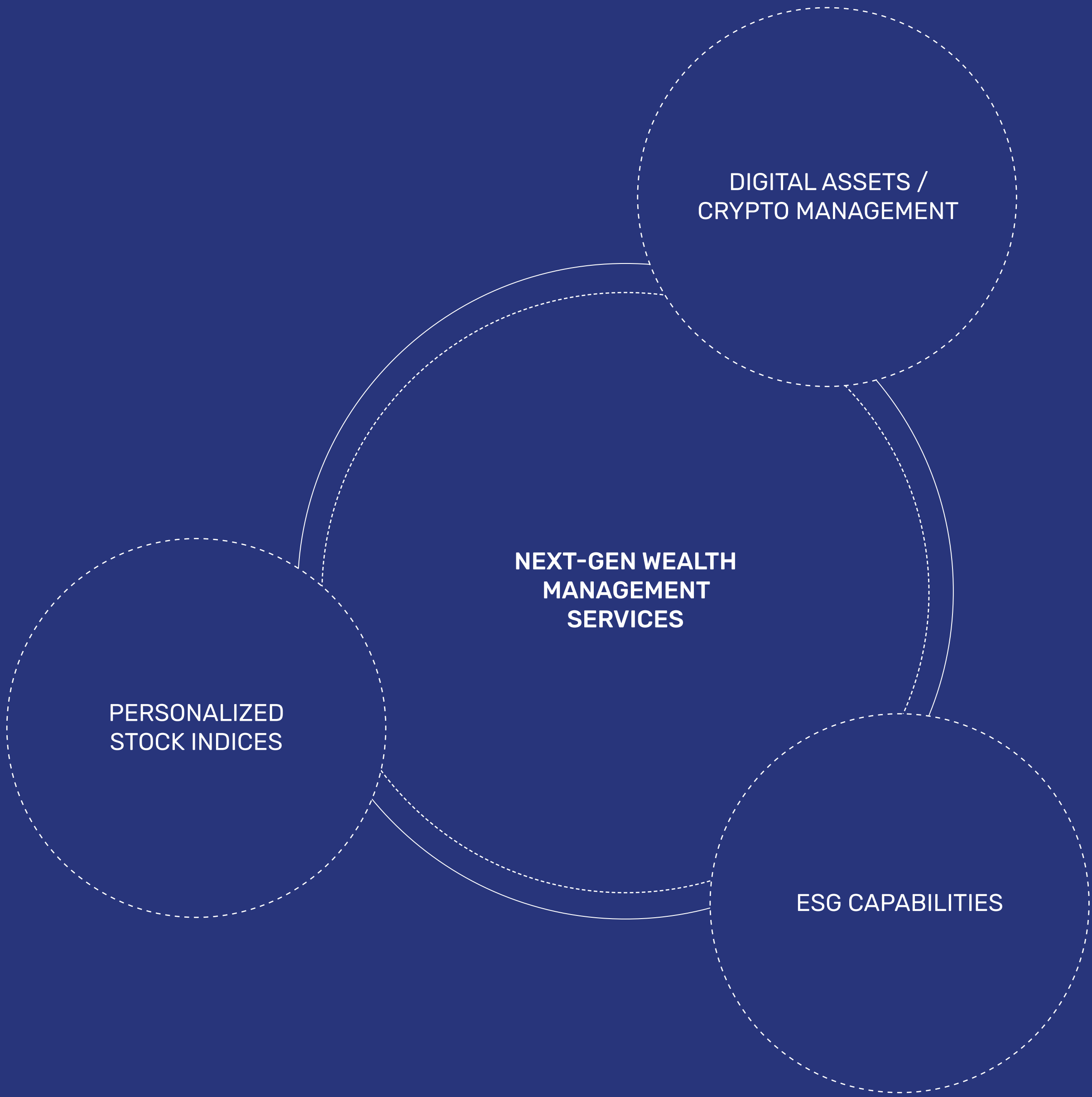
While this development owes a lot to advances in data, computing and algorithmic capabilities, The Economist[13] also highlights two drivers that are specific to the financial services industry.

The rise of personalized stock indices has coincided with the entry of zero-commission trading into the mainstream, which dramatically lowers costs. Another factor is the emergence of fractional share trading, facilitating the development of small, diversified portfolios by allowing investors to purchase a portion of a stock. With companies like Amazon soaring at $3,000 per share, fractional shares can be acquired without incurring huge expenses.

