

AI and Robotics for Wealth

UK Wealth and Asset Managers Aspire to Catch-up in Advanced Technologies

With the advent of data management and processing capabilities, the business applications of technology move from mere speed and efficiency towards areas where machines replicate - with increasing success - certain human actions and behaviours.

Artificial Intelligence (AI) and Robotics, none of them new, have now become areas of exploding interest as technology progress brings them to practical maturity and opens new possibilities. While the world is already boldly engaging in these areas, from exciting experiments to business-as-usual levels, the Wealth Management (and to a large extent, the Asset Management) sectors remain true to their conservative nature and are considering adoption with some delay. Synpulse, working at the forefront of AI and Robotics, is conducting research on industry attitudes and intent. As a precursor to a broader and deeper study, Synpulse UK recently conducted an express survey among senior industry leaders, - below are some key findings.

Innovation is a high priority challenge for the near future

Asked to rank next 18 months challenges from a broad choice, senior executive respondents placed Innovation at the top, followed by Client Centricity and Regulatory Compliance. These came ahead of other major challenges like Brexit, Cost or Scaling of operations. Unpredictable financial events (and occasional blunders) are forcing authorities to seek stability via stricter and stricter regulation. Regulatory changes, while protecting consumers and society, are adding extra pressures on bankers and wealth managers - limiting their strategic and operational options and decision freedoms, and also adding considerable compliance costs to the already endangered cost-income metrics.

Top industry challenges for the next 18 months

1. Harnessing Innovation (20%)
2. Client Centricity (19.2%)
3. Regulatory Compliance (17.6%)

In addressing these challenges, we asked participants to rank top functional competences from an even broader choice, and the priority areas where they see significant need for improvement were:

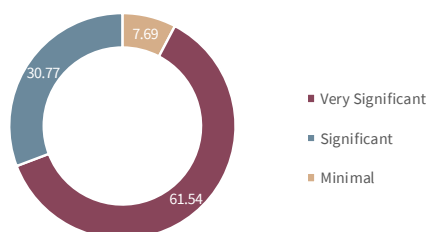
Top capability improvement needs

1. Reducing Administration Time and Effort (14%)
2. Communication (12%)
3. Innovation Management (12%, joint 2nd)
4. New Client Acquisition (11%)

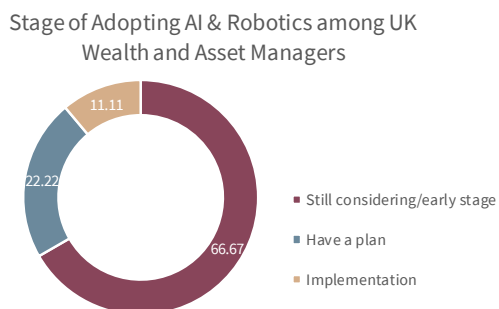
Industry leaders expect AI & Robotics to improve efficiency

Against the above general background, we asked our audience specifically about the areas of Artificial Intelligence and Robotic Automation. It wasn't much of a surprise that over 92% expect a positive impact, and only less than 8% answered negatively. Among those with positive expectations we asked about the scale of impact, and the majority clustered around the «Significant» response:

What will be the impact of AI & Robotics on efficiency over the next 18 months?



A very unanimous response of 100% of participants expect positive effect of AI and Robotics on Customer Experience (CX), 70% are foreseeing a «Significant» impact in the area. The positive expectations were sufficient ground to ask about action-oriented intent. Here we found a near-equal split, with just over half (54%) of industry leaders considering using AI and Robotics in their business, while 46% are still not considering it. In a more detailed drill-down question, those considering the technologies were asked about the stage in their journey. Here a good two-thirds of respondents (67%) are still in early consideration stages, with fewer in Planning and Implementation, and practically nobody with a completed, running solution:



This is a revealing result, considering that in Retail Finance (high-street banking and insurance) there are already business-as-usual examples, and even more outside the financial industries. It is also a great opportunity - both for Fintech vendors in AI and Robotics, and for progressive institutions to take a lead and gain a first-mover competitive advantage.

One last question points to insufficient knowledge and dissemination of information as a possible reason for the lag: 77% of senior decision-makers feel they do not know enough about the potential of AI and Robotics for their business, and only 23% responded they are sufficiently aware. This calls for more proactive efforts from the specialized media, the industry associations and bodies, the academic community and, not least, from the consulting profession. Greater awareness will foster positive outcomes for all parties involved.

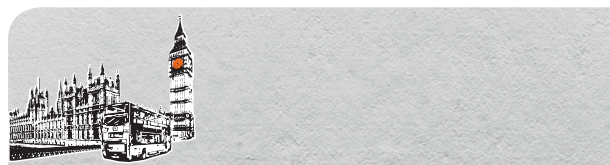
This ad-hoc survey is now followed by in-depth interviews, field- and documentary research, and Synpulse UK intends to publish a more elaborate study closer to the date of our next Senior Executive Forum, which will be on the topic of «Artificial Intelligence and Robotics in Wealth and Asset Management – Nirvana or Apocalypse?». The event will be held on the 22nd March at the traditional venue, the Barber-Surgeons’ Hall in London.

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