

Evolution of a market

Michel Jongen, general manager, CEE region, for private banking and wealth management vendor, Odyssey, rings the changes



'When we talk about wealth management, we see it more as the evolution of private banking, with traditional private banking rather being an 'old money' HNWI management service, and wealth management being more adapted for mass-affluent individuals.

Whereas traditional private banking would be done on a discretionary basis, wealth management is increasingly advice based. As 'new money' wealth is typically held by younger and entrepreneurial people, their experience in dealing with financial markets and their desire to be involved with investment decisions is higher. We observe this trend within our customer base as well. There is a clear evolution of their value proposition from product-centric services to a client-centric approach. The relative lower value of assets under management per client is by far outweighed by the higher number of clients a relationship manager will have. Whereas we typically deliver solutions within the discretionary market segment, we now increasingly deliver platforms aimed at the productivity of relationship managers.

Banks increasingly steer advisory services with pre-defined workflows including business processes, business intelligence, compliance related rules and support for context specific investment recommendations. Regulatory pressures such as MiFID have pushed this to the top of Board agendas.

The next market move is towards retail advisory services. This is even more constrained by IT infrastructures since scalability and intuitive user interfaces are paramount.'