The opportunities of tailored experiences

The popularity of personalized stock indices serves as another example of how big data and advanced analytics are transforming the wealth management industry—but it is also a clear indication of what clients are looking for. Utilizing these advancements to their full potential will enable firms to develop highly accurate profiling tools and generate tailored investment solutions, sure to be a staple of the new-gen wealth management experience.

13 https://www.economist.com/finance-and-economics/2022/01/08/the-rise-of-personalised-stock-indices

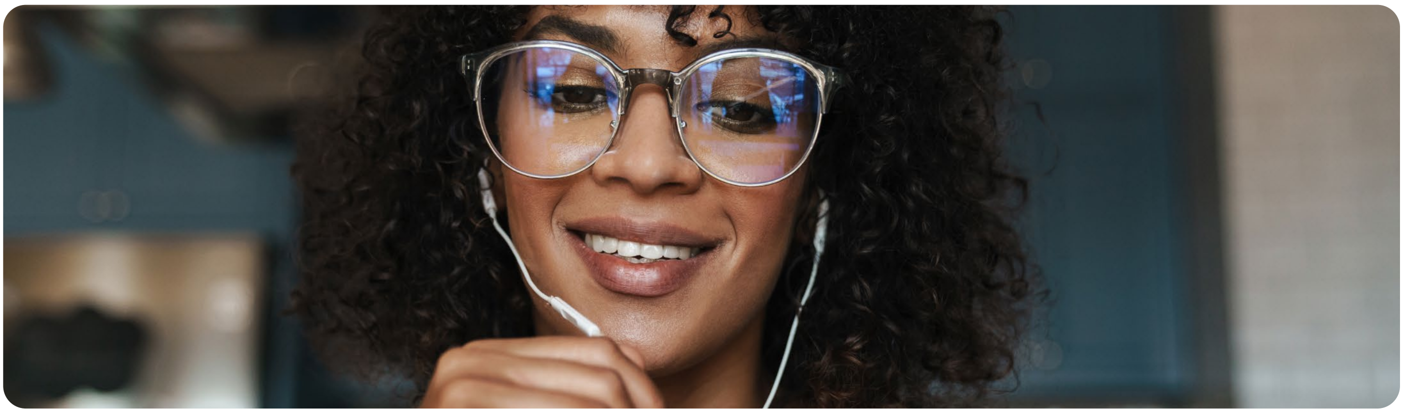

DIGITAL ASSETS /
CRYPTO MANAGEMENT
NEXT-GEN WEALTH
MANAGEMENT
SERVICES
PERSONALIZED
STOCK INDICES
ESG CAPABILITIES

CX disruption to meet changing client expectations

Not so long ago, clients would meet their wealth managers over a coffee or dinner to discuss their investment portfolios. If digital innovation was chipping away at this way of doing things for a decade or so, the pandemic introduced all-out disruption. And while it's true that many of these interactions now take place online, at the core of it, clients are still demanding the personalized human interactions they got when they'd meet their advisors for coffee.

In this landscape of client demands, wealth firms continue to become more client-centric. The challenge today is offering solutions that are simultaneously digital and human; as adept at convenience as they are at compliance. For that, building hybrid models on strong regulatory foundations looks to be the way forward.

Firms that can integrate security, digital, and client centricity will be the pioneers of next-gen CX in wealth management.



Hybrid advice

Balancing the digital and the human

Responding to evolving client expectations and tapping into the rising mass affluent market will require a personalized, digital-first approach to engagement. While such a shift has been underway for some time, the pandemic has dramatically accelerated the digitalization of the client-advisor relationship. In its wake, today's central CX challenge for wealth managers is balancing automation and digitalization without sacrificing valuable personal relationships.

Multifaceted client preferences

The emergent wealth management audience have been exposed to seamless BigTech experiences their whole lives. In fact, recent research suggests that almost 24% of US consumers would make Apple, Amazon or Google their primary financial services provider if it facilitated their money management (Ernst & Young)[14].

Clearly, this segment of wealth management wants services delivered via cutting-edge tech—but that doesn't mean they won't also value human interactions. Certainly, digital self-service is unlikely to put investors at ease if an issue is complex or confidential. In the UK, 54% of UK investors in the 18-25 age bracket actually reported losing faith in robo-advisors when faced with the volatility and risk brought on by the pandemic (Capgemini)[15].

