

## Nick's Corner



### **B2B Customer Experience: Winning in the moments that matter**

Whether directly with clients or through intermediaries, the *trust based relationship* is critical to commercial success. This has largely remained unchanged but with shifting client needs, regulatory scrutiny, disruptive technology and the blurring of lines between manufacturer and distributor there is a shift from sales and mechanics of investment excellence to how the whole customer experience is

delivered and perceived.

Innovation can be quickly copied, performance is no longer the only differentiator and what is left is the *customer experience*. Relationship defining moments occur infrequently and fleetingly and successful firms capitalize on the **moments that matter**.

The asset management industry is under pressure due to margin squeeze, regulatory burden, macro-economic and political change, new disruptive business models and client expectations change quickly and place even greater pressure to respond. Survey reports from 2016 show that firms that focus on customer experience achieve twice the revenue growth rates and are better able to maintain margins and deliver higher levels of shareholder value. This is a source of competitive advantage not a nice to have. But the asset management industry is behind the curve. At the heart of future experience is understanding who the client is and what their needs are so that experiences can be personalised.

*Bespoke process is giving way to consistent personalization which is tailored and relevant to needs without introducing more cost.*

Few firms have a clear vision of what the future experience should be which is compounded by a hesitancy to invite client feedback. Onboarding seems to be a primary pain point and many firms have not reconciled their approach to B2B2C and potential channel conflict. Intermediaries and the client and a route to market and only a minority see that relationship as a partnership with the best interest of the end client. The role of the relationship manager is *changing rapidly from a sales to a consultative relationship based on need and solutions delivery.*

Key learning can come from other industries such as high technology firms who have mastered how to manage the delivery of product both direct and through third parties. *Key is a well-defined customer experience to both the channel and end customer coupled with a detailed understanding of the critical factors to get right over the lifecycle of the relationship.*

The following are critical success factors for the asset management industry

- Firstly, to be clear **who the client is** and to understand the clients **outside in** and to place the client at the heart of everything they do.
- Secondly the service provided needs to be supported by a well-executed technology change so that the proposition is consistent and efficient but can be personalized to client needs.
- Finally, the client experience becomes **the responsibility of everyone** from the Board downwards and not something for sales or Operations.



There are 6 pillars of customer experiences that are the key building blocks:

1. Personalization – being alert and tailoring experiences to circumstances by providing choice without breaching regulation and destroying margin.
2. Integrity. This is based on trust building behavior, reliability and ensuring beneficial outcomes for both parties and starts at the onboarding stage.
3. Expectations. Making sure these are aligned from the start.
4. Resolution. Turning a poor experience into a good one impact retention and advocacy.
5. Time and effort. The ease of doing business by minimizing customer effort and *creating a frictionless process*. Making information available quickly and simply is a priority but also a tension as it comes at a cost.

6. Empathy. The need to understand client priorities and challenges. This is a challenge as Asset Managers are often relying on 3<sup>rd</sup> parties or anecdotal information. One needs to understand one's own company from a client's perspective.

The moments that matter are those that give the client cause to reflect and to consider whether brand promises have been met. The stages to consider are, pre-purchase, purchase, immediate post purchase, ongoing and renew/dissolve.



Many firms do not have a common understanding of who the client is (platforms and investors) even though there is recognition of the two and their growing needs and Asset Managers are extremely

cautious of communicating with the end customer.

However, a new model must evolve if both needs are to be satisfied. Key is understanding the firms position. For active managers with a pricing model to defend, it is unequivocally performance and for passive managers with performance at a given price point the focus is service. Most firms do tailor service but this has led to operational inefficiencies but many are *moving to a standardised service with some flexibility.*

Client onboarding is a way of banking trust and setting the relationship up for success. What is needed are the following:

- Clear ownership of the process from end to end. Versus move from dept. to dept. with a reliance on workflow rather than relationship.
- Continually investing and innovating in smart technology aimed to make the customer experience, easier, more relevant and personalised.
- Detailed case management of legal negotiations and agreements and compliance and these can delay and annoy clients.

*At the heart of customer experience orientated change lies the voice of the customer.* Key is the systematic measurement of the customer experience.

**KPMG - Spotlight on the Asset Management Industry – B2B Customer Experience: Winning the Moments that Matter**

## Client Services

We would like to congratulate Maitland, who on behalf of Boutique Collective Investments, have successfully sent their first offshore trade via the FinSwitch Calastone link. Well done!

We are looking forward to more clients testing and using this functionality.

Please note that the Asset Allocation upload and download is now available.

The next Operations Committee meeting will be held on Wednesday, 11<sup>th</sup> October 2017. Details have been emailed, please RSVP. We are looking forward to seeing everyone there.

**Best Wishes**  
**Tasneem Gydien**  
**Manager: Client Relations**

## Application Desk

### New Release

Thank you for the positive feedback on our last release. At this juncture, we have concluded our major development items for this year.

Till next time

**Best Wishes**  
**Ismail Allie**  
**Manager: Application & Development**

## B-BBEE Certificate

You can download our certificate by clicking [here](#).