



# THE SWISS WEALTHTECH LANDSCAPE REPORT 2021

Kidbrooke® article and profile

# Steps to heaven - how to take your customers on a journey to the land of digital trust

## Fredrik Daveus, CEO at Kidbrooke®, explores how to build trust in digital wealth management.

It is no secret that financial services are going through a massive transformation at the moment. This historically conservative sector, which has been around for about as long as people have engaged in economic activity, is slowly moving to a versatile digital space. Although the form, context and channels change dramatically, the core values of financial businesses remain closely connected to integrity and trust. In wealth management, decades of hard work and an untarnished reputation earn this trust, coupled with imposing offices and a luxurious service matching the status of an upper-class customer. As wealth managers transition to digital and hybrid channels, many wonder what it takes to build trust in a new, leaner and often more democratized environment. Today we share insights on fostering customers' confidence in digital channels that we have gathered from several innovative wealth projects.

### Tailor your digital journeys to the needs of your customers

Customer listening is already a common practice on digital-first e-commerce, social media, and entertainment platforms. This practice seeks insights to improve the customer experience by exploring customer success, friction points and missed opportunities in current solutions through surveys, focus groups and customer feedback on social media. The insights from customer listening should be an essential input for financial institutions building new products or services. It is critical to ensure that newly-built customer journeys

address your customers' needs with the user experience being easy to understand, reliable and interactive.

### Let customers try before they buy

As financial businesses explore data-driven approaches to engage their customers, predictive forecasting is another technological trend rising in prominence. We define predictive forecasting as the process of modelling the future value of financial products informed by the outlooks on the development of the global economy and capital markets, to drive a wide range of portfolio and risk management decisions. Predictive forecasting allows end customers to simulate the consequences of their investment decision-making and choose the assets that suit their needs best. Essentially, this approach lets them test-drive your financial products by evaluating their impact on a customer's financial situation before adding them to their portfolio.

### Leverage automated fact-finding for smooth onboarding

We all know that completing a questionnaire may be a daunting task, especially about a complex topic such as pension planning. Fortunately, the rise of open banking technology has increased the availability of tools helping to pre-populate some of the customer data, allowing for a faster and easier onboarding process. Furthermore, it is a good idea to leverage the customer data you already know as much as possible. Does the customer already have an account with your institution and wish to use

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another service you provide? Make sure there is a process to transfer all the relevant data to the new digital journey so that the customer feels at home when expanding their relationship with you.

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**Trust is hard to build and easily compromised; therefore, it is crucial to nurture it continuously. In the context of wealth management, this means that you should only recommend options that are in your customers' best interest.**

#### **Provide access to physical advisors when customers want more support**

Financial planning is not an easy task, and as much as you simplify your digital wealth journeys, it is likely that your clients might need help navigating your app or understanding financial jargon from time to time. Therefore, it is critical to provide channels for customers to reach your physical advisors and receive all the support they need, even in purely self-service journeys. A financial institution can achieve this by using intelligent communication solutions such as chats, video calls with options to share the screen, as well as more traditional means of contact such as email and phone support.

#### **Avoid business models where profitability depends on customers making sub-optimal decisions**

Conflicts of interest and predatory business models have a devastating effect on communities, and in some cases even the global economy. Unfortunately, some financial firms might still value profitability over the trust of their customers. Trust is hard to build and easily compromised; therefore, it is crucial to nurture it continuously. In the context of wealth management, this means that you should only recommend options that are in your customers' best interest. Kidbrooke's financial simulation engine, OutRank, can support this process by implementing its utility maximization approach to ensure that your digital journey only recommends offerings that benefit your customers.

#### **Don't stop at the point-of-sale; include monitoring and proactive nudging**

It is often the case that the digital journeys finish with the customer's purchase of a selection of recommended investment products. However, this is far from the end of their financial planning journey, often rather the opposite. People save for their dreams, for their future, and to manage the uncertainty of tomorrow. Digital channels can enable you to keep them engaged in these journeys and offer them personalized, scalable advice in ways that haven't been available before. For example, leveraging a financial simulation engine could help you to generate relevant notifications on your customers' financial milestones across an entire book of business. Moreover, such an engine can also be triggered proactively by a customer wishing to perform a financial health check and evaluate the most optimal next step for them to take.

Financial institutions have reaped the benefits of highly scalable digital channels for a while now, and they tend to follow the engagement strategies of entertainment companies. We have seen Spotify-like yearly investment round-ups designed to be shared with customers' subscribers on social media, the replication of other users' portfolios and the creation of Facebook-like social networks of investment enthusiasts. There are undoubtedly many ways to improve the engagement of your current customers. Still, some strategies that work well in the entertainment context may not be appropriate for a financial institution. In an environment where trust is one of the core values constituting your brand, it is essential to keep the context and the content of your notifications, nudges and interactive elements relevant, seamless and ethical. At Kidbrooke, we believe that the context of digital communication with your customers should be linked to their needs and we continue to work to help you create the best customer experiences, fostering long-term trust.

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Overview

High-quality, personalized and engaging financial advice and guidance are currently too expensive to produce with today's methods resulting in a lack of supply, especially for underserved segments. Financial planning services have previously only been accessible to High Net Worth Individuals (HNWIs). Kidbrooke's OutRank API is designed to lower the cost of providing wealth management services, allowing everyone to make educated financial decisions for their future.

Access to Kidbrooke's technology can improve customer engagement, make a real difference with respect to inclusion and ultimately improve the quality and profitability of the underlying business models. By providing B2B automated financial analytics via OutRank, our financial simulation engine, we shorten time to market as well as lower the cost of providing wealth management services without compromising on performance or scalability. Due to its holistic approach, OutRank has the capability of providing decision-support for virtually any financial decision that would involve cash flow modelling, powering a wide range of financial use cases.

Solutions overview

OutRank is an easy-to-use and scalable financial simulation engine delivered as a stateless Cloud-based API. It helps our customers, financial institutions of various sizes to build innovative, reliable and secure wealth experiences.

Featured solutions

Kidbrooke factfile

Telephone number	+46 870 899 20
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Website	www.kidbrooke.com
Number of employees	10-50
Target regions	Asia, Central America, Eastern Europe, Middle East, North America, Western Europe
Types of Wealth Managers served	Asset Managers, Bank Wealth Managers, Family Offices, Financial Advisors, Insurance-Based, Digital Wealth Platform



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