

Data Driven Wealth Management

Exploring the potential of data analysis in
Wealth Management

Julian Webb
Head of Data Management and Analytics
DST Global Solutions



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Agenda

- Introduction
 - About DST Global Solutions
 - About me: Julian Webb
- Key Goals
 - What is a “data driven business”?
 - Non wealth case study: applicable learning?
 - What would a data driven wealth management organisation look like and be capable of?
 - What kinds of cultural, organisational and toolset changes might be required to become more data driven?

The Data Driven Business

- What is a Data Driven Business?
 - Using objective, concrete data to make decisions
 - Set targets and measure performance based on this data
- Key Elements
 - Place the client at the heart of everything you do
 - Insights from data are important, not data itself
 - Feedback loop: measure change!
- Examples
 - Learning from other industries
 - Google, Amazon, Facebook, Tesco



Case Study: Tesco

- Data Analysis Philosophy: Beginning 1994
 - Matching “The right product, at the right time for the right customer”
 - Focus on the customer’s wants and needs
 - Both “Analytical” and “Attitudinal” Insights
 - Focus on enhancing loyalty by deepening customer relationships
- Success
 - Revenue 1994: £8.6B
 - Revenue 2004: £30.8B
 - +10% Market share over 10 years
 - Expansion
 - Bought their analytics consultancy!
 - Now moving into financial services.....



Tesco is one of the world's largest retailers with operations in 14 countries, employing over 500,000 people and serving millions of customers every week.

Case Study: Example Tesco Insights

Client Segmentation

Product Supplier
Feedback

Change
Measurement

Real Time
Environment
Monitoring

Case Study: Tesco Client Centric Philosophy



Source: Dunnhumby

A Data Driven Wealth Management Business

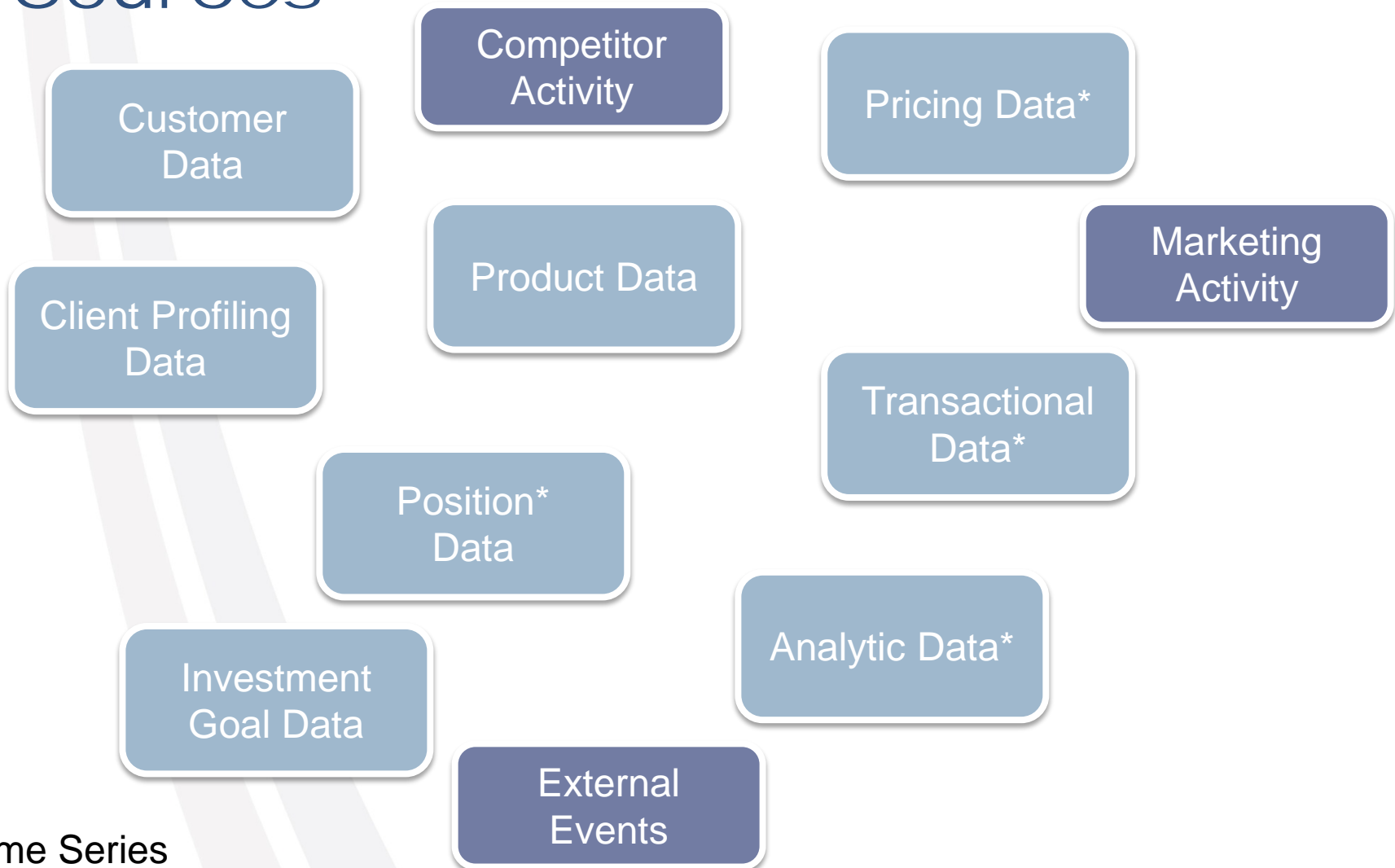
- What would a data driven wealth management business look like?
 - Client directed insights
 - Relationship manager directed insights
 - Enterprise management directed insights
- Key Differences
 - Private banking
 - Mass affluent



