



Client Experience: The drive to put clients at the heart of wealth management

By David Lo and Annie Catchpole
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“Put the customer at the heart of the service experience” – that’s the gauntlet that one global wealth management firm intends to throw at the feet of its new executive and head of client experience (CX). Challenged to “drive transformational change in customer journeys” and deliver “sustainable competitive advantage through best-in-market customer experience”, the optimism of all would-be candidates must be applauded.

It’s tempting to believe these eye-wateringly high expectations are baked into the value proposition of global firms. Tempting – but wrong – because most wealth firms only dabble in CX measurement but are yet to wake up to the CX revolution, let alone appoint a head of CX responsible for building compelling value propositions that marry serving clients with business success.

Traditionally, senior management seats at wealth management firms are filled by veterans who have come up through the ranks. These marketing and sales executives have lived and breathed the recruiting game and production focus and have won the hearts of the rank and file. Often times, the CX research teams report into the marketing and even sales organizations. If polled, CEOs would likely find it absurd to flip reporting lines and have sales and the field report into a global head of CX. Is it?

Myriad forces compete for the heart of the industry. Advisors, shareholders, regulators – all are shouting to be heard above the deafening roar of disruption that threatens long-term sustainability, yet none have as much right to dictate the future as the clients themselves.

Wealth management should absolutely be built around client needs. Given the intimacy of the client / advisor relationship it may be hard to believe that it isn’t already, but the truth is that while many firms invest in listening to their clients, few put what they learn to work delighting customers day-in-day-out.

The obstacles are numerous. How do you talk frankly with ultra-wealthy clients about what they expect? How do you identify the key touch-points that matter most? How do you break through the wall that many advisors build between you and the client? How do you benchmark the success of one firm against another – and what does that success even look like?

These are questions the industry must urgently answer because winning new assets is tougher than ever.



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Our latest HNW insight studyⁱ revealed that the world’s wealthiest investors are seeking more feedback than ever when choosing a financial provider. The significance of ‘independent opinion’ in their selection process – including client referrals, ratings and reviews – has risen by 15% in the last two years, more than any other customer experience factor. HNWs and UHNWs are showing a thirst for quantitative feedback and, despite the fact that ratings are uncharted territory for wealth managers, the industry may now be on the cusp of launching an equivalent of a Wealth Management Trip Advisor. With clients actively seeking the opinion of peers and digital channels offering those views unlimited amplification, it has never been more important to deliver an outstanding client experience.

Once upon a time, truly outstanding customer service was the preserve of the brands courting only the super-rich. Now mass-market Apple has emerged as the most popular elite brand in our Brand Love indexⁱⁱ and Amazon claimed the top spot in a survey that asked CX leaders who they most admired.ⁱⁱⁱ

Both brands share an insatiable hunger to understand what clients want and use that insight to deliver products and services that consistently delight customers. Few would doubt that wealth managers are generally committed to the theory of good service but their attention to understanding the detail of what customers want falls short. Just ask the clients. Almost 40% of customers worth over USD\$4 million feel that their wealth manager neither understands their financial goals nor their product and service preferences.^{iv}

That’s simply not sustainable for an industry built on client assets and advocacy.

Neither is it good enough to deliver discrete service improvements or bolt-on digital propositions and hope for the best. Putting customers at the heart of wealth management requires a bottom-up approach based on thorough analysis. It means drawing on all available data to build a genuine understanding of which parts of the customer journey matter most to customer satisfaction and it means having the courage to reimagine the whole service model and the compensation structures that underpin it.

Firms must accept that, right now, they do not have sufficient insight around the lifetime experience and expectations of their clients. This process of accepting the unknown has been described by Forbes as “cathartic”^v but might just as easily feel terrifying. Either way, though, elevating customer experience to its appropriate position within an organization will always be transformative, and the first step is to recruit a head of CX to navigate a path through that change.

If more firms appoint CX directors the pace of change will quicken and wealth management will be able to embrace customer experience strategy, design and execution as a core competency?

And it must. We have left behind the 20th century world that was driven by institutional authority and the might of super-brands. Today, power is flowing to the individual and electronic connectedness is accelerating that shift. Customers expect brands to become fully integrated into the patterns of their life, right here, right now.



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It's up to firms to acknowledge this new reality and create the "devoted relationships" that clients crave.

As the disintermediation of mass media continues, and digitally powered customization takes over, more and more of a firm's success will lie in the nuances of customer experience. The rigorous design, testing and evaluation of global ad campaigns must be echoed in an equally rigorous approach to understanding, benchmarking and evaluating client experience.

Firms must know how their service stands up against competitor brands and know how each customer touch-point connects to the bottom-line. They must create reliable and frequent feedback loops to check-in on progress and they must be relentless in their determination to put the client at the heart of their business. If not, the door will swing wide open for competitors – perhaps those very brands who've honed their customer experience skills in other sectors – to become the client's new best friend.

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ⁱ Scorpio Partnership (2014), *Futurewealth: The advocacy impact*

ⁱⁱ Scorpio Partnership (2013), *Futurewealth: The digital future of client relationships*. 68% of the world's futurewealthy, those with a net worth of over USD4 million, own an Apple product, making it the most popular elite brand in the Brand Love index.

ⁱⁱⁱ Beyond Philosophy Customer Experience Global Leader Survey 2013

^{iv} Scorpio Partnership (2014), *Futurewealth: Enhancing the customer service curriculum*

^v Forbes (2013), *Customer experience. Is it the chicken or the egg?*

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