# CONVERTING COMPLIANCE CHALLENGES INTO BUSINESS BENEFITS:

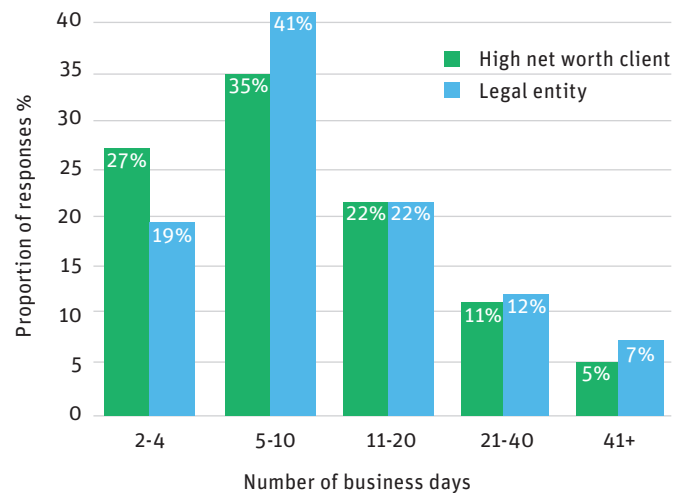## OPTIMIZING CLIENT ONBOARDING IN WEALTH MANAGEMENT

## Executive Summary

The study defines onboarding in its widest sense to include all the activities wealth managers perform while taking on new clients, such as all background, risk and suitability assessments, periodic reviews and the introduction of new investment products. Over 200 wealth management professionals participated in the survey on which the study was based. In addition, 25 senior private banking and wealth management executives, industry consultants and technology experts contributed their experiences and insights. The results revealed significant trends, challenges and emerging industry solutions.

**How concerned are you about clients dropping out during the onboarding process?**



- Unconcerned
- Moderately concerned
- Very concerned

29% | 29% | 42%
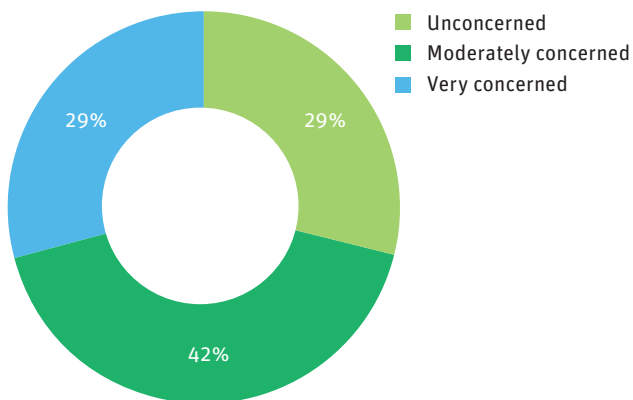
**Average onboarding time high net worth client vs legal entity**



Proportion of responses %

- High net worth client
- Legal entity

| Number of business days | High net worth client | Legal entity |
| --- | --- | --- |
| 2-4 | 27% | 19% |
| 5-10 | 35% | 41% |
| 11-20 | 22% | 22% |
| 21-40 | 11% | 12% |
| 41+ | 5% | 7% |

## New regulations have complicated the onboarding processes and have caused wealth managers to worry about potential dropouts and a poor client experience.

- Over half of respondents (52%) believe that additional regulation has significantly slowed down the time it takes to convert a prospect into a client. Onboarding a non-complex high net worth client can take anywhere between 5 and 41 business days.

- More than half the participants believe that extended compliance-related questions have had a negative effect on the overall client experience during onboarding.

**Appway**
Onboarding the future.

- Although three-quarters of respondents are concerned about clients dropping out during the arduous onboarding, 56% of respondents said that their firm has no active procedures for preventing dropouts.

**Is your firm's onboarding system paper-based or digital?**



Legend:
- Paper-based
- Digital
- Mixture

24%
6%
70%
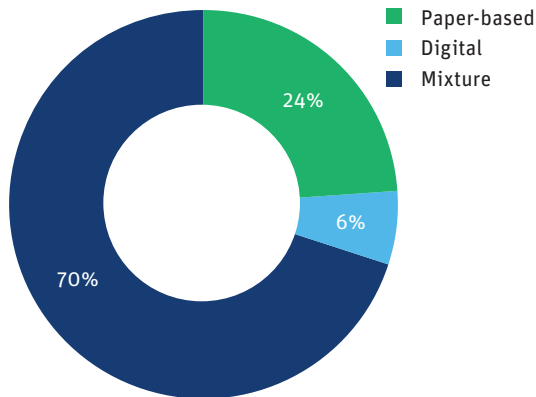
## Automation, straight-through processing and systems integration stand at low levels, generally.

