

XiXun Asia



solving puzzles
delivering efficiencies

Transformation: Opportunities for customer excellence in affluent banking

Asian Banking & Finance Forum Kuala Lumpur

25 June 2024

Agenda



1	The Opportunity
2	3 Models of Transformation
3	State of the Architecture – the data opportunity
4	State of Products – the offering opportunity
5	State of Digital Journey – the user experience opportunity
6	Is there a business case to further digitalise?

Agenda

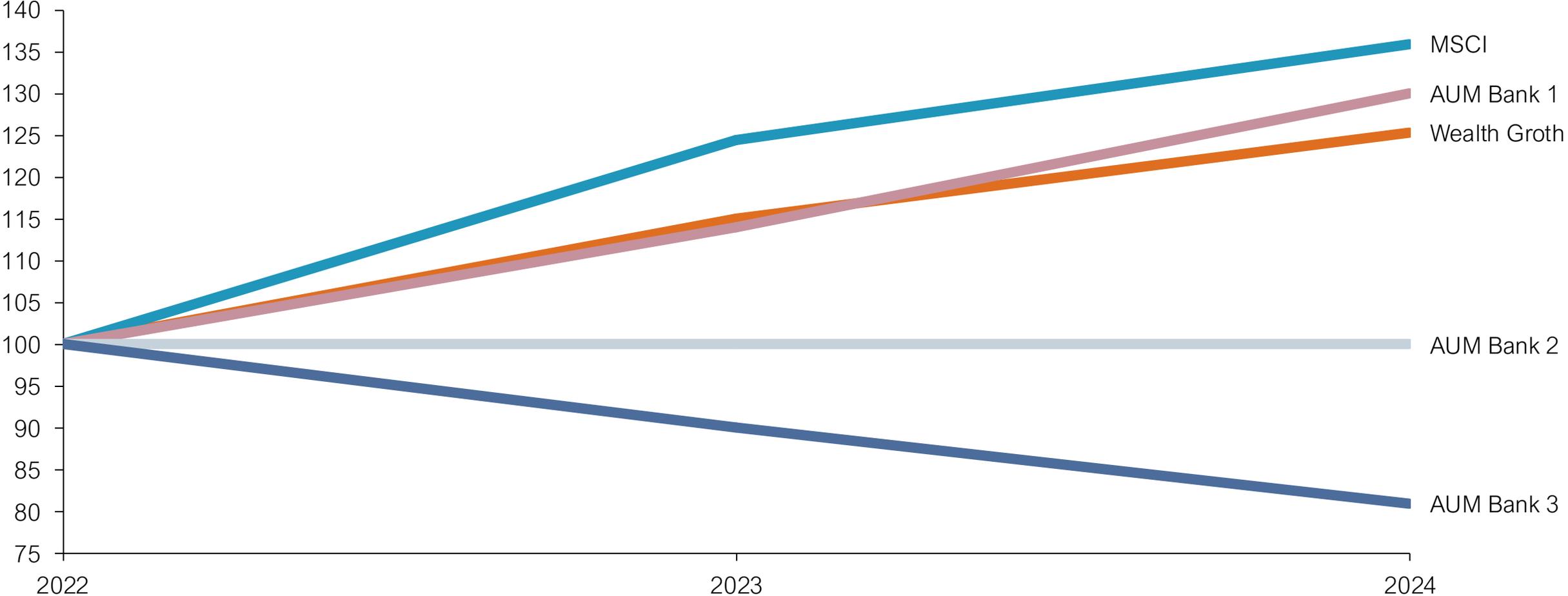


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The Opportunity



Wealth growth and market performance despite geopolitical situation



Data from E&Y Wealth report, MSCI world index, own research