Steps to Data Driven Wealth Management

1. Generate Data
2. Aggregate Data
3. Generate Insights
4. Distribute Insights

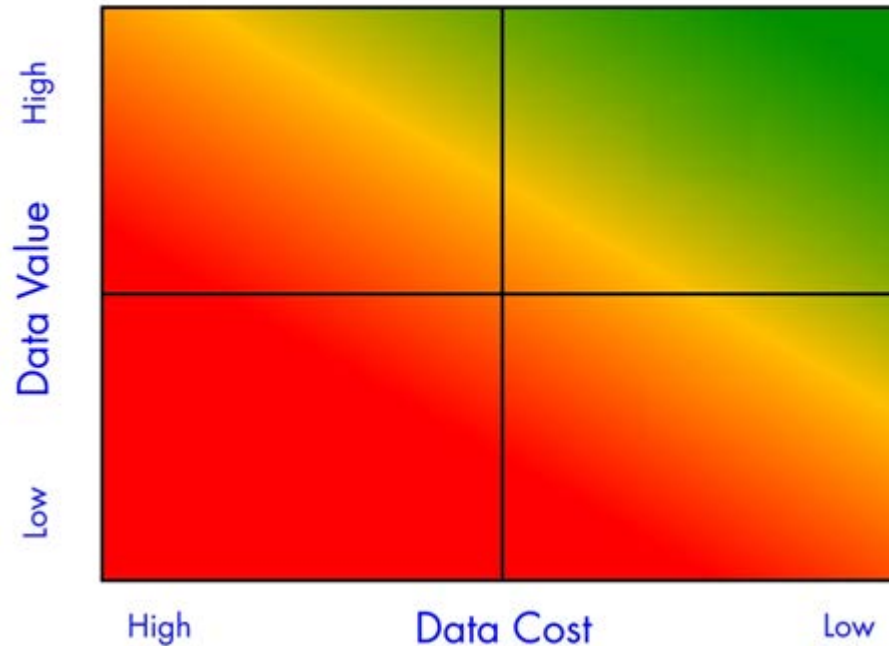
Generate Data: Existing Data Sources



*Time Series

Gather Data: Data Cost / Value

Data Cost / Value Matrix

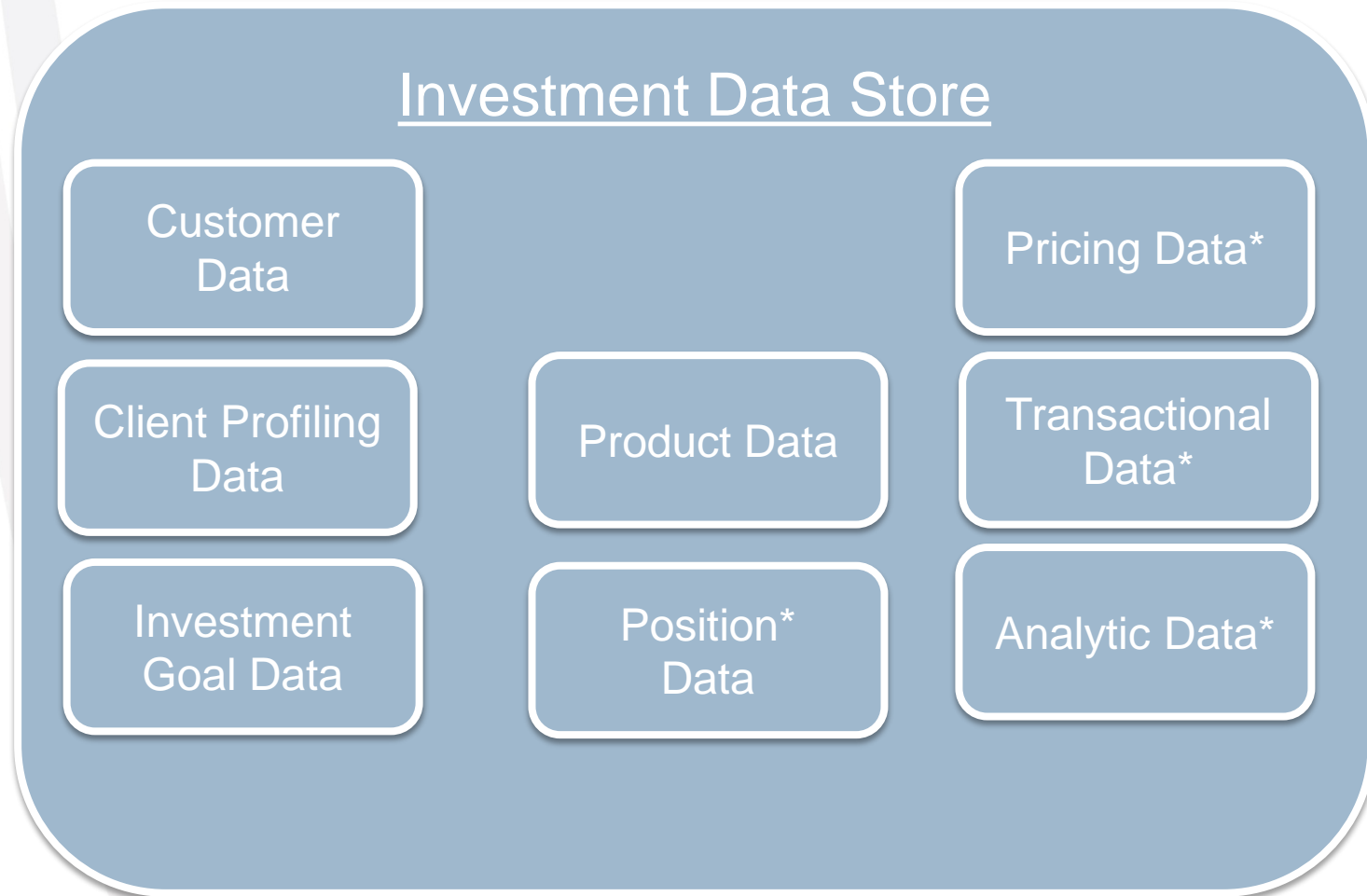


Source: <http://www.hertzler.com/php/portfolio/white.paper.detail.php?article=31>

Steps to Data Driven Wealth Management

1. Generate Data
2. **Aggregate Data**
3. Generate Insights
4. Distribute Insights

Aggregate Data: Single Context



Steps to Data Driven Wealth Management

1. Generate Data
2. Aggregate Data
- 3. Generate Insights**
4. Distribute Insights

Insight Generation

- Business Intelligence
 - Useful but limited today
 - Often Passive
- Insight Generation Engine
 - Key responsibility: **proactively generate small, timely, specific, high value, targeted “insights” to prompt or aid a decision**
 - Key Capabilities
 - Mine large datasets in real time (Big data techniques)
 - Capable of supporting a wide range of analysis techniques
 - New analysis techniques are simple and fast to develop and deploy
 - Insights are stored for first and second order analysis



Client Targeted Insights

- Investment Performance
 - Performance measurement, ad hoc analysis, attribution analysis, custom grouping
 - Performance relative to investment goals and benchmarks
 - Risk adjusted performance
- Portfolio Monitoring
 - Clients can set exposure limits set by sector, country or individual asset level. Alerts are generated around those limits
- Market Information
 - Information relevant to client's interests and holdings
 - Alerts based on market events



Relationship Manager Insights

- Customer advice
 - Analysis of market events, client goals, portfolio profile, product features to generate targeted advice
- Client Segmentation Analysis
 - Deep customer segmentation
 - Attitudinal: “values”, “goals”, “lifestyles” or “intentions”
- Cross-Selling Recommendations
 - Clients analysed by segment; products suggested
- Client Behaviour
 - Historic and recent behaviour
 - Highlight changes in investment activity or investment goals



Enterprise Insights

- Profitability
 - Client profitability – individual and segment
 - Product profitability
 - Relationship manager profitability
- Efficiency
 - Relationship manager productivity
 - Marketing campaign ROI
- Competition
 - Monitoring competitor activity and news



