

Enabling the growth of wealth advice in India

As growing costs and competition add further pressure to the bottom-line of banks and wealth managers, Milan Ganatra of Miles Software Solutions believes the role of technology and digital solutions is more important than ever before.

The regulatory trends towards fee-based advisory models will create a challenge for wealth managers to get the revenue and then be profitable.

Changes are expected in terms of how banks operate going forward, in line

Technology will then serve as a real enabler to reduce the labour-intensity of many processes to make it the cost of doing business more realistic, explains Milan Ganatra, chief executive officer of Miles Software Solutions. “There is a vast opportunity for technol-



MILAN GANATRA
Miles Software

“There is a vast opportunity for technology players due to cost pressures.”

with the pressure on revenue in the wake of the latest Securities and Exchange Board of India (SEBI) its investment adviser regulations.

Many advisers don't yet have the confidence to ask their clients to pay a fee for their advice.

ogy players due to the cost pressures,” he adds.

Banks, however, have a generally trusted status among most clients, and with their existing scale and reach, already have a more technology-driven mind-set.

“They don't mind investing first in technology, with the expectation that revenue will follow,” says Ganatra.

Remote advisers, for example, where clients can dial-in to do a video call with their adviser, is already a concept which exists today.

Non-bank financial companies (NBFCs), on the other hand, look first to generate revenue flows before they consider investing in technology.

A COGNITIVE COMPONENT

Taking the role of technology in wealth management in India to the next level, an important priority for Miles Software in 2017 is cognitive computing. Ganatra believes this would add artificial intelligence that can benefit institutions, individual advisers and clients – for example, by cloning the smartest

would ingest large amount of data from various sources, plus also capture various actions and reactions of a customer as well as an adviser, to deliver an intelligent solution,” explains Ganatra. As a result, wealth management firms can on the one hand potentially reduce their costs. On the other hand, an adviser can cater to more customers given the automated nature of the interactions and individual transactions.

“[Cognitive computing] would add artificial intelligence that can benefit institutions, individual advisers and clients – for example, by cloning the smartest adviser.”

TECHNOLOGY-DRIVEN CHANGE

Technology can also help build more capacity with the Indian wealth management market.

For the next five to seven years, digital and manual processes and systems will continue to co-exist.

While there is inevitably a desire to access information quickly and efficiently, the preference of many investors in India to have specific touchpoints. This, says Ganatra, is connected to the emotion of managing their money. Yet the direction is clearly towards a more automated and digitised engagement.

From April 2017, for example, all mobile handsets in the country will need to be multi-lingual to support the local language, plus they will offer biometric functionality. This will increase accessibility, explains Ganatra, although he still believes that true comfort levels will take time to develop.

adviser. There are three specific situations where he says cognitive computing is relevant to wealth managers.

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The first is in terms of bringing the right product to customers. Secondly, it can help an investment adviser do the mining of data and behaviours to determine which customer to contact – as well as when and how – plus, what to offer an individual. And thirdly, it can ensure more effective customer communication.

“All this can deliver intelligence which, as a human, would be difficult to achieve because typically a cognitive engine

DELIVERING REAL SOLUTIONS

As a complete wealth management platform, Ganatra says Miles is adding a cognitive layer to its adviser desktop as well as the customer-focused digital channel. The aim is to deliver advice to a relationship manager so that he can react to situations and communicate effectively to clients.

“This sits on top of our core wealth management engine, as well as inter-

actively advising the client and suggesting various actions through the digital channel.”

For institutions which are clients of Miles, for instance, this gives them an additional intelligent layer on top of an already-robust engine. “This takes our platform to a level which will allow our customers to do their business far more profitably, in a more scalable way, and allows them to be ahead of their competition,” he adds. ■