Six pillars of successful wealth management



Business and operational consideration to best tech and mitigated risks



Single customer view



Near time positions



Central pre-deal check



Advisory tools



Consolidated wealth statement



Extensive product offering

High Customer Experience and Satisfaction

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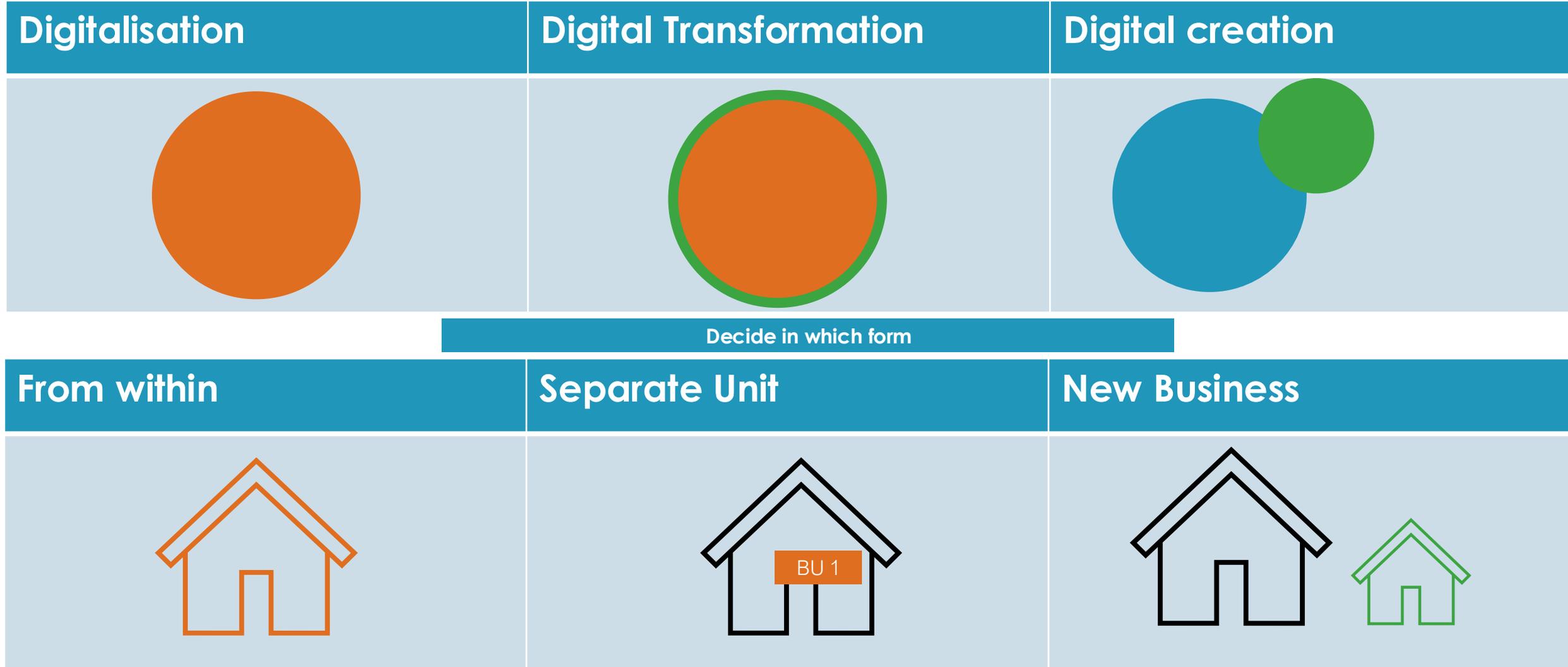
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3 Value approaches – 3 Models of Transformation



Model 1: Adapted from Tom Goodwin – Digital Darwinism

Model 2: BCG <https://www.bcg.com/publications/2017/why-are-banks-not-getting-more-from-digital>



