



# **Communication and Collaboration Challenges in Private Banking and Wealth Management**

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In today's competitive world of investment banking and private wealth management, institutions face increased regulatory scrutiny and challenges in retaining both their best clients and their best employees. Following the economic downturn, client expectations have changed especially with lower switching costs, so much so that building and sustaining relationships between advisors and clients is critical to success. Over the years, as the banking industry grew and revenues flowed, financial institutions did not see the need to invest in their externally facing infrastructure. Technology was always seen as a back-office investment. Digital and mobile have converged to create challenges from traditional banks and an opportunity for new entrants to disrupt. Financial institutions need to focus on building both strong external relationships as well as internal collaboration between the large number of individuals and teams involved in daily operations. Tackling these challenges requires a new way of thinking and the use of technology to connect, engage, communicate and collaborate in a private and secure manner.

## Background

\$152 Trillion dollars<sup>1</sup>. 1.1% of the world population. The wealthiest of the wealthy possess more money than the top 11 countries combined; as measured by GDP<sup>2</sup>. These individuals and families, 16.3 million households worldwide<sup>3</sup>, require specialized wealth management services and private banking expertise. The industry has operated in a traditional, people- and paper-intensive business model for decades. Because of the "money is rolling in" atmosphere, the industry has lagged behind most others in adopting and incorporating technology into the daily work activities. To achieve the next level of growth, this has to change.

Investment banks have come under fire by government and clients alike, creating a marketplace filled with skepticism, mistrust and increased regulation. The underlying goal of creating positive rates of return and asset protection remain, but financial institutions competing in this arena must also focus on providing personalized service and expertise second to none.

Client prerequisites include asset growth and protection but also tax, retirement and estate planning. It is all about engagement; building long-term relationships rather than separate transactional occurrences over time. Investment banks and their advisors must provide services that address their clients' ever more demanding and personal needs. Competition to attract clients and to retain them is fierce.

While advisors are the direct point of contact with clients, they are supported by an institutional backbone of analysts, strategists, traders, investment bankers, compliance officers, and marketing and administration departments. Cross functional engagement and collaboration is not limited to internal departments; externally, wealth advisors often interact with a client's legal, real estate and insurance experts.

The financial collapse highlighted two problems. First, increased regulation and concern from consumers created a need to deliver results while addressing the "risk" issue in clients' minds. Second, the industry's climate change coincided with a Human Resource crisis. Investment banks, historically the dream job for many top college graduates, found themselves on the outside looking in when trying to recruit the best of the best. Like management consulting, attracting and keeping the best and brightest minds allow major brands like Goldman Sachs, UBS and JP Morgan to charge high fees and create actual, or at least perceived, value for their commis-

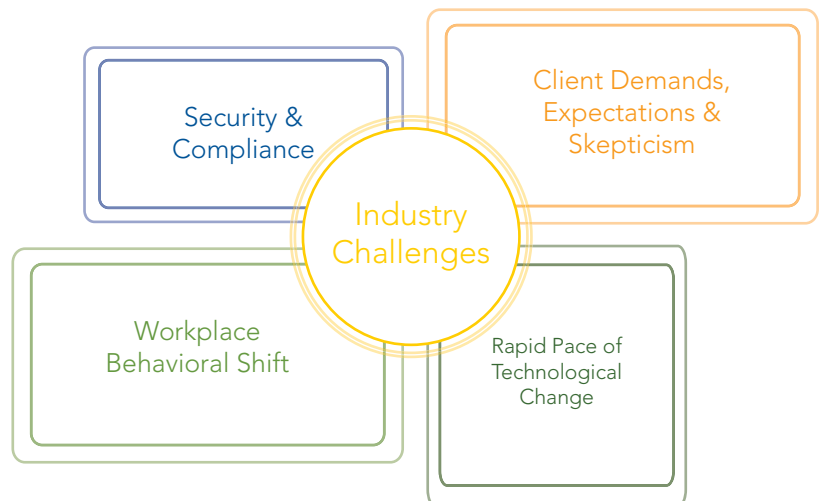


sions. Pushing paper and studying charts and spreadsheets no longer has the caché newly found in high technology. The banking industry, in order to become relevant again, must turn to IT and embrace technology to attract talent, retain clients and address the basic infrastructure challenges they face.

## Challenges in Investment Banking and Private Wealth Management People - Systems Organization

The industry has reached a crossroads. Clients are comfortable with and experienced in using consumer-oriented technologies like social media, chat and instant messaging. Media habits have changed from a scheduled experience to an on-demand, whenever, wherever model. Personal and professional experiences must merge and banks need to provide the service, expertise and value that customers want. And, delivered when, where and how the client/consumer demands; not how the bank dictates (as long as regulatory and security issues are addressed).

