



5 Client Experience Trends – And Why Your Firm Should Be Paying Attention

SUMMARY

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As financial firms seek to expand distribution, enhance efficiency, reduce costs and improve performance, they must also focus on the client experience. From the initial point of contact to ongoing client servicing and reporting, all interactions matter – and your clients are taking note. Negative experiences could lead to lost revenue, but positive experiences could be the key to unlocking future revenue. To ensure your business is staying competitive, consider these five trends shaping the client experience today.

1. HYPER-PERSONALIZATION AT SCALE

Utilizing the latest capabilities in data analysis, algorithmic and artificial intelligence, firms can micro-segment their customers and create unique and personalized engagement models. Personalization has come a long way from mail merge functionality where data flow is unidirectional to gathering insights on both clients and prospects and engaging with them in meaningful and relevant ways. It has caused us to shift from the typical model of engagement (collect feedback --> analyze --> improve) to an analyze-first model that shortcuts traditional methodologies and focuses on applicable markets. For instance, firms have moved their marketing strategies from “spray and pray” advertising and couponing to utilizing predictive analytics that can define targeted customer models.

To accomplish this requires firms to consolidate and rationalize data from numerous sources creating customer-centric repositories that can be modeled to drive analysis and engagement, methods for communication, frequency, content, interest, alignment, goals and desires. Unfortunately, this information is often lost and has been undervalued by firms in the past. In the future, expect to see continued micro-segmentation and individual identification as well as accelerated implementation. This evolution in experience is positive for both the firm and the client since engagements can now be applicable and meaningful in connecting the right people with the right services at the right time.

2. “FRICTIONLESS” INTERACTIONS

I was driving my family from my daughter’s graduation and decided to order takeout on the way home. There is a great restaurant just down the road from our house and we looked to see if we could order online. Unfortunately, they only listed their number to call for orders. Then, with a car full of people, we placed the order over the phone amid the “Shhhh – Dad’s on the phone” comments and trying to remember what was on the menu. These inconveniences, while minor, are becoming less tolerable forms of friction in today’s world of on-demand and instant-everything.

As firms examine their client interactions, they must focus on removing these moments of friction. Too often, companies focus resources on streamlining operational components in hopes that it will improve the client experience. In reality, it only reduces expenses and the client continues to face inconveniences such as calling customer service to get their current balance or check on a pending transaction.

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Digital disruption gains entrance when there is an inherent dissatisfaction with the current state of being. Be sure to evaluate all client touchpoints, including processes, communications, reporting, sales, legal, onboarding, offboarding, timing, client access, deposits and redemptions to see where friction appears. Rarely do firms have their own employees become true customers, but this can be an enlightening experience and may uncover some areas that require attention.

3. THE MOVE TO DIGITAL

While the term digital is often overused and many folks want to shy away from it, it is the underpinning that will drive the future of client experience and personalization models. Firms that continue to engage customers through “arts and crafts” client services and marketing models will find themselves with a widening disadvantage to firms with more sophisticated strategies. The good news here is that tools and services abound. Even small firms on tight budgets can leverage available capabilities to effectively compete as the efficiency and scale offered by the digitization of processes has rapidly become table stakes for survival. Digital implies a little or no-cost reproduction aspect to services, capabilities, and communication that can support unlimited scalability. This concept, when empowered by delivery channels that can reach computers, mobile devices, websites, and social media, becomes industry changing.

4. CRM AS A GROWTH-DRIVER

I was talking with some wholesalers one afternoon about their CRM system. They mentioned how ridiculous it was that the home office constantly monitors everything they do, hoping that I could assist in stopping the “Big Brother” aspect of the CRM within their environment. They seemed quite put off as I reinforced the value that the CRM holds. What they didn’t know at the time was that they could use the system to their advantage to assist rather than measure their interactions with clients. This is a common scenario, and many firms struggle to get the true value out of their CRM investment.

The challenge comes down to identifying the underlying purpose of the CRM for the firm. It can fill multiple roles, including:

- A repository for all client-related information and part of a data governance solution that captures and refines content for usage
- A tool to monitor and measure activity, providing key data for management
- A hub containing all customer details and key information about each interaction. With this, teams can leverage tools like automated follow-ups and reminders on high-priority contacts, complete customer and prospect profiles, client interaction portals, and customization of the client experience.

It can be challenging to implement a CRM for multiple purposes as they are sometimes at odds with one another. If management is using the system to measure the performance of client-facing team members, those employees will be less likely to enter truly factual information and more concerned about how the information reflects on themselves.

A CRM can be the cornerstone of a transformational client experience, but how the system is implemented and used within the environment must be done cautiously. Decisions should be made with all perspectives considered and a common understanding of how the available information is used within the organization going forward.

5. IMPROVED INTERNAL AGENT EXPERIENCES

Internal experience often comes last on the list of priorities, but it can significantly impact the client. While firms evaluate new technology and operational processes for external audiences, they should consider the same for their internal, client-facing agents.

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How can the portal be adapted for internal use? What information would assist these employees when interacting with clients? How will we accelerate the information delivery and provide greater capabilities?

Without these considerations, internal agents chase down answers to retrieve basic customer questions like “where is my redemption?” to more complex questions relating to compliance concerns. As teams consider implementing greater levels of self-service, they need to also look at their direct client contact points and how similar capabilities can be created internally. Firms that are leading in this respect are empowering their representatives to act in the best interest of the client, arming them with helpful information and even alerting them to concerning activity that could affect the client relationship. While the client remains priority, providing internal staff with the right information and tools leads to a greater level of employee satisfaction within the firm, which in turn leads to an improved client experience.

HOW MERADIA CAN HELP

As the financial industry reaches beyond traditional reporting and enhances all aspects of the client experience, it’s critical to look beyond internal resources. Meradia holds both an intimate understanding of the industry as well as deep expertise in system selection, implementation and integration that allow firms to embrace new technologies and capabilities.



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