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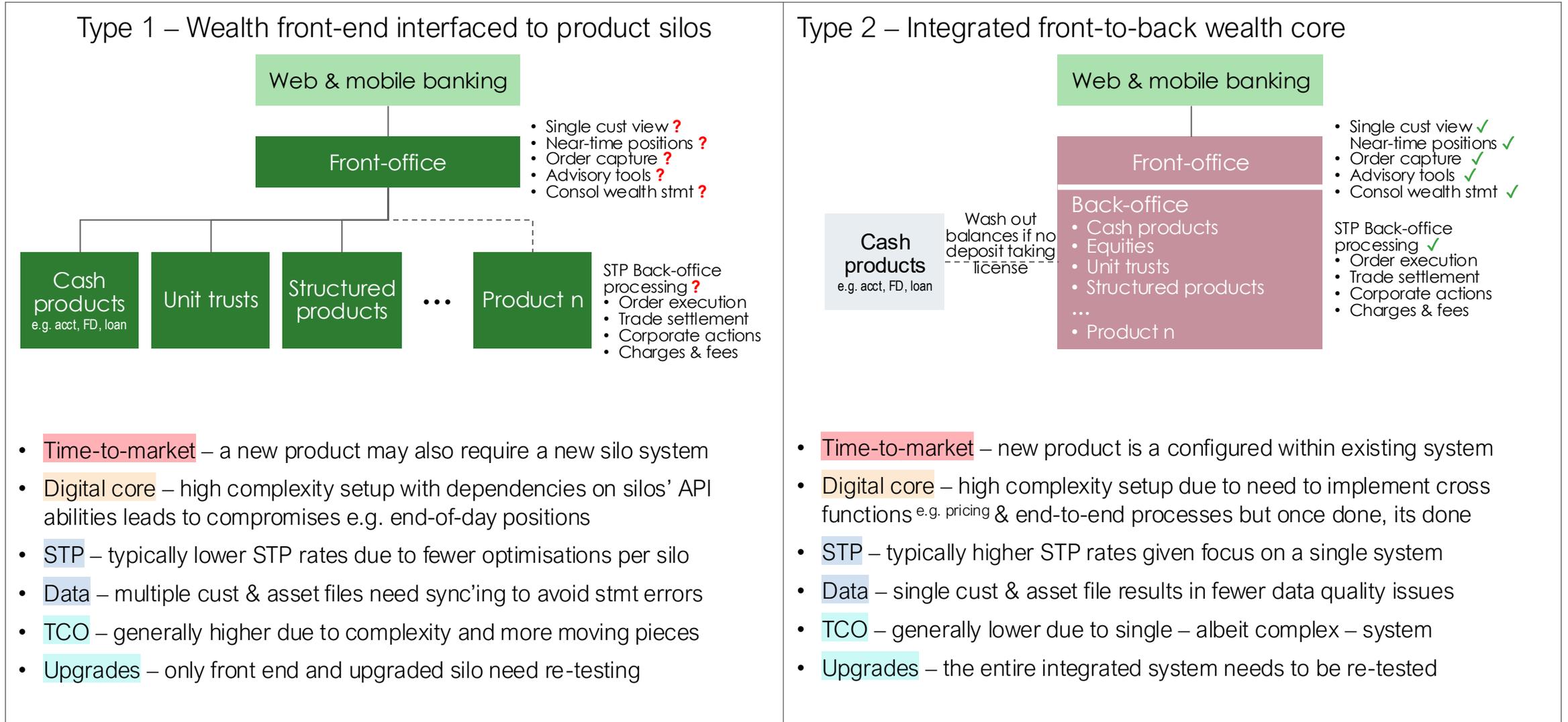


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Generally, there are 2 main schemas for architectures



