Scrum_RiskWealth_Project_Report

EXECUTIVE SUMMARY

- This report presents a comprehensive analysis of customer segmentation, risk profiling, and portfolio performance for a wealth management business, using insights generated from a three-page Power BI dashboard built on SQL Server data.

- The goal of this project is to demonstrate an end-to-end data analytics solution aligned with real-world financial advisory processes, including risk assessment, portfolio monitoring, advisor performance review, and customer behavior analysis.

- The dashboard integrates four key data domains—Customer Demographics, Risk Profiling Engine Output, Portfolio Performance, and Transaction Patterns—to provide a 360° view of investor behaviour.
- Twenty customer profiles were used for simulation, along with five financial advisors, risk questionnaire logic, and portfolio valuation data.

- Visual analytics revealed that customer risk profiles significantly influence investment patterns, asset allocation, and return expectations.

- Geographic trends and advisor-to-client allocation helped identify growth opportunities and workload distribution. Portfolio return trends, AUM distribution, and transaction behaviours highlighted key business drivers and potential operational bottlenecks.

- This project demonstrates the capability to gather data, structure it using SQL, validate it through queries, model it in Power BI, and convert business logic into visual insights—representing the end-to-end responsibilities of a Business Analyst or Product Owner in a financial analytics environment

⭐ PAGE 1 — CUSTOMER OVERVIEW

Business Interpretation

This page provides a **top-down snapshot** of the customer base, their distribution, and the overall health of the book.

Key Insights

1. **Customer Base Size & Distribution**
   - The dashboard shows the total number of active customers (20).
   - The age range and city distribution help understand customer demography. Example insight: Most customers belong to the **30–50 age group** and are concentrated in cities like Pune and Mumbai.
2. **Risk Category Mix**
   - Customers are classified into Low, Moderate, and High risk based on the Risk Profiling Engine scores.
   - A healthy portfolio generally has a decent mix — if too many customers fall into "Low Risk", cross-sell potential is low; if too many fall into "High Risk", portfolio becomes volatile.
3. **Portfolio Value Overview**
   - AUM distribution across customers shows which clients contribute more.
   - Top customers hold significantly higher portfolio value, meaning the business is

80/20 skewed (typical pattern where 20% customers bring 80% AUM).

4. **Advisor Allocation Insights**
    - Advisor-wise customer count shows load distribution.
    - If one advisor handles more high-value customers, retention & relationship management effort must increase.
5. **Geographical Insights**
    - City-wise customer distribution reveals which regions have stronger presence.
    - Useful for expansion decisions (e.g., whether to expand advisor strength in Mumbai).

Overall Interpretation

Page 1 tells the **"Who are our customers?"** story —
their demographics, risk preferences, where they live, how much they invest, and who manages them.
This page helps stakeholders understand **customer segmentation & acquisition priorities**.

⭐ PAGE 2 — PORTFOLIO & RETURNS ANALYSIS

Business Interpretation

This page analyses **portfolio performance**, asset distribution, and returns across the customer base.

Key Insights

1. **Portfolio Concentration**
    - Top 10 customers hold a major share of total AUM.
    - Businesses should prioritize these high-value clients for deeper engagement.
2. **Risk–Return Alignment**
    - Portfolio value by risk category reveals if customers' investments match their profiles.
    - For example:
        - High-risk clients should ideally show higher returns.
        - Low-risk clients should have conservative portfolios with stable gains.
3. **Return on Portfolio (YTD)**
    - The Returns YTD chart helps identify:
        - Outperformers
        - Underperforming customers
    - Negative or very low returns highlight risk exposure or poor fund selection.
4. **Investment Behavior Over Time**
    - Running investment (Window Function) reveals cash flow trends.
    - Example interpretations:
        - A rise in investments during specific months may align with marketing campaigns.
        - A drop indicates lower investor confidence or external market events.
5. **Advisor Performance Overview**
    - Advisor-wise AUM can show who is driving more business.
    - Useful for performance management, incentive planning, and reallocation decisions.

Overall Interpretation

Page 2 answers **"How are our investments performing?"**
It brings clarity on AUM, returns, investment trends, and advisor contribution — essential for strategic planning, product suitability checks, and compliance reporting.

⭐ PAGE 3 — RISK PROFILING ENGINE INSIGHTS

Business Interpretation

This page shows how customers behave in the **risk profiling system** and how their risk levels correlate with portfolio value, age, and investment patterns.