As previously highlighted, employee engagement, hiring and retention are major challenges facing banking today. The younger professional demographic has grown up in the social media, technology-engagement environment. They expect their work day to mirror their personal life. Banks firstly must incorporate these tools to attract, engage, and retain this important demographic. Banks have a choice – be proactive and lead or be reactive and follow.



With multiple layers inside and outside the organization, technology must work together and deliver a seamless experience to all users. Tools must be secure and comply with all laws and regulations governing the industry.

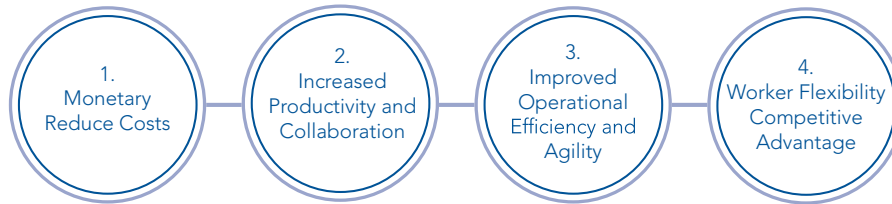
## Direct Benefits from Technological Change

To effect and create change, leadership and IT must join together to mandate technology solutions to replace manual processes. Demand will come from internal pressures and external clients requiring tools and resources on their terms. Executive sponsorship and careful planning are important to generate short- and long-term benefits.

The financial resources exist to make the transformational changes the industry needs, but do organizations have the fortitude to overhaul how business is done? Recent surveys and research studies indicate that executives focus on four factors for before embarking on major change<sup>4</sup>:



1. Monetary – direct benefits or a reduction in costs
2. Productivity – increases and improves workforce collaboration
3. Operational Efficiency – will the overall business processes become more agile?
4. Worker Flexibility – is there a competitive advantage being a first mover?



Applying the adage “Time is money” to the banking world is accurate. Making the right trade at the right moment can mean thousands if not millions of dollars. It is a well-known fact that developing and maintaining long-term relationships with clients will generate higher revenue over time. Retaining high net worth clients, through delivering unparalleled service and returns, is a primary goal for all banks and their advisors. Advisors spread throughout the world rely on centralized functions like research, portfolio analysis, compliance reporting and administration. Every conversation, document transfer and information exchange may or may not require tracking or compliance. When an advisor is offsite, laptop and mobile communication tools are important for instantaneous communication and connectivity. The ability to communicate and collaborate in one platform improves the speed and accuracy by which information is exchanged and provides a tracking system to meet compliance and regulatory requirements.

Saving time creates a landscape for productivity enhancements to take root. Less time spent on paperwork and tracking down assets allows advisors to spend more time prospecting for new clients. Better collaboration between dispersed employees increases the connection and relationship building not seen when employees do not have a physical presence to one another. Improved organization of content, documents and physical assets will create operational efficiencies for everyone. Productivity comes not just from freeing up time, but also ensuring that all technologies integrate. Mobile, desktop and web must all work together. Decision making improves when workers have instant access to communication and collaboration tools. The seamless transition from device to device, desktop to cloud, is a necessity in today’s modern company. “...Reduction in human latency and cycle times ensures businesses can take advantage of new opportunities as soon as they arise.”<sup>5</sup> With the plethora of information inherent in a banking and wealth management organization, productivity improvement will come from the simple process of making it easier for advisors to find information and the right experts inside the organization quickly and effectively.

