

A collage of business and technology-related images, including hands shaking, a person using a laptop, a hand holding a tablet, and various digital icons like people, clouds, and data points, all overlaid with a white geometric grid pattern.

The Evolution of Client Experience and Client Communications

SUMMARY

As private and institutional clients continue to demand greater technology, service, and ease of access, investment managers are under pressure to advance all aspects of the client journey. We tend to think of the client experience as business-to-customer interactions, yet the reality is there are aspects of your business the customer never "sees" but senses. This often stems from internal operating models and projects to deliverables such as account reporting and ongoing information availability.

For added perspective on how technology is adapting to fit a myriad of client needs, we spoke with Andrew Maynard of [SimCorp](#), an independent provider of industry-leading, integrated investment management solutions.

Meradia: What do you see in the future of client reporting requirements and how is the next generation of clients impacting this?

Andrew: Let us consider the drivers at a macro level. This includes market volatility, increased data volumes and associated increases in processing requirements, an influx of new data in both ESG and the alternatives space, and shifting client demographics. There is also an ongoing digital transformation and cloud adoption exercise happening across the industry. So let's think of the overall client reporting transformation as a digital gratification exercise. Whatever the client wants or needs, wherever they are, whenever they want it.

Naturally, this means that every stakeholder within the client reporting process, whether interacting with the end client or the one doing the preparation, wants some aspect of a digital experience. Ultimately each digital interaction needs to provide value to the user to be genuinely useful.

Stakeholders also want to rely on the technology to be able to predict what's coming next. How do we extract intelligence from the platform usage to understand where we should focus our time? If 80% of your productivity comes from 20% of what you do, how do you identify that 20%? Identifying what clients are engaging with and studying trends in content usage and behavior can lead to better productivity and experience. Analytics are the key to understanding what to deliver next, even before a client asks for it.

This is where we see this space going: Can we get predictive, can we involve everybody, and can we lead this digital gratification exercise to enable an overall digital transformation?

Meradia: While the industry is developing these capabilities and attempting to deliver this new functionality, are we seeing market demand from firms and their clients?

Andrew: We see demand, particularly from the wealth management sector, and with a growing interest from institutional investors. When money transfers from one generation to the next, the requirements of that new generation are going to be inherently different than the previous. The new emerging trend from this generation taking the reigns over the coming years is based on their collective experience. They grew up online and/or witnessed the digital evolution of their personal and business worlds firsthand. As a result, they naturally expect **more digital tools and interaction**.

Inside investment firms, that same demographic shift is happening. As new generations enter the workforce, they would like to use the digital capabilities they have become accustomed to in their personal lives and apply them to their work.

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Meradia: *Thinking that client communication is larger than just client reporting. How do you define the full client experience?*

Andrew: Client experience encompasses every single interaction that any individual or organization has with your company. To get it right, you have to get it right everywhere.

If we start with our client's viewpoint, the client experience starts with the onboarding process. Today, onboarding should be seamless and digital, preferably via a portal that allows for document storage. Onboarding documentation, introduction packets, and a place where the firm can interrogate and interact with the information will help move the process forward.

Client experience is enhanced when things work together to generate the answers and information a client needs. Portals should provide an integrated digital experience, combining outside third-party tools that can aid in that process like DocuSign, for example. The demand for a digital information delivery model is not just for reports, but also for interactive dashboards and custom report creation. The aim is to provide control and self-service capabilities over the creation and delivery of content. Clients should have the data at their fingertips, rather than the delay of lodging a request.

The key is to drive a singular, frictionless process for communications. Every extra click or log-in process is a barrier to a positive client experience. We also need a place where portfolio managers and other internal teams can create and share on-demand content, commentaries, market research, and more. These insights inspire better relationships and valuable in-person engagements as more time is spent driving toward client outcomes than sourcing answers to basic data interrogation questions.

Meradia: *How about chat functionality?*

Andrew: We are expecting the industry will more seriously consider chat in the future. Instead of limiting chat to a two-way communication between the client and a relationship manager, we view it as a way to be able to choose the group you'd like to interact with. It would allow users to get more specific in identifying and remediating their issue. For example, the function could determine the difference between a performance and operational question and direct appropriately.

Meradia: *Can you speak to a firm's journey from a legacy to a more modernized client experience?*

Andrew: Some firms today still operate with manual processes, a myriad of spreadsheets, and outdated internal systems. These aspects can slow the firm's productivity and negatively impact the client experience. On the other end of the spectrum, there are firms with systems and processes in place that provide adequate automation, but they need to enhance that client experience with innovative technology.