- The increasing digitalization of wealth management operations has yet to fully reach onboarding: 70% of wealth managers are using a paper/digital hybrid onboarding process. Only 6% that have digitalized completely.

- KYC, risk and suitability profiles are integrated into the onboarding process at the majority of wealth managers. 60% of participants use adaptive questionnaires and most believe a rules-based approach to questionnaires would significantly benefit their firm.

- The majority (35%) of wealth managers have just one IT system integrated with their onboarding process, while a combined 38% have integrated two or three systems. Only 13% of respondents said that their firm has integrated five or six systems.

## Improving the client experience of onboarding is top priority, although wealth managers are seeking a range of other business benefits, too.

- The majority (35%) of respondents selected increasing referrals as the main business benefit they seek to gain by improving the client experience through enhanced onboarding.

- Improving a firm's ability to adapt to new regulations is a main priority. With 81% of respondents reporting presence in multiple jurisdictions, firms need flexibility and an onboarding system that can cope with disparate regulatory regimes.

- Almost nine out of ten respondents believe that having a well-managed onboarding process would reduce the time it takes to receive client funds. 69% of participants also believe that carrying out annual compliance profile reviews affects the institution's sales.



For a complete analysis, download a complimentary copy of the report at **www.appway.com/study.**

## Appway Client Onboarding

Appway is the global leader in client onboarding for the financial services industry. In an era of soaring global competition and increased regulations, Appway Client Onboarding boosts efficiency, assures legal and tax compliance, and guarantees outstanding client experience. Flexible and agile, Appway's award-winning Client Onboarding empowers financial institutions to adapt quickly to external pressures and create high-quality digital experiences.



**Appway**
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**Wealth**Briefing

**KPMG**
cutting through complexity

**SIX**
Financial Information

APPWAY
# CLIENT ONBOARDING

**Appway**™
Onboarding the future.

# EMPOWERING FINANCIAL INSTITUTIONS WORLDWIDE

**Appway is the global leader in client onboarding for the financial services industry. Flexible and agile, Appway's award-winning Client Onboarding empowers financial institutions to adapt quickly to external pressures and create high-quality digital experiences.**

*AWARD-WINNING*
SOLUTION

**50 +**
IMPLEMENTATIONS WORLDWIDE

*10 + YEARS*
SERVING LEADING
FINANCIAL INSTITUTIONS

The comprehensive client onboarding solution manages the entire client lifecycle: from onboarding, to updating, to offboarding clients. With full end-to-end automation, the solution boosts efficiency, ensures legal and tax compliance, and guarantees outstanding client experience.

With solutions for retail banks, wealth managers, brokerage firms, and institutional banking, Appway Client Onboarding makes sure an institution is working to its full potential to maximize revenue and improve client satisfaction.

We evaluated 4 vendors simultaneously. Appway came out, by far and wide, the leader.

**J.P. Morgan Chase**

## What is client onboarding?

The term "client onboarding" refers to all of the activities related to the acquisition of new customers and the ongoing maintenance of their accounts. A smooth client onboarding lifecycle lays the foundation for a prosperous relationship between client and financial institution.

# THE EVOLUTION OF BANKING CULTURE

## Globalization

Globalization not only refers to the expansion of industries and international markets, but also to the interconnectedness of financial institutions worldwide. Globalization is both the promise of marketplaces and resources, and the challenges of intensified competition and economic risk. With institutions competing for clients worldwide, the cost of imprecision has skyrocketed.

**94%**
of wealth management executives see improving client onboarding as a key priority.

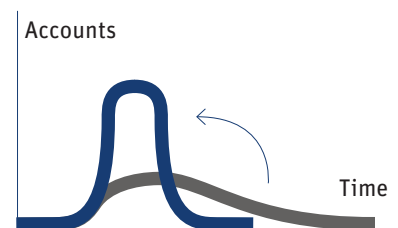© 2014 CEB TowerGroup

## Increasing Regulations

Since the 2008 financial crisis, financial service institutions around the world are struggling to adapt to new policies and regulations that continue to emerge and change. These institutions are overhauling business models and pouring money into risk and compliance departments, knowing that errors or delays could result in non-compliance and serious legal repercussions. A firm's resilience and capacity to adapt to such changes will dictate its success in today's economy.