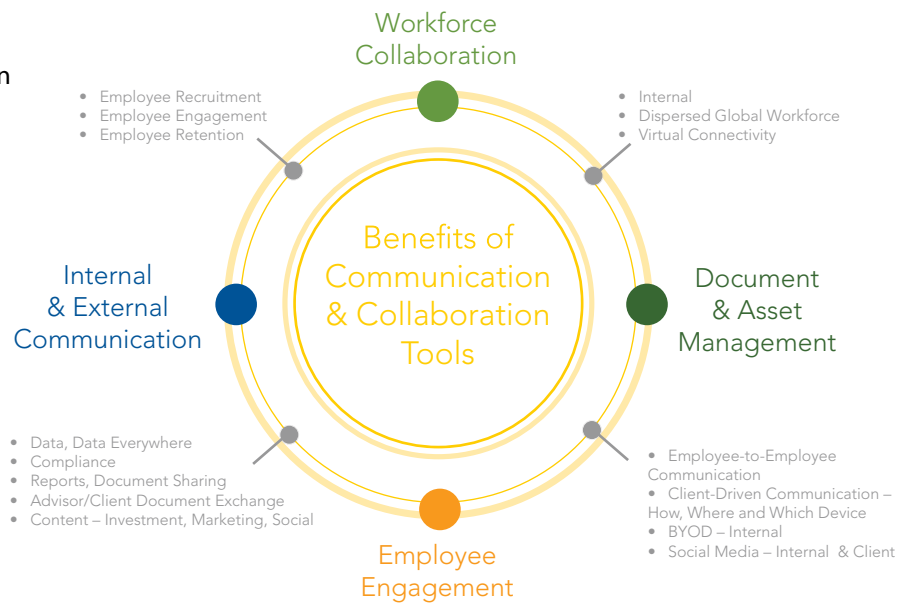
## Why Communications and Collaboration Matters – C&C in a B2B2C Model

Accenture, writing in their annual Banking Technology Vision (2011) report notes, “Banks are operating today in a more complex and uncertain environment than ever before. Success depends on the ability to transform the way banks manage their customers and their business processes – making them better, smarter and more efficient.”<sup>6</sup> With multiple people and functions involved in the I-banking and wealth management ecosystem, combined with the external engagement between bank and client and bank and government agency, effective collaboration is paramount. Accenture accurately describes the “Convergence of Collaboration, Communication, Community and Content”<sup>7</sup> as coming together and changing the way we work.



Improved communication and collaboration has a direct impact on four areas:

1. Workforce Collaboration
2. Internal and External Communication
3. Document and Asset Management
4. Employee Engagement



## Workforce Collaboration and Security

Using technology to facilitate what was once a series of manual activities, will better “connect” co-workers and colleagues who rely upon one another to get their own work done. With financial centers in New York, London, Zurich, Shanghai and other key global cities, a private wealth advisor relies upon these central hubs for research, analysis, trading, marketing, compliance and administrative activities. Regardless of the type of collaboration involved, the industry requires the highest level of security and data protection around.

When advisors engage with their clients outside the bank’s firewall, security needs to be paramount. It is too easy to rely on simple email or consumer chat tools to accomplish a task, but what about the security risks involved? How are these conversations archived for compliance? These are questions that must be asked and answered before implementing a technology solution. Relying on consumer tools is a recipe for disaster. IT must aggressively monitor and eliminate any of these activities or risk major security breaches and loss of client confidence.

A virtual world of communication, connectivity and collaboration is the new norm. Banks can unlock the expertise and best practices trapped in small offices anywhere. Instead of a workforce falsely competing with one another, connected relationships can be fostered and nurtured for corporate benefit while increasing individual value at the client level. ‘Big Data’, synonymously used to describe facts and figures relating to sales and marketing activities, can now be seen as ‘Big Knowledge’ inside an organization; identifying the most valuable assets and subject matter experts.

## Internal and External Communication

Technology and the proliferation of consumer tools have created new client expectations and demands. Waiting for a fax or document sent by mail is a thing of the past. Mobile phones, secure networks, cloud-based architecture creates an always-on, anytime, any place culture. If a client wants a portfolio status update they can call, text, email or go online and check the status on their own. A client might want specific information pertaining to their account or may seek general information about a topic. Each of these creates a communication opportunity that is private or community based. Leveraging community-based collaboration can reduce the amount of content generated and people needed to deliver the content; and ultimately, it can reduce the barriers to



knowledge transfer. "User experience is what counts...banks need to offer their customers services that are integrated, compelling and natural or intuitive to use."<sup>8</sup>

While communication and collaboration tools change the way advisors and banks communicate with their clients, broad technology implementation has an impact on the entire company. "It's not just customers that benefit from the focus on user experience. Using mobility (for example) can transform how the workforce operates...ensuring access to the right expertise wherever it is in the world, whenever it is needed."<sup>9</sup>

Financial institutions must develop plans and provide support for BYOD and the explosion of business apps. Supporting a device-agnostic culture, one where employees are providing mobile devices—not the company issuing them, is the way of the future. With the immense regulatory and compliance pressures involved, banks must have a strong, thought-out strategy in place. Social media is not just a consumer playground. High net worth individuals and their advisors share similar challenges and needs and are comfortable with exchanging information and learning through social media channels. Banks need to create this ecosystem while maintaining the privacy and security to make it safe and compliant.