Key Insights

1. **Risk Score Distribution**
   - This reveals the overall risk appetite of the customer base.
   - Example:
     - If majority fall in "Moderate Risk", then balanced/Multi-Asset funds are suitable products.
     - If many are "High Risk", equity-heavy products have higher cross-sell potential.
2. **Risk Score vs Portfolio Value Correlation**
   - Scatter/bubble chart helps understand whether higher risk-takers actually invest more.
   - Example interpretations:
     - **High Risk + High Portfolio Value** = Ideal premium client segment
     - **Low Risk + High Portfolio Value** = Should be moved to safer products
     - **High Risk + Low Portfolio Value** = Young customers who can be nurtured for long-term AUM growth
3. **Question-wise Scoring Patterns**
   - Analyzing responses reveals:
     - Which risk questions customers struggle with
     - Whether customers are conservative about capital protection
     - How financially literate customers are

Helps improve the **Risk Profiling Questionnaire** (RPA 2.0).

4. **Customer Segment Insights**
   - High-risk investors are usually younger (found in data).
   - Low-risk investors tend to have higher age or lower income.
   - This relationship validates the correctness of the Risk Profiling Engine logic.
5. **Compliance & Suitability**
   - If high-risk customers invest in low-risk products (or vice versa), this page will reveal misalignment.
   - Important for suitability compliance and audits.

Overall Interpretation

Page 3 answers **"Why do our customers invest the way they do?"** and provides insight into:

- Customer psychology
- Suitability & compliance
- Investment behavior
- Risk alignment with financial goals

This page is crucial for risk teams, product teams, and regulatory reporting.

⭐ RECOMMENDATIONS (Business Value Section)

1. Strengthen High-Value Client Engagement

Since top customers contribute a major portion of AUM, a premium service layer—dedicated advisors, portfolio reviews, or personalized recommendations—will help improve retention and cross-sell opportunities.

2. Align Investment Products to Risk Segments

- High-Risk clients → Equity-heavy, thematic, or aggressive funds
- Moderate-Risk → Hybrid, Balanced Advantage, Multi-Asset
- Low-Risk → Debt, Liquid, Capital-protection products

  This ensures suitability compliance and improves customer satisfaction.

3. Optimize Advisor Workload Distribution

Advisor-wise AUM and customer allocation show uneven distribution. Rebalancing assignments or improving advisor training can increase performance and reduce operational strain.

4. Expand Presence in High-Density Cities

Cities with higher customer count (e.g., Pune, Mumbai) offer strong expansion potential. Targeted campaigns, regional events, or partnerships may drive new customer acquisition.

5. Use Risk Insights to Personalize Marketing

Risk response patterns reveal customer psychology:

- Customers cautious about capital protection need low-volatility products
- Customers confident with volatility can be targeted with equities
  Personalized messaging will increase conversion.

6. Monitor Negative or Low Returns

Customers with poor portfolio performance should be flagged for proactive advisory:

- Rebalancing
- Switching to better-performing funds
- Conducting portfolio health checks

7. Automate Next Best Action Using Analytics

Use insights from dashboard to build automated suggestions:

- High-risk + high AUM → Portfolio diversification
- Low-risk + high income → Upsell balanced funds
- Frequent transactions → Ideal for SIP/STP nudges

8. Improve Onboarding by Enhancing Risk Questionnaire

If certain questions yield consistently low scores, revisiting the question design can improve accuracy of risk classification and increase compliance quality.

⭐ CONCLUSION

The analysis confirms a clear alignment between customer demographics, investment behaviour, and risk tolerance. Customers were primarily concentrated in the moderate risk category, suggesting a balanced investment product focus (multi-asset or hybrid portfolios). High-risk customers typically showed higher portfolio values and stronger return patterns, while older and low-risk users were more conservative in both investment amounts and fund choices.

Portfolio concentration was evident, where a small set of customers contributed a disproportionately high share of total AUM. This pattern reinforces the need for high-touch engagement with premium clients. Advisor performance insights showed uneven customer distribution, indicating potential areas for optimising relationship management and workload balancing. Transaction behaviour revealed that customer investment patterns fluctuate periodically, likely aligned with market cycles or campaign-driven engagement.

Overall, the dashboard successfully provides a holistic view of customer behaviour, risk alignment, and portfolio health. It offers a strong foundation for strategic decision-making, customer engagement planning, suitability compliance, and advisor productivity improvements