

# THE ROLE OF TECHNOLOGY IN INDIAN WEALTH MANAGEMENT

ACCORDING TO SPEAKERS AT THE HUBBIS INDIAN PRIVATE BANKING FORUM 2014 IN MUMBAI IN LATE AUGUST, THERE IS A LOT OF OPPORTUNITY FOR OFFERING CONTEXTUALISED AND PERSONALISED ADVICE IN THE WEALTH MANAGEMENT INDUSTRY THROUGH THE SMART USE OF TECHNOLOGY.

The lack of focus by the wealth management industry in India has constantly been questioned.

However, in a market where there are various new players emerging, in turn giving rise to ever-intense competition, technology seems to offer the opportunity for differentiation.

This was according to panel speakers at the Hubbis Indian Private Banking Forum 2014, in Mumbai in late August.

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## AN INCREASING ROLE FOR TECHNOLOGY

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When assessing the potential for technology within Indian wealth management, Vinay Kumar, business head for Intellect Wealth at Polaris FT, said he sees technology being introduced into back-office operations at organisations in India.

Another key aspect of how technology can bring benefits to the industry is where it touches the investor, either directly or through the adviser.

"That part, in my view, is going to grow substantially," predicted Kumar.



"And we are seeing a large amount of investment is going in that direction."

Satheesh Krishnamurthy, senior vice president and head of affluent banking at Axis Bank, said the landscape is changing rapidly.

"The big challenge for the banks is to be able to create institutional loyalty and technology acts as a great binder," explained Krishnamurthy. "One cannot dissect technology as to its role in the front office versus the back office. The

white space for all banks is to be the first in leveraging technology. In the sequencing of it, the impact will be on back-end streamlining to reduce the clumsiness quotient."

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## VALUE OF DATA-DRIVEN INSIGHTS

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Kumar said that India is still at a nascent stage when it comes to using data and contextualising it. While he agreed that a lot of work has been



"There is a lot of data available but the challenge is to convert that into actionable intelligence, which is what we seek to do," said Sahil Mehta, head of business development for Wealth-X in the Indian sub-continent.

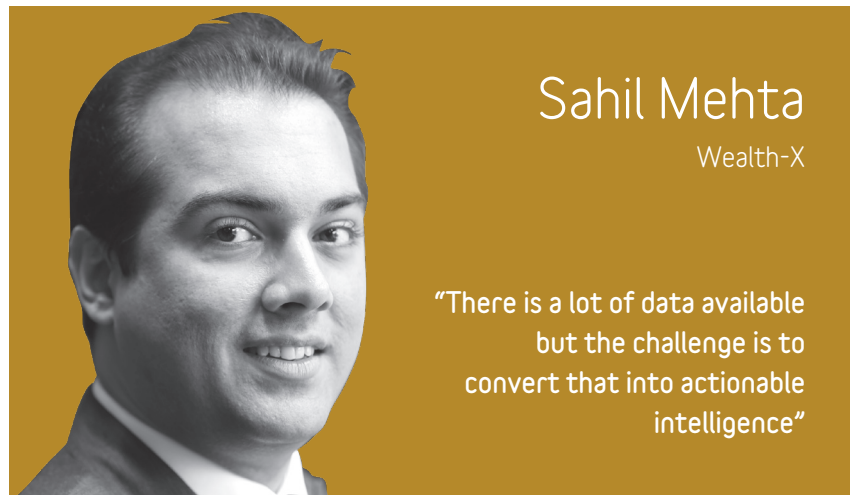
"A lot of private banks are using the data. A lot of times it takes time to understand their strategy and know what space are targeting," he added

Krishnamurthy added that there are a lot of legacy systems which exist, with vast amounts of data already captured.

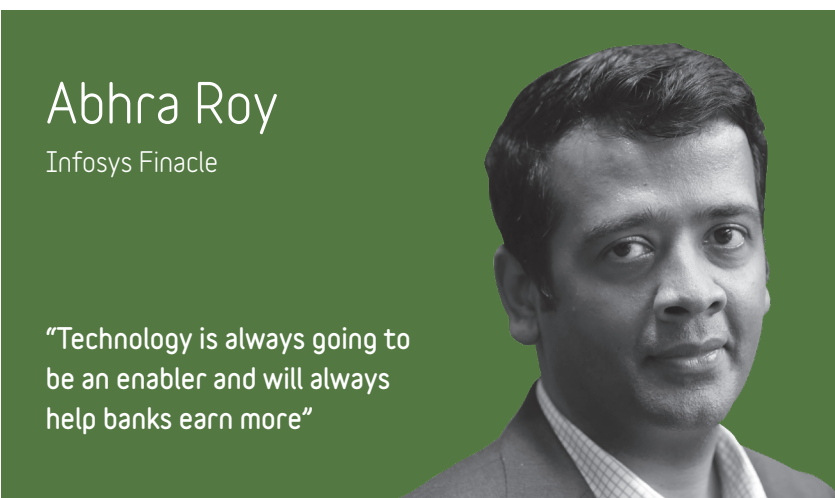
done outside the banks, he questioned a banks' ability in having the right mind-set to make the best use of the data that they have.

Abhra Roy, senior product line manager at Infosys Finacle, agreed with Kumar. "[Banks] definitely need external help, which can come from a software company or a consultancy." It is notable that many banks are already outsourcing their back-office operations.

There are also companies such as Wealth-X in terms of providing intelligent data to private banks.



"There is a lot of data available but the challenge is to convert that into actionable intelligence"



"In any technology maneuver, we end up getting bogged down by the legacy issues," he said.

"This is why the back-end needs to be fixed first."

Meanwhile, Roy perceived that people are looking for banks with a strong technology platform and not technology providers with banking licenses who are doing business.

"Technology is always going to be an enabler and will always help banks earn more," he said. ■