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Insight Distribution Channels

- Clients

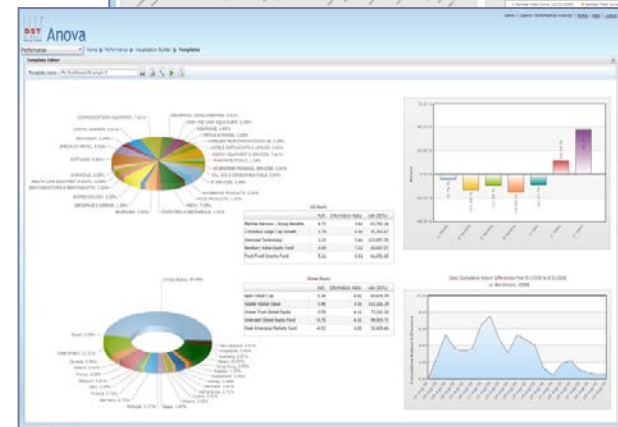
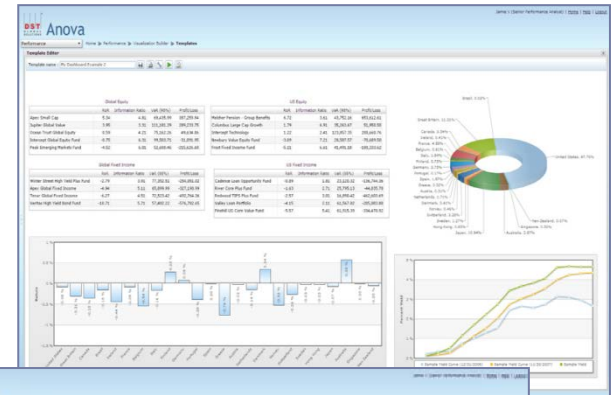
- External web portals
- External mobile apps
- SMS, Social Media, Email

- Relationship Manager

- Internal web portals/dashboards
- Tablet
- Email alert

- Enterprise Management

- Internal web portals/dashboards
- Tablet
- Reports



Summary

1. Generate Data
2. Aggregate Data
3. Generate Insights
4. Distribute Insights



- Not Too Far Away!
 - We have a lot of this data
- Culture
 - Respect for data
 - Creativity: Identifying useful insights

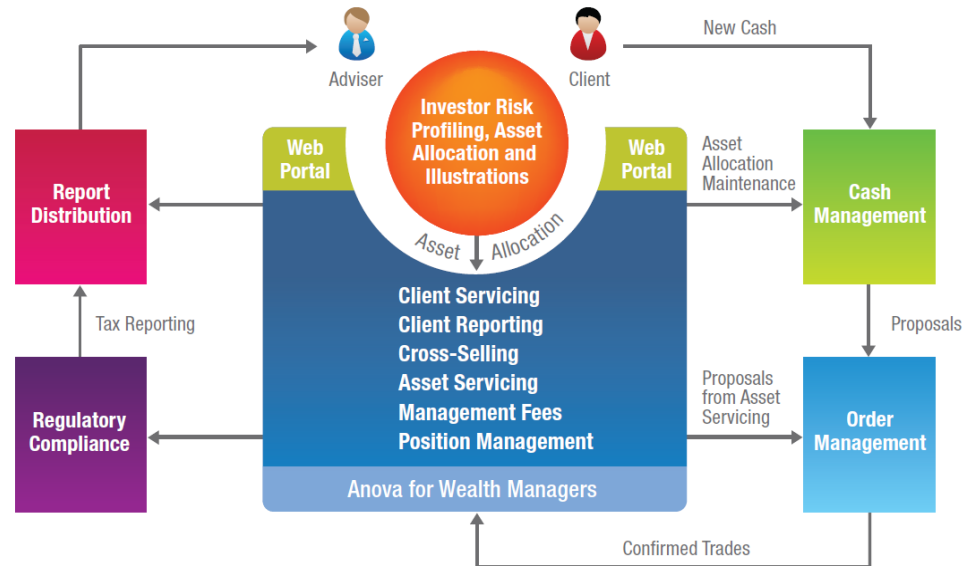
Q&A Discussion



Anova for Wealth Managers

- **Operational data hub** that works at the core of a wealth manager's operations
- **Highly scalable** supporting millions of customers and very high transaction volumes
- **Analytics** supporting 'propensity to buy' and up and cross-selling campaigns
- Supports a **global operating model**

Anova: *Acquire, Aggregate, Enrich, Distribute*



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