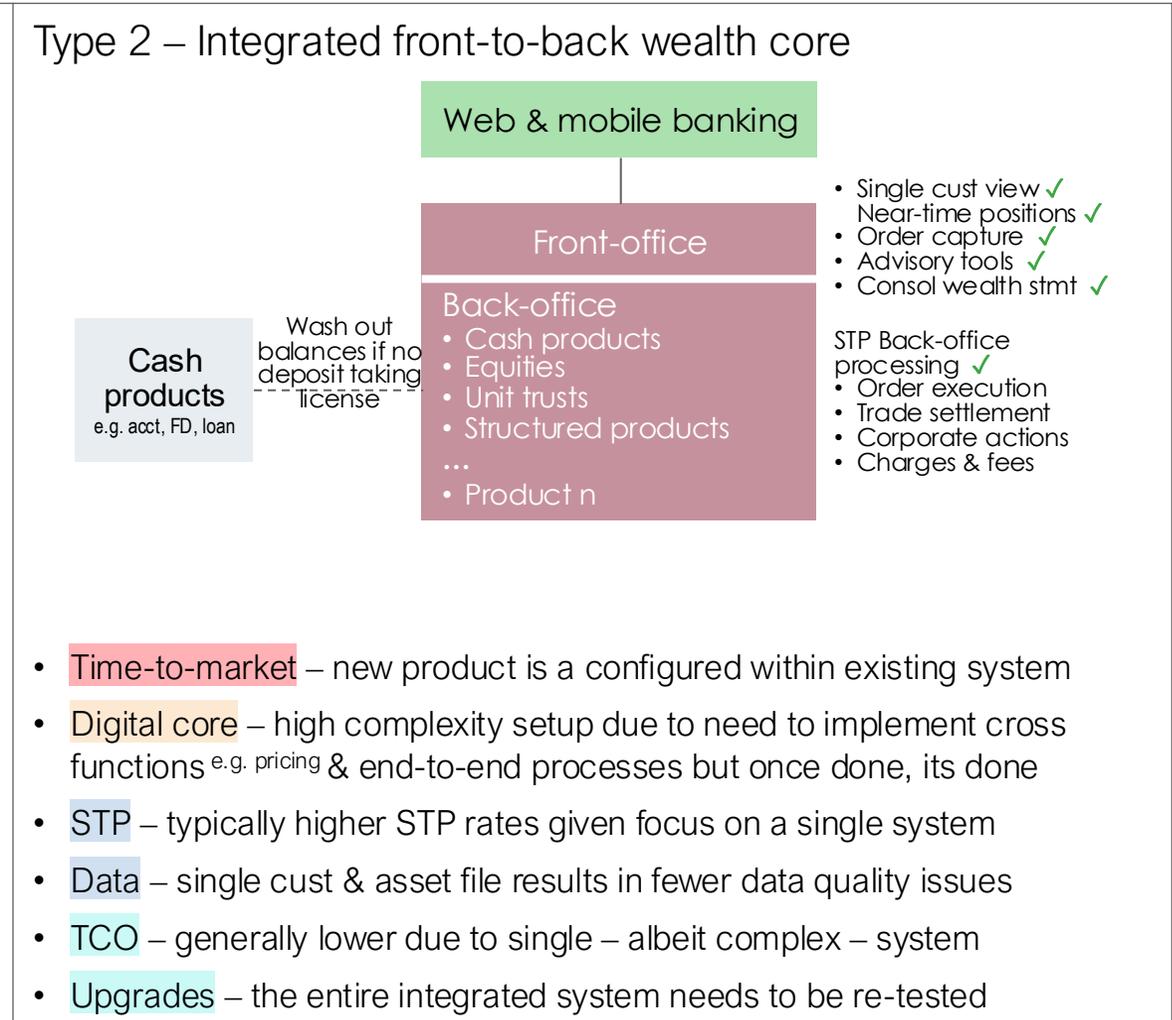