Empowering advisors

To capture the attention and loyalties of this up-and-coming demographic, major firms will need to strategize carefully. It will be crucial to empower advisors and to deploy digital competencies in a way that delivers a truly resonant client experience, considering how digital can be used to augment these human competencies rather than replace them.

Flexible hybrid models

The advisory model that works will likely be a hybrid model, fusing the best of tech with human-based advice. It should also be sensitive to the differences in needs across the client wealth spectrum, as well as the different services that may be required within a single client journey.

14 https://www.ey.com/en_uk/financial-services/how-technology-is-driving-competitive-advantage-in-fs
15 https://www.capgemini.com/resources/top-trends-in-wealth-management-2022/

Client centricity

Designing a human experience

Firms undergoing digital transformation are making strides towards achieving client centricity. However, client-facing interfaces and services aren't inherently superior by virtue of being digital. Leading firms are directing their efforts towards the strategies and design concepts behind such platforms, focusing on ways to leverage digital to optimize the client-advisor relationship. As wealth management players look for new modes of engagement, it is likely to be human-centered design principles that take on a central role.

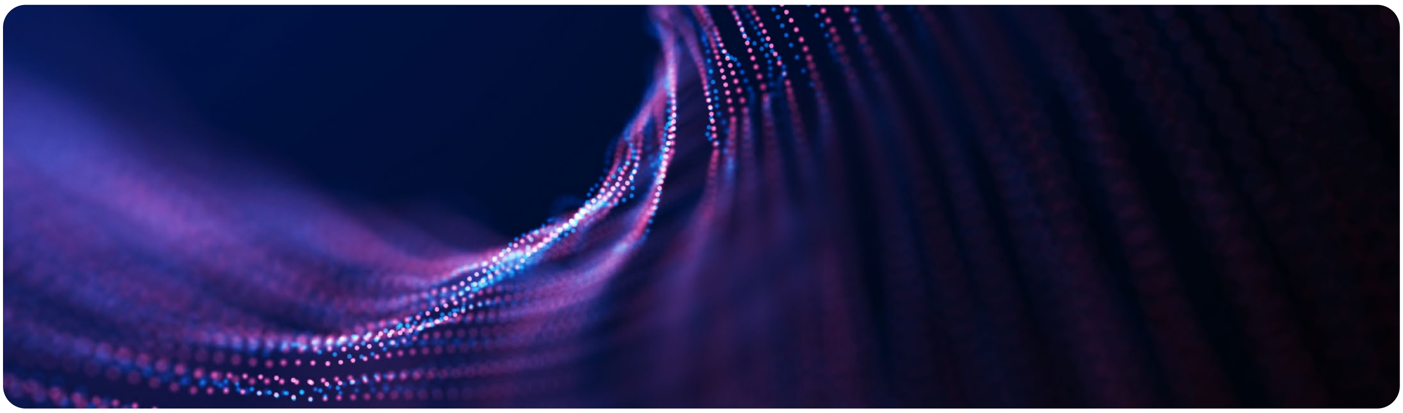
A holistic approach

The needs and preferences of today's clients are not a monolith, so relying on an undifferentiated framework—however digitally advanced—is unlikely to secure client satisfaction. In their approaches to digital CX, wealth managers need to address the entire client journey, considering how certain touchpoints might be more useful at different stages. It may be that online advice is the initial point of contact for clients who go on to use a variety of advisory services.

Addressing the advice gap

Client-centric approaches should also take stock of the "advice gap" in wealth management, which has been a focal point of criticism for decades. This paradigm leaves those who aren't among the affluent and wealthy with limited access to financial advice—a trend that is clear to see in the UK, where only 8% of adults engage with formal advisory services (FCA)[16]. Forward-looking firms will seek to combat this deficit by interacting with audiences throughout the entire customer lifecycle, achieving client centricity through digital services with a human touch.

16 https://www.ft.com/content/ee01a83b-a1b8-4ff0-9702-91524649d539



Cybersecurity

The new compliance challenge

Of course, the expansion of new digital touchpoints in finance is not without its security complications. In wealth management, organizations face an array of complex data security, privacy, and compliance challenges. For that reason, part of next-generation CX will be assuring clients that their data and investments are protected, implementing a robust cybersecurity framework to support advances in digital offerings.

Avoiding regulatory siloes

Specifically, client-centric services that remove traditional boundaries of financial advice will require additional regulatory awareness. Platforms like Zoom and WhatsApp are a sensation for client convenience, but used without the appropriate security measures, they simply cannot meet the high compliance standards required of financial institutions.