## Document and Asset Management

Detailed emails can get lost in the endless stream of daily communication. Critical documents get buried inside an organization. Subject matter experts can be hard to uncover when workers are spread out globally. Ask any colleague how long it takes to find an important document when they need it most—now. In a document- and compliance-dominated workplace, investment bankers and wealth management advisors don't have the time, or need the added stress, required to hunt down key documents. The industry creates voluminous data every day.

Data is routed throughout the organization for analysis, report creation and asset allocation modeling. Unlocking and organizing this data is paramount to its effective use. Getting any asset to the right person, whenever and wherever, is critical. Regulation and compliance create additional needs. Communication and collaboration tools, that take asset organization seriously, help maintain order and track-ability amongst the chaos. A better way to communicate, collaborate and organize documents, contained in a single-source-of-truth platform will help ensure compliance is met while internal and external audiences receive documents whenever and wherever needed.

## Employee Engagement

For much of the past forty years investment banks have selected the cream of the crop for their institutions. Brands like Goldman Sachs and JP Morgan could walk into any Ivy League college and pluck the top graduates. Ten to 15 years ago this began to change. The Internet revolution and tech explosion saw the best and brightest eschew the Wall Street life for Silicon Valley. Technology and innovation was the draw. The young and brilliant, already accustomed to using technology in their personal life and educational experiences, had no interest in going "back in time."

Communication and collaboration is what Millennials and Generation X know and incorporate in their daily lives. They want their personal and professional worlds to mirror each other. Technology, which fosters communication and collaboration, breaks down silos and walls and engages disparate people in an interconnected web of activity.



## Wealth Management is a Relationship and Service Business

At the core, private wealth management and investment banking are all about relationships and service. Service comes in many forms, not only limited to monetary – financial returns, but also facilitating effective personal communication and response.

As the Boston Consulting Group writes in their February 9, 2015 BCG Perspectives:

*“Wealth management clients are increasingly accustomed to using mobile, social, cloud, and Web technologies in their personal and professional lives. Thus it’s no surprise that they expect the institutions and experts managing their wealth to progressively employ digital tools and practices as well, to improve service, efficiency, and the overall client experience.”*

The main problem, according to BCG, is that wealth managers fail to see the inherent value in implementing digital and collaborative tools into their business. Communication and collaboration tools are one example of implementing digital into the enterprise. As BCG indicates, “Big data applications help wealth managers capture, analyze, and interpret vast amounts of data and leverage that knowledge to create highly customized solutions. And social media platforms, along with closed communities, allow clients and others to connect and discuss market developments, investment options, and other financial matters instantly.”<sup>10</sup> As consumers we think of social media as an open global platform, but social media can be closed as well. Wealth management organizations can create closed social media environments like chat and communities inside the organization and/or create semi-closed systems which allow client access as well.

Understanding what the client wants and needs, and then delivering the information when and how they want it, will create greater long-term engagement.

### Virtual-Mobile-Social

With the introduction of Vmoso, BroadVision created a platform addressing the communication and collaboration challenges seen in the private banking industry. Vmoso profoundly changes the way people can communicate, how assets and documents are organized and managed, and how tasks and activities are tracked. All this with enterprise-grade security built in.

Vmoso is five workplace activities in one platform. There is no longer a need to use an email platform, not integrated with a chat tool, that isn’t connected to a task management solution or any activity and all that lacks security features. These five activities are:

- email
- instant messaging
- content sharing
- task management
- social networking

Advisors want research and documents for their clients—

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*According to a BCG Project Experience Study, up to 40 percent of participants prefer(ed) receiving tailored digital outreach via (advisor) phone calls; more than 60 percent would like to exchange investment ideas with like-minded peers; and more than half consider customized research information and instant simulation delivered over digital channels to be a critical competency.*

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now. Clients want to consume this information whenever and wherever they want. They don't want to be tied to a prescheduled meeting or phone call.

Mobile and other modern technological advancements make this a possibility. Spending time hunting for the most current document or tracking down individuals needed to sign off on a request can be frustrating. Mobile creates expectations of an immediate response. Vmoso works seamlessly on desktop or mobile providing tools that give individuals consistent access to real-time communication and instant collaboration—wherever they are, whenever they work, and on whatever device they use.

Vmoso allows any department within a bank, in an office or in the field, a platform to easily share information and communicate effectively and efficiently. A researcher can communicate with an analyst in real-time while being tracked by compliance and allow marketing and advisors to have immediate insight into the discussion. Everyone, spread throughout multiple offices, has access to real-time communication, documents and critical information needed to make timely decisions. All of which are organized in a single-source-of-truth environment. Efficient and accurate workflow allows office workers to see what field workers see at the same time. No more delays involved in information transfer. Alerts, built in as a Vmoso option, will notify all participants of activity immediately. Problems or issues surface faster, addressed more quickly with more accurate resolution.