Many firms at the earlier stages are facing a mindset shift because, from their perspective, they're doing the best they can with the tools they have and that becomes a habit. So how do we break what is emerging as a bad habit? We point out that you are spending most of your time servicing your clients, creating materials, and doing manual work that is no longer required.

For example, let's say a client asks for a particular analysis spreadsheet. Firms that support these types of requests must shift from a content creation point of view to a content oversight point of view while differentiating the custom variations between the client's needs and interests. Technology can help determine the commonalities and how to whittle this down to a manageable number of components, reports, and distribution processes. Ultimately, your system can define a procedure and automate the process. This is typically where we see the efficiency gain.

In the end, modernization doesn't always mean you are ripping everything out and starting over. In fact, many of the firms we work with identify positive aspects of their legacy framework that they want to preserve. The most successful client experience transformations operate in more of a phased approach:

Step 1 - Identify the desired end result.

Step 2 - Identify what is in your current approach. What do you like about the current approach that you wish to perpetuate indefinitely, or at least for some time during the implementation?

Step 3 - Execute that vision and adapt it when things change during the implementation process.

Meradia: *Let's say an institutional asset manager currently performs a preliminary run of their statements. They validate them by physically looking at a few statements, finding some errors, and rerunning. The last thing they would ever want to do is publish that information to a portal where somebody might consume erroneous information in advance. How do they overcome that model and present that information to their clients in a consumable fashion with the right controls around the data set?*

Andrew: Applying data checks is a given before anything is made available to the client base. If there's one thing worse than hiding data, it's showing incorrect data. Trust is a major part of the client experience, so implementing fail-safes is key.

A specific phrase "management by exception" comes to mind, meaning you implement tolerance checks at an aggregate level.

- If we measure our asset allocation and we have 25% of this and 5% of that, do all allocations add to equal 100%? If not, ask someone to investigate right away. Flag the task automatically if the condition is not met, allow it to pass, but also record it in the audit log and notate that that check was completed.
- The same approach applies when comparing your performance value to your benchmark value. If I'm looking at overall performance and I have a benchmark to compare it to, I could always identify the difference percentage-wise between the performance and the benchmark. If it's over 10%, then someone should investigate, but if it's under 10%, we're satisfied.

This exercise takes what used to be those manual reviews and establishes a procedure, identifying pass and fail paths and whether certain conditions are met. You are making sure that all data is correct far before you are pushing it out.

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Meradia: How long does it take for a firm to fully realize the capabilities and benefits of a modernized client experience?

Andrew: A modernized client experience, when implemented correctly, is going to reduce the burden of client requests because it shifts to a self-service model. A lot of the investigation or interaction time with reporting results that used to take place in a phone call or in-person are now available digitally.

Will every firm embrace this right away? Probably not, since this process involves multiple moving parts, such as getting data in order, selection processes, implementation, training, testing and full usage of the chosen improvements. But you are going to see a gradual shift over time. From a timing perspective, it could take three-to-six months to go live with new functionality and even longer to implement improvements and fully realize the new capabilities.

From a reporting and portal point of view, the first realization of capabilities and benefits is going to happen upon go-live because you are going to see a shift of work from doing to overseeing. You can take those resource hours that you are gaining back and reallocate them towards improving the overall process.

As time progresses, you will gain a better understanding of the reporting workflow on any given cycle, what the workflow is in any given period and the spots where that perfect execution gets interrupted. Now you have the insight to spot inefficiencies and take action.

RAISING THE BAR

Digital client communication is at the center of the client experience and, as we can see, the industry is moving forward both in terms of technical capabilities but also in terms of client demands. Firms are now expected to provide these functions and capabilities. Rising to meet these challenges will separate a poor client experience from an excellent engagement model. You must continue to improve for if you are standing still, you will be left behind.



Tim Jager leads Meradia's Client Experience practice and helps firms realize the full benefits of optimized operations. With over 30 years of industry experience, Tim excels in aligning business and technology teams to a common purpose. He has a proven history of delivering strategic, transformative projects on time and within budget, including enterprise architecture, data management, data transformation, system design, global trade flow management, post-acquisition integrations, global system conversions, custom design and development and third-party integrations. Tim possesses a deep understanding of investment management systems and how each aspect of the organization impacts the end client.



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Andrew Maynard is a Product Expert for the SimCorp Client Communications and Digital Engagement Platforms. Over the course of his career, Andrew has held roles in Client Services, Implementation and Pre-Sales delivering financial technology solutions to enterprise clientele. Andrew started his career in Client Services at Morgan Stanley and also spent time at Broadridge in Client Management and Implementation roles.



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