JPMorgan Chase's recent regulatory failure has served to highlight this even further. In this case, unmonitored use of WhatsApp between clients and advisors amounted to fines imposed by two US banking regulators, with total charges reaching $200 million (Bloomberg)[17].

The importance of integrations

Fortunately, there are ways for wealth managers and advisors to utilize powerful communication channels without circumventing regulations. By integrating popular third-party platforms like WhatsApp or Facebook Messenger into a streamlined secure text messaging solution, firms can offer clients highly convenient communications on their own terms. Equally, the benefits of video calls can be leveraged when hosted in a monitored environment—and with an integrated solution, firms even give their clients the ability to seamlessly switch between a message and a video call.

Security at the heart of strategy

The baseline of a digital strategy should be security, which is vital for gaining the trust of regulators and clients alike. Ultimately, convenience must never come at the cost of compliance.

17 https://www.bloomberg.com/news/articles/2021-12-17/jpmorgan-bosses-addicted-to-whatsapp-fuel-200-million-in-fines

Frictionless onboarding

The obstacles to onboarding

Onboarding wealth management clients sits at the crux of inefficiency for many firms. Due to large amounts of personal and legal data, it can take weeks or even months when onboarding a client with paper-based, manual processes.

Given that onboarding is among the first points of contact that a client will have with their wealth manager, it's vital that firms look for ways to enhance the process—but few are taking the steps to do so. In a recent study, none of the banks questioned said that they'd consider their onboarding process to be "very convenient".

Meanwhile, 95% wealth advisors identified a higher level of automation in onboarding as an aim for the future (Deloitte)[18].

AI breakthroughs in client onboarding

For those proactively investing in the innovation of this process, AI-enhanced functionalities are playing a central role. Bot-guided onboarding can automate and speed up the process, eliminating a key source of client churn.

It's possible to deploy AI and digital capabilities from prospecting to identity verification, KYC, AML and due diligence checks, as well as towards the end of the process for functions like document archival and digital signatures.

By streamlining client onboarding and carrying out the process with greater precision, smart deployment of these technologies promises to reduce opportunity costs and drive better returns.

18 https://www2.deloitte.com/ch/en/pages/financial-services/solutions/next-level-client-onboarding-in-wealth-management.html

95%

95% of wealth advisors identified a higher level of automation in onboarding as an aim for the future

The industry evolves

For a financial services professional in 2019 pre-pandemic, today's industry might seem almost unrecognizable (Forrester)[19]. Wealth management has evolved at unprecedented speeds, with internal industry developments mirroring a broader picture of rapid evolution. Workforces, ways of working, and who firms work with are all focal points of change in the investment banking space, setting three key trends in motion for the sector's immediate future.

Partnerships and acquisitions

A space for new players

As major firms drive into the emergent mass affluent segment of wealth management, new mergers and acquisitions are already coming to the fore. Clear examples of this in the past eighteen months have come from major institutions, such as UBS' recent acquisition of digital-only platform Wealthfront aimed at Millennial and Gen Z investors.