With a 5-in-1 communication and collaboration platform users can:

Create **CHATS** - Relationship-based, private-channel communication for convenient ongoing or persistent long-lasting conversation.

Issue and respond to **TASKS** - Process-, issue-, case-, or event-based private channel for more intensive/accountable workgroup collaboration. Workflow and approval processes are improved.

Make **POSTS** to the team - Community-based; semi-private, semi-public, or public channel for sharing or obtaining knowledge both deliberately and serendipitously.

Create **SPACES** to organize, find and track documents and information. A space is a universal location for grouping, categorizing, and sharing anything with anyone from anywhere on any platform.

Use **BIG DATA ANALYTICS** to identify critical, continually used documents and the expertise often hidden in an organization. Use Vmoso analytics to pre-empt delays and create best practices for future projects.

Vmoso's 5-in-1 solution does not have to replace email; rather, it is complimentary to it. Whether you choose a total engagement platform or a complimentary solution, team members who only have one or few interactions with the client can communicate and collaborate through Vmoso, or adjacent to Vmoso through email.

## Conclusion

A day in the life of an investment bank involves advisors and clients discussing investment choices: buy, sell or no responses to trade options. Analysts pore over data and send recommendations, reports and abstracts to others throughout the institution. Economists communicate with one another and put forth opinions as to where the markets and economies are headed. Compliance officers figuratively hover over communication travelling throughout the organization and externally to clients. Marketing, working cross-functionally, collabo-





rate with multiple stakeholders. As in any organization with multiple moving parts, often in other cities and countries, communication and collaboration tools provide tangible and immediate returns in financial institutions. Bank benefits include enhanced employee productivity, service improvements, positive revenue opportunities and greater overall engagement across and outside the enterprise.

Few in the banking and wealth management industry work in a vacuum. It is an interconnected ecosystem relying on effective communication and collaboration between people and information. If wealth managers and their investment banks are focused on creating operational efficiencies to create time savings and increase worker productivity, then implementing digital communication and collaboration tools is a must. A better way to communicate, collaborate and organize documents, contained in a single-source-of-truth platform, will help ensure all interested audiences are on the same page.

## References

<sup>1</sup> BCG, Riding a Wave of Growth: Global Wealth 2014

<sup>2</sup> Top 11 countries USA-Canada total \$50.7 trillion dollars in GDP – 2014 data

<sup>3</sup> BCG, Riding a Wave of Growth: Global Wealth 2014

<sup>4</sup> Ovum and Frost & Sullivan (focused narrowly on UCC tools)

<sup>5</sup> Frost & Sullivan – 2012 Finding the Value in Unified Communications – Understanding the Hierarchy of Return

<sup>6</sup> Accenture 2011 - Banking Technology Vision Report

<sup>7</sup> Accenture 2010 – Banking Technology Vision White Paper

<sup>8</sup> Accenture 2011 - Banking Technology Vision Report

<sup>9</sup> Accenture 2011 - Banking Technology Vision Report

<sup>10</sup> The Boston Consulting Group, BCG Perspectives – Overcoming the Digital Dilemma in Wealth Management, 2/9/15



## About Vmoso

Vmoso is a cloud application for conducting virtual enterprise communication, mobile workgroup collaboration, and social business engagement. It unifies email, instant messaging, content sharing, workflow, and social networking under a cohesive experience, empowering users and their extended organizations to get more work done in significantly less time and at much lower cost. Visit [www.BroadVision.com/Vmoso](http://www.BroadVision.com/Vmoso) for more details.

## About BroadVision

Driving innovation since 1993, BroadVision (NASDAQ: BVSN) provides e-business solutions that enable the enterprise and its employees, partners, and customers to stay actively engaged, socially connected, and universally organized to achieve greater business results. BroadVision® solutions—including Vmoso for virtual, mobile, and social business collaboration, and Clearvale for enterprise social networking—are available globally in the cloud via the Web and mobile applications. Visit [www.BroadVision.com](http://www.BroadVision.com) for more details.

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## About the Author

As BroadVision's Vice President of Marketing and Business Development, Ty focuses on increasing brand awareness for Vmoso and other BroadVision products, building partnerships, and creating operational efficiencies across the enterprise. His first college internship was in banking in Clayton, Missouri.

