

Where There's a Will ...

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10/01/2019 When Swiss asset managers step on the gas: Axel Schwarzer, Head of Asset Management at Vontobel, was looking for a customer app and found it with help from Porsche.

Large-scale investors in Switzerland don't need to be patient any more. Retirement funds, insurance companies, foundations, and other investors in need of asset managers to handle their capital used to have to wait weeks or months and go through numerous rounds of approvals before the formalities were completed and they could actually make their investments. Vontobel, a Zurich-based asset management company, is using digitalized processes to shorten this procedure by more than half. At the same time, it is offering customers a greater range of valuable information. The visible product is an app that allows new customers to check the progress that has been made toward finalizing their contracts at any time. "We were inspired by the automotive industry," says Head of Asset Management Axel Schwarzer. That sounds surprising. Yet for Schwarzer it was clear that if customers commission his company to manage their assets, they should be able to obtain relevant information at any time. And they should also be able to see the "production" status of their contracts—just like automotive

customers who have configured a Porsche sports car.

Digitalization is the dominant trend in nearly every branch of business pursued by the financial sector. Vontobel's asset managers are using big data and artificial intelligence to tap new sources of knowledge for their active strategies for the capital market. With its new client app, the asset management company has now developed an instrument that improves contact with its customers. The aim is clear: "In contrast to consumer goods, financial products do not evoke much emotion," says Schwarzer. "So it's all the more important to make our work as transparent as possible and to create a trusted ecosystem around our products for our customers."

Asset management formerly considered non-standardizable

User-friendly apps have long since become a routine tool in many sectors, including the conventional banking business. Millions of customers view their bank balances on the go, or, over a midday espresso, check to see how their securities portfolios are doing. In asset management, however, that type of service has been the exception to the rule. Managing major asset portfolios is a complex job. It has long been considered an individualized business and therefore "not standardizable"—although standardization is precisely the prerequisite for digitalizing and streamlining processes. For Schwarzer, the new app embodies a fundamentally new approach. "Our sector is used to starting with internal processes and proceeding from there," he says. "We have now reversed this approach and placed our focus on the customer."

The app is actually just the interface that is visible to the customer, he explains. In order for it to show whatever information is desired at any time, Vontobel worked with Porsche Consulting to make the requisite work processes fit for digitalization. A key element consisted of dividing the "onboarding" process—preparing new commissions up to, and including, finalization of the contracts—into individual modules. The advantage is that decisions that need to be made about specific options can be pooled within their respective modules. That means the process can be standardized, and the departments involved can coordinate their work with each other and with customers more easily. This is of key importance, because in addition to the onboarding manager, specialists from around half a dozen departments are involved. These include sales, reporting, compliance, and controlling, which require intermediate rounds of approval with the customer. For example, multiple departments often have to check whether certain investments envisioned by a customer are possible. Thanks to an internal workflow tool linked to the app, everyone involved can work on a job in parallel and see which departments have already evaluated the customer's request. As soon as final authorization is issued, the app automatically informs the customer of the new job status.

Tested and approved by customers

The app supports processes above and beyond the conclusion and management of contracts. Customers can access reports with different levels of detail on the current status of their commissions

at any time. They can also select and configure benchmarks in order to assess the performance of Vontobel asset managers. This represents a major step in the asset management sector, where customers generally receive quarterly summaries of their portfolios with data that might already be several weeks old. “We know that this additional information is very well received,” says Schwarzer. This has been confirmed by initial tests carried out by the Porsche consultants who had Vontobel customers test the app's functions on “click dummies” before having the final versions programmed.

In addition to the customer app, Vontobel has also developed what they call an “insight app” for their own managers. A few clicks enable them to access key performance indices on Vontobel products, customers, competitors, and markets, as well as data from controlling and sales. “Capital markets and companies are still strongly influenced by what individual players believe,” says Schwarzer. “We want to objectify knowledge at our company, by making it transparent and therefore usable by all of our managers. This requires a change in culture. Sharing information should become more valuable than stashing it away.”

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