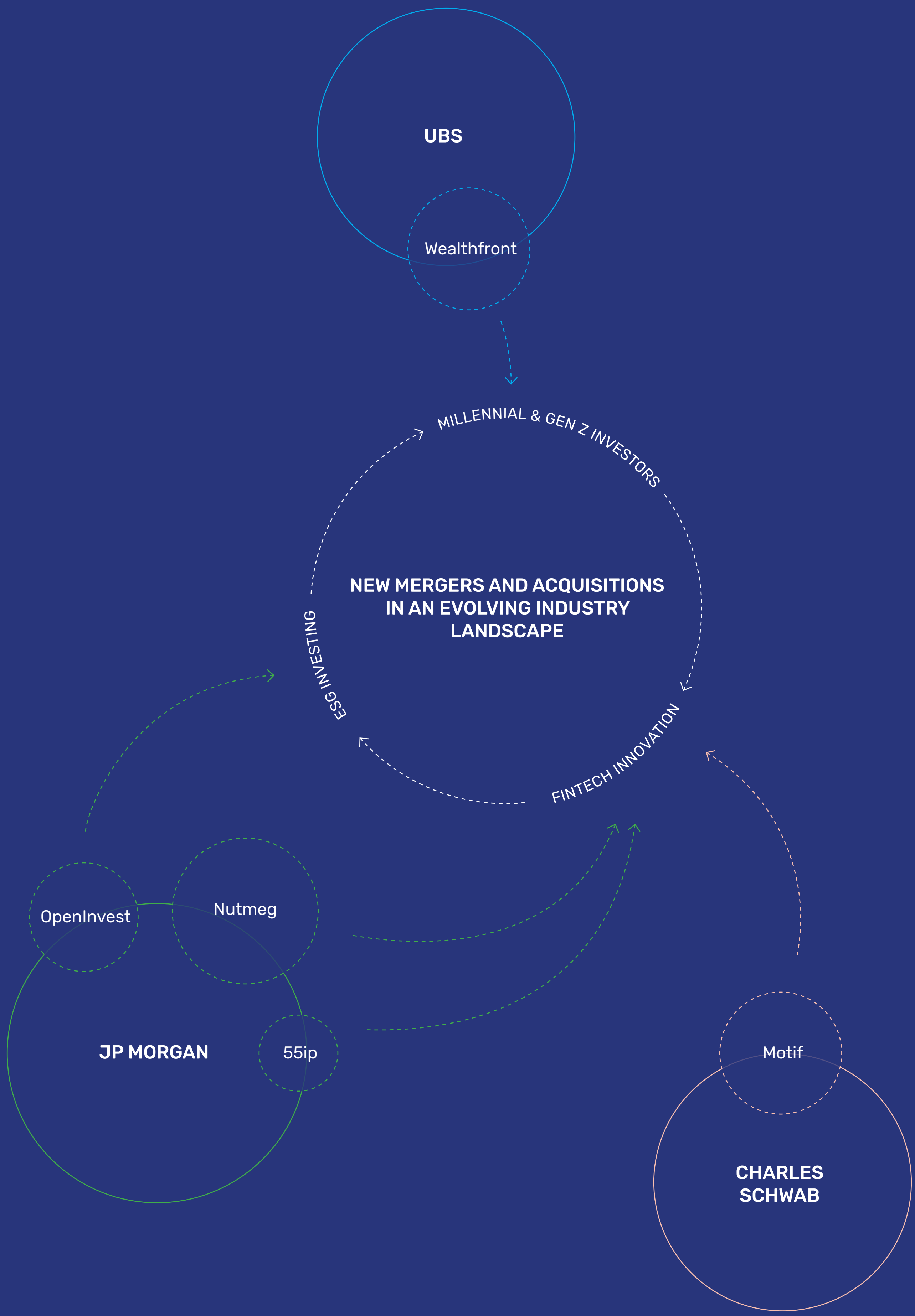
Meanwhile, Charles Schwab bought fintech and data science pioneer Motif, as JPMorgan Chase expanded their ESG efforts with the acquisition of OpenInvest and added fintech startups Nutmeg and 55ip to their innovation repertoire. With long-term growth hinging on a new wave of investors, it's becoming obvious to major firms that state-of-the-art digital is no longer optional.

Powerful partnerships

This is a trend that will continue as incumbent firms look to forge their path in an evolving industry landscape. As the wealth management environment continues to present new challenges, today's institutions will need to advance internal capabilities at an unprecedented speed.

Those who are successful will likely be the ones that partner with wealthtech providers to strategically leverage high-level digital and tech expertise. In their searches, firms should look for partners who can help expand their reach in a quick and cost-effective way, utilizing modern architectures and API capabilities.

19 https://www.forrester.com/report/predictions-2022-wealth-management/RES176444?ref_search=3476076_1645803736468


UBS
Wealthfront
MILLENNIAL & GEN Z INVESTORS
NEW MERGERS AND ACQUISITIONS IN AN EVOLVING INDUSTRY LANDSCAPE
ESG INVESTING
FINTECH INNOVATION
OpenInvest
Nutmeg
JP MORGAN
55ip
Motif
CHARLES SCHWAB

Remote work

Going hybrid has its challenges

While the pandemic may soon be resigned to the history books, its long-term impact will significantly shape the future of work. For the wealth management industry, the remote work impulse presents great opportunities, but it also presents a myriad of complex questions. How can firms get hybrid work to function effectively—and, of course, compliantly?

Cultivating hybrid work culture

Among workforces, the preference for hybrid and remote working arrangements is becoming commonplace. With over 60% of financial services professionals agreeing that a lack of flexibility would influence the decision to stay at their company, firms are under pressure to integrate hybrid work into the fabric of corporate culture (Gartner)[20].

