

Process Automation is Key to Wealth Management Success

In search of noninterest revenue streams, a growing number of financial institutions have launched wealth management offerings. Too many, however, are not realizing expected returns due to the lack of business efficiency and a modern customer experience along with high costs associated with operations and compliance. Business process automation can provide a sustainable path to profitability.

In addition to finding new revenue with existing clients, wealth management services can help community institutions increase loyalty and secure long-term relationships with a new generation of customers. One in three consumers is interested in working with a financial advisor, according to Expectations & Experiences, the 2016 quarterly consumer survey from Fiserv. Millennials (53 percent) and Gen Xers (45 percent) show even stronger interest in working with an advisor.

Despite the opportunity, wealth managers have struggled to find a profitable business model. Personnel, compliance and other costs make efficiency a critical factor in the competitiveness and profitability of wealth management operations.

Profitability Hinges on Process Automation

Wealth management departments that still rely on traditional manual and paper-based processes have begun to realize they must digitize in order to survive. Forces accelerating the migration from manual, paper-based processes to digital processes include:

- Increased Risk: Financial institutions increasingly must ensure internal compliance and accountability

- The Need for Efficiency: Online and other traditional brick and mortar competitors are putting pressure on wealth management organizations to keep fees affordable, forcing them to look for cost-reduction strategies
- Digitally-Savvy Consumers: Consumers, especially millennials and Gen Xers, expect a seamless, digital experience for onboarding, performance reporting, advice provision and asset management

Business Process Automation

Business process automation (BPA) and enterprise content management (ECM) solutions can drive efficiencies, automate compliance monitoring, improve accountability and help meet consumer demands for digital services. Comprehensive ECM solutions now contain BPA capabilities, and vice versa, making them interchangeable.

Financial institutions have successfully used BPA to automate and streamline loan origination and processing for years. The digitization of paper and processes into e-forms and e-signatures has reduced printing, mailing and storage costs. It has also eliminated manual processes, improved access to client information, and enhanced data security and compliance. Wealth management departments can achieve these benefits by applying BPA to their paper-based and manual key-entry processes.

Workflow Automation: Where BPA Shines

BPA solutions enable the automation of onboarding processes that were previously labor-intensive and error-prone. Once a client completes the requisite online forms, BPA solutions assign and track routine tasks and manage processing workflows. For example, documents can be electronically routed to trust administrators and compliance officers for review based on rules determined by the institution. All actions taken by staff are captured for internal audit and compliance tracking.

Information from various forms and bank systems can be automatically extracted and compared to accelerate review processes and improve data consistency. After client data is reviewed and approved, the BPA system can upload the information to the wealth management database and other systems, such as a customer relationship management system. A BPA system eliminates the need to key the same data into multiple back-end systems, reducing errors and increasing productivity.

BPA also archives electronic copies of all investor documents in a central repository, where they can be accessed by authorized staff. The system maintains a complete audit trail of file access and usage, and applies preservation and destruction rules assigned by records retention and compliance staff. In this way, a BPA system ensures compliance with regulations and internal policies without added costs.

Improved Accuracy and Service

Many advisors still operate in a paper-based, labor-intensive environment. Forms and documents are typically passed among staff, causing delays in processing and incurring unnecessary cost. Follow-up actions are often tracked using spreadsheets and notes. As a result, client requests and actions taken do not create a true audit trail for reporting and compliance purposes. Open items can be lost and follow-ups missed.

BPA solutions help address these problems by automating a wide range of processes such as client change requests, asset transfers, disbursements and account closings. They also track open processes, tasks and deliverables, ensuring accurate and timely responses to client requests while delivering improved process control, auditing and reporting capabilities. Follow-up action items are input into the system for automated reminders in the future. BPA ensures anywhere, anytime access to information and documentation eliminating costly manual file storage and retrieval. It provides visibility into inefficiencies that can then be eliminated.

Real-Time, Seamless Connectivity

Mobile access has become an expectation. Financial consumers want everywhere, anytime access to their money and the information about it. Financial advisors are no longer tied to desks in the branch; they are often visiting clients' homes and businesses or may meet them at restaurants or even on the golf course.

It's not just about demand for a single technology, but rather the ability to move seamlessly between channels to conduct business on their terms. BPA provides a digital foundation for financial advisors to close business more quickly and respond to their clients' needs in real time, giving them a distinct competitive advantage. Meanwhile, online and mobile access allows investors to view portfolios and submit requests on the go.

End-to-End Process Improvement

Financial advisors have long relied on personal relationships to understand their clients' needs and remain competitive. BPA and ECM will enhance investment advisors' ability to provide expert service and meet client needs while helping the institution accelerate processes, address compliance and reduce costs for increased profitability. For financial institutions, BPA technology can play a strategic role in their quest to offer cost effective, compliant and competitive wealth management services going forward.

About the Author

Bennett Klein currently manages the ECM/BPA product marketing group for Fiserv and possesses more than 20 years of experience in software product marketing having worked for industry leaders including IBM, Iomega, Citrix Systems and CA Technologies. He has helped financial services organizations across the world increase business efficiency, improve data security, address compliance and ensure system availability.

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