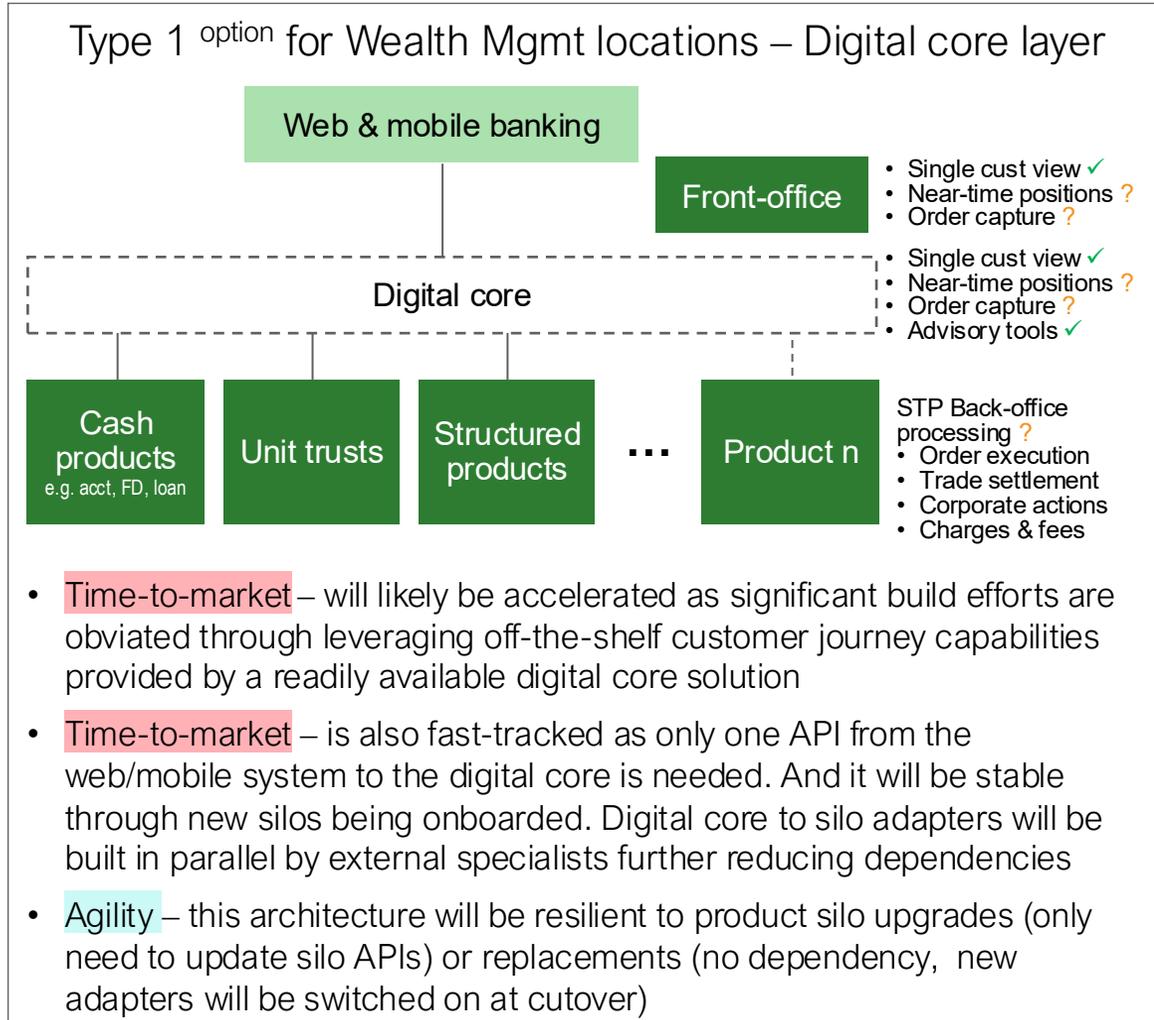
The Silo vs integrated Architecture



