

Harnessing the power of digital solutions in wealth management



Hymne Landman,
Head of Momentum Wealth

The financial services industry in South Africa is experiencing a remarkable digital transformation, with significant improvements in efficiency, client engagement and service delivery. As a financial advisor, it is imperative to stay ahead of the curve, leveraging technology to provide personalised support to help clients achieve their financial goals.

The integration of digital solutions in wealth and investment management has emerged in response to heightened client expectations, requirements of financial advisors, the need for streamlined operations and the desire to remain competitive. By adopting cutting-edge tools and online processes, financial advisors can elevate their game, offering tailored services to clients while adhering to industry regulations.

The adoption of digital solutions when engaging with investment platforms also reduces the occurrence of human errors, enhancing client experience and ensuring up-to-date information. This not only saves time and effort but also improves the overall quality of the services provided.

Digital solutions are increasingly transforming the way investment platforms, together with financial advisors, interact with clients. Transacting directly on investment platform systems gives advisors and clients more control, faster processing timelines and a more personalised experience so that financial advisors can focus on what matters most: giving good financial advice and creating value for their clients.

By using digital tools, financial advisors can also expand their reach beyond geographic boundaries, attracting clients from across South Africa and beyond. By leveraging technology, advisors can better address the evolving needs of their clients, building stronger relationships and driving client satisfaction.

The advent of big data is also affecting the financial services industry, providing financial advisors with access to a wealth of data that can be utilised to gain insights into client behaviour, preferences and investing patterns. By leveraging data analytics tools and Artificial Intelligence (AI), advisors can identify trends and make data-driven decisions that benefit their clients.

Predictive analytics enables financial advisors to anticipate potential risks and opportunities, so that they can make

proactive recommendations that can improve clients' financial outcomes. This data-driven approach to wealth and investment management empowers advisors to provide tailored advice and personalised coaching, helping clients on their journey to success.

Both psychology, or our inherent personality traits, and technology (machine learning) can provide guardrails for clients when they need them most as well as in-the-moment financial education to help them bridge their intention (staying invested) with their actions (avoiding regular switching in and out of funds), for example. This is one example of how predictive analytics is critical in managing or eliminating the investor behaviour tax for both the advisors as well as their clients.

The integration of technology and digital solutions in financial advisory and wealth management practices is vital to providing personalised client engagement. By embracing these advancements, financial advisors can streamline their operations, enhance client engagement, and harness the power of data analytics to create tailored solutions that can help clients achieve their financial goals.

An example of the quick uptake of online engagement is the functionality to do fee and benefit proposals (quotes) for our annuity products and the Linked Endowment Growth Option that we made available on our online quote, called Wealth Quote. Within the first week of us communicating with financial advisors, more than 1 500 quotes for annuity products were generated online.

We also saw a significant increase in the number of transactions on the Momentum Wealth platform being done digitally where financial advisors use the various digital solutions which we made available rather than using paper and email processes. We processed a total of 73 810 digital transactions in the last year with minimal manual intervention required.

As the financial services industry continues to evolve, it is crucial to remain agile and adaptable, embracing new tools and online solutions, and developing the skills and expertise needed to maximise the benefits of technology. By staying ahead of the curve, financial advisors, financial planners and wealth managers will be well-positioned to lead their clients on a successful journey to a secure financial future. ■