The demand is there—but how wealth management institutions will manage a more sparse distribution of employees remains to be seen. Here, it will be essential to delegate authority in a way that facilitates decision-making when teams are not in the same physical spaces.

The compliance question

Meanwhile, remote working arrangements have also introduced an array of regulatory challenges. In the UK, the Financial Conduct Authority has established new compliance requirements for hybrid working, essentially mandating that firms are able to prove control mechanisms still work in a remote setup (FCA)[21].

In the absence of a centralized location, regulations like these mean that financial institutions will need to innovate their approaches to compliance and confidentiality if they want to reap the benefits of remote work. For that, it may be necessary to employ specific expertise and new technologies to carry out high-quality internal auditing procedures.

20 https://blogs.gartner.com/daniel-thomas/2021/11/15/how-to-make-hybrid-work-successful-in-financial-services/
21 https://www.fca.org.uk/firms/remote-hybrid-working-expectations

Evolving workforce

The workforce of the future

As outlined, the aging generation of financial advisors will have a considerable impact on the wealth management workforce. Rather than fixating on the loss of long termers, however, innovative firms are seeing this as a chance to renew and refine their human resources, making adaptability a priority asset among their workforces.

Strengths-based strategies

It's widely understood that many advisors have struggled to adapt to the technologies and values that are championed by the emerging generation of wealth management clients (Deloitte)[22]. In order to capitalize on this high-potential sector, firms will need to reflect these shifts in the workforce, adopting a strengths-based strategy. Instead of insisting on experience, fostering flexibility, willingness to learn and growth mindsets among staff will create a workforce that is capable of facing change.

Millennials are leaders in the making

Equally, making millennials climb the ranks in a process-oriented fashion is a potential waste of talent. These professionals should be given the chance to fill key positions where they can help define strategy and shape the future of their firms, bringing fresh ideas to the table.

Growing with your people

Ultimately, firms must set the precedent that flexibility and resilience will be rewarded among their workforces. These adaptable, agile employees will be vital for sustained growth—but they'll also expect their employers to implement hybridized and human-centric ways of working.

22 https://www2.deloitte.com/us/en/pages/consulting/articles/ten-disruptive-trends-in-wealth-management.html

Conclusion

Whichever way we look, we find the centrifugal force of change in digital innovation.

Observing new client demographics and preferences, we see that digital mediums are welcoming new segments into the world of wealth management while simultaneously setting the standard for client experiences.

When we turn to the inner workings of firms, we can discern a similar pattern—a demand for ways of working that make the most of digital, rather than resisting its unstoppable impulse. And a quick overview of sought-after wealth management services (think digital assets, ESG investing and personalized stock indices) all have their roots in top-tier digital technology.

Today's wealth management space isn't overcrowded, but it does not leave room for organizational rigidity. As the traditional barriers around wealth management wither away, firms must grapple with a more complex picture of people, preferences and partnerships that have altered the shape of industry.

Nonetheless, such a rich tapestry of digital developments in wealth management promises to reward those firms who are willing to make transformation a priority.


Inflation
Democratization of investing
The great wealth transfer
Sustainable investing
Crypto, digital assets and volatility
Personalized stock indices
JOSTLING FOR THE MASS AFFLUENT MARKET
NEW CLIENT DEMOGRAPHICS, NEW DEMANDS
DIGITAL INNOVATION
THE INDUSTRY EVOLVES
CX DISRUPTION TO MEET CHANGING CLIENT EXPECTATIONS
Partnerships and acquisitions
Frictionless onboarding
Hybrid advice
Evolving workforce
Remote work
Cybersecurity
Client centricity

Transforming the future of wealth advisory

About Unblu

Unblu helps the world's leading wealth management firms deliver an in-person experience online. The Unblu platform aids the role of advisors to interact and educate clients collaboratively through an ongoing digital conversation that is as efficient and convenient as it is secure and compliant.

The Unblu Conversational Platform increases client-advisor interaction while reducing costs and enriching the digital client experience. Unblu customers experience a 15%-20% increase in conversion rates, achieve a greater volume of client meetings, considerably increase client satisfaction, and produce a 90% recommendation rate. Unblu is transforming the future of private wealth advisory.

Would you like to find out more? Visit www.unblu.com/resources to access webinars, testimonials and use cases about our features and solutions.

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