A careful evaluation will assist choosing



The importance of a data consolidation



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The integrated bank vs the segregation in MIST



An opportunity to increase the scope of products on offer

The European Banks (most)

Ratings and Reviews

4.6 out of 5

415.2K Ratings



Deboyvanzuid, 18/09/2017

Love it
Geweldige app, mist alleen een notificat [more](#)

Developer Response,
Hoi Love it, dit is inmiddels mogelijk :-)



Basz030, 19/06/2019

Toppie!
Onlangs ben ik overstapt naar de ING. [more](#)

Developer Response,
Mooi man! Jij blij, wij blij :-D *Margreet

The Asian Banks (most)

Ratings and Reviews

3.1 out of 5

9.2K Ratings



Here_to_Help_Devs, 14/05/2021

TAC number
I've been using cimb clicks for like 5 to 6 months and I don't really have any problems it's work well no problem doing online transactions smooth as butter. So I'm just [more](#)



tanslin, 20/01/2023

Very bad app
I am using huawei phone to open this app [more](#)

Developer Response,
Hi there, thank you for your review & we [more](#)

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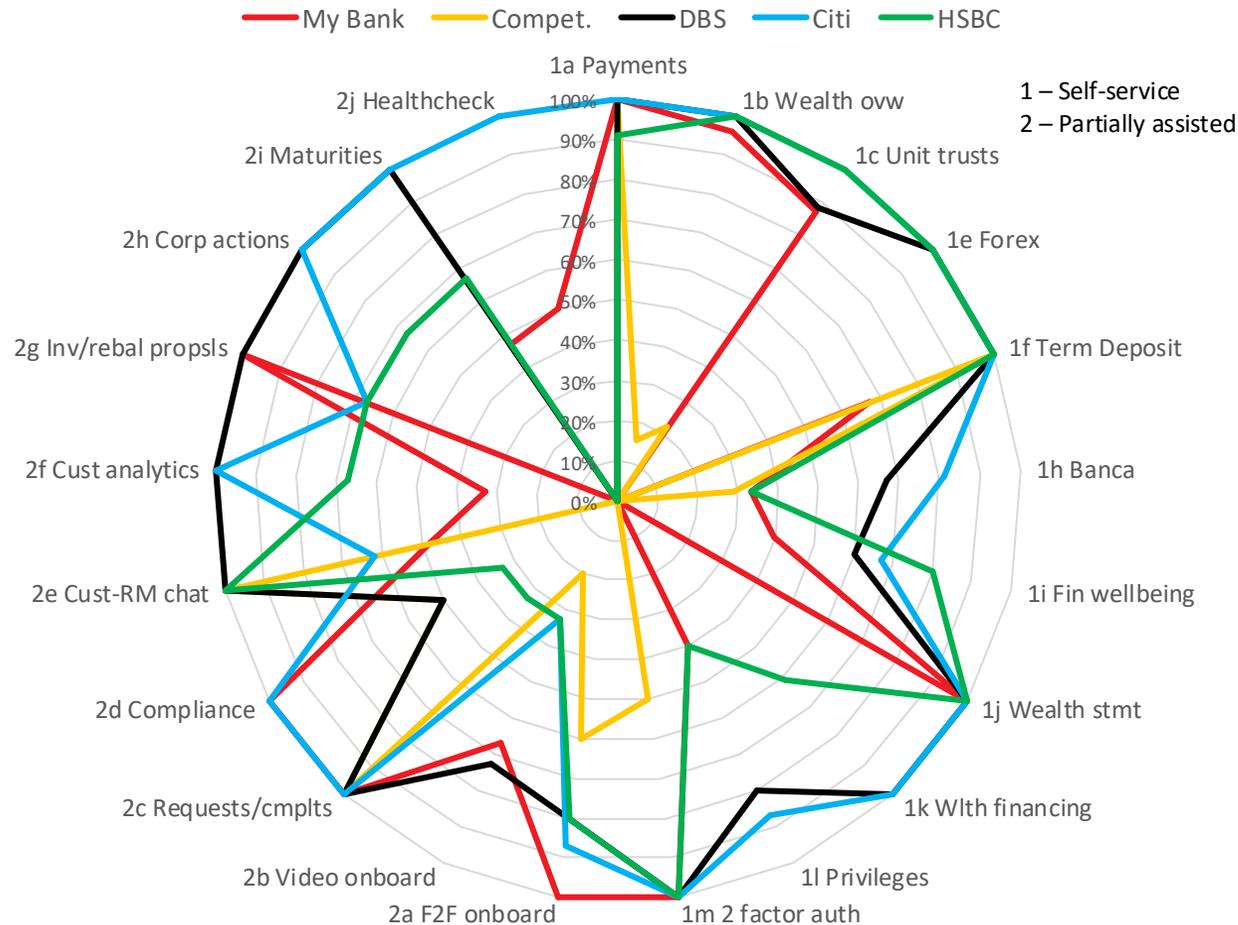
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Market analysis of digital capabilities



Benchmark your customer journeys against competitors and market leaders

Digital service capabilities of selected banks



Journey Map	My Bank	Compet.	DBS	Citi	HSBC
1a Payments	100%	100%	100%	100%	91%
1b Wealth owv	96%	16%	100%	100%	100%
1c Unit trusts	87%	22%	88%	100%	100%
1e Forex	0%	0%	100%	100%	100%
1f Term Deposit	67%	100%	100%	100%	100%
1h Banca	33%	29%	67%	81%	33%
1i Fin wellbeing	40%	0%	60%	67%	80%
1j Wealth stmt	100%	0%	100%	100%	100%
1k Wlth financing	0%	0%	100%	100%	61%
1l Privileges	40%	0%	80%	87%	40%
1m 2 factor auth	100%	50%	100%	100%	100%
2a F2F onboard	100%	60%	80%	87%	80%
2b Video onboard	67%	20%	73%	33%	33%
2c Requests/cmplts	100%	100%	100%	100%	33%
2d Compliance	100%	50%	50%	100%	33%
2e Cust-RM chat	48%	100%	100%	62%	100%
2f Cust analytics	33%	0%	100%	100%	67%
2g Inv/rebal propls	100%	0%	100%	67%	67%
2h Corp actions	0%	0%	100%	100%	67%
2i Maturities	47%	0%	100%	100%	67%
2j Healthcheck	50%	0%	0%	100%	0%

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The detailed approach – Digital Dividends



Digital dividends are the business growth accelerations expected from investments in digital technology
 (source: www.gartner.com/en/articles/you-re-investing-more-in-technology-but-is-it-making-any-difference-to-growth)

	Strategic Goals	Technology Enabler	Exp. Digital Dividends	Opt 0 Do Nothing	Opt 1 Affluent Core	Opt 2 Consol Layer	Opt 3 Mini Steps
Cust Journey	Seamless & embedded digital wealth journey	Market leading digital capability for customer self-serve & cohesive RM value-added affluent journeys/stories	<ul style="list-style-type: none"> Digital NPS ↗ from XX to YY Digital/f2f touchpoint % ↗ from XX to YY Customer retention % ↗ from XX to YY 	Cust journey challenges not remediated	Cust journey challenges remediated and empowered by affluent core	Cust journey challenges remediated but constrained by silo architecture	Cust journey challenges not remediated
	Digital servicing model with seamless fulfilment						
Digital Core	Product proposition matching customer goals	Open architecture sourcing, p'folio mgmt & credit engine with rich advisory tools for a full range of investment products & services	<ul style="list-style-type: none"> AUM/RM ↗ from XX to YY Profit/RM ↗ from XX to YY RM retention % ↗ from XX to YY 	Product prop & advisory tool challenges not remediated	Prod prop & adv tool challenges remediated and empowered by affluent core	Prod prop & adv tool challenges alleviated but constrained by silo architecture	Prod prop ^{wealth financing} partially alleviated but advisory tool challenges remain
	Personalised advice to grow & protect wealth						
Analytics	Clear segmentation to grow share of wallet	Mass-personalisation of advice through persona & portfolio analytics to improve RM reactivity & grow share of wallet; perf. MIS for busn steer	<ul style="list-style-type: none"> AUM/customer ↗ from nnnk to yyyk Profit/customer ↗ from n.nk to y.yk Recurring revenue/cust ↗ from XX to YY 	Not able to tap share of wallet growth opportunities	Able to tap share of wallet growth opportunities and empowered by affluent core	Able to tap share of wallet growth opportunities but constrained by silo architecture	Able to tap share of wallet growth opportunities but constrained by silo architecture
	Regional PB proposition with centralised ops						
Operations	Lean, risk-mitigated & compliant processes	Centralised, automated, BPO-ready processes with extensive inline risk & compliance controls to scale busn. profitably reducing cost-inc. ratio	<ul style="list-style-type: none"> Jaws % ↗ from XX to YY CIR % ↘ from XX to YY Strategic Goals met % ↗ from XX to YY 	Higher ops costs/risks, limited BPO potential	Lower ops costs/risks, good BPO potential	Higher ops costs/risks, limited BPO potential	Higher ops costs/risks, limited BPO potential
	Lean, risk-mitigated & compliant processes						
Likelihood of delivering exp. digital dividends				Very low	Good	Average	Low

Or just survival?



Vast Wealth Management Potential - but players must adopt
(source: <https://theedgemaalaysia.com/article/growingchampions-vast-wealth-management-potential-malaysia-players-need-restructure>)

Is "Do nothing" an option?

Cash
to Neobanks

Credit
to Crowd platforms

Investment
to Neo brokers

Advisory
to EAMs and WMs

Do not invest

Risk to be out of the market

To grow about 10% annually requires to invest up to 50% of this growth into the platform

Design & deliver a 5-year roadmap

Whichever way you go – keep the 6 pillars in mind...



..to deliver customer excellence!



Single customer view



Near time positions



Central pre-deal check



Advisory tools



Consolidated wealth statement



Extensive product offering

Pictures: Reuters, SBB

Thank you for your attention!



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