## Emerging Technologies

Across industries, new channels and technologies are transforming the modern client as well as the services they require. The banking industry is no exception. Tech-savvy and mobile, today's bank clients demand high-quality digital experiences on par with their consumer technologies. Organizations that rise to the occasion are rewarded with loyalty, referrals, and revenue.

An automated client onboarding process (as depicted in blue) decreases the risk of dropouts.

## Institutions Respond and Transform

To keep up with increasing complexity, institutions need a way to automate tasks, accurately assess risk, and ensure compliance. They must cater to the needs of the modern client and guarantee seamless service across the board.

# THE SOLUTION:
# APPWAY CLIENT ONBOARDING

**The comprehensive solution manages the entire client lifecycle: onboarding, updating, and offboarding clients. With end-to-end automation and full transparency, the solution boosts efficiency, ensures legal and tax compliance, and guarantees outstanding client experiences.**

## Automation
**yields efficiency**

Each and every step of onboarding, updating, and offboarding a client is automated with Appway Client Onboarding. From gathering information to account activation and data distribution, Appway boosts the efficiency and accuracy of business processes. With full process traceability, all involved can track and monitor progress.

## Legal and Compliance
**reduces risk**

By following critical tax policies, promoting due diligence, and supporting corporate governance and standards, Appway Client Onboarding supports rapid adherence to changing global and local regulations. The solution automatically flags potential risks and verifies that all the necessary steps are taken to safeguard a company's reputation and reduce operational risk.

Profiling → Rules → PDF → Client Signature → Approvals → 01101 Integration
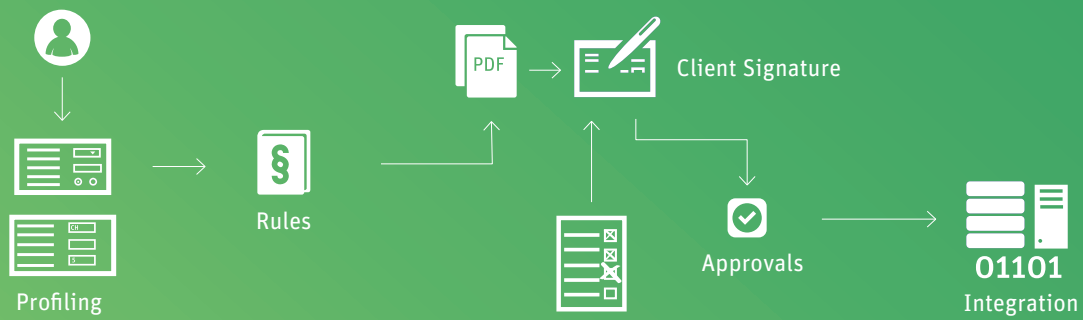
Appway Client Onboarding provides the tools to foster successful relationships with clients through comprehensive client profiling and a strong commitment to KYC. With thorough background checks and full transparency, the solution manages risk and makes sure only suitable products are offered.

## Profiling
**ensures transparency**

Flexible and highly customizable, Appway Client Onboarding empowers organizations to better serve their clients. Offering self-service onboarding as well as support for traditional in-bank onboarding, the solution enables the institution and its clients to control the banking experience. Since Appway runs in any browser, it works across channels for onboarding anytime, anywhere.

## Client Servicing
**provides outstanding experience**

# TRIGGER BENEFITS ACROSS THE INSTITUTION

**For back office employees, management, clients, and everyone in between, Appway Client Onboarding brings unbeatable benefits. With Appway, an institution can make sure it is working to its full potential to maximize revenue and boost client satisfaction.**

## Bank Client

With Appway, clients can be involved in the client lifecycle anytime, anywhere for banking that's quick, convenient, and client-controlled.

**Full visibility of request status**

**Access across devices for collaborating anytime, anywhere**

**Self-servicing for 24-hour access**

**Experience greater control and autonomy**

**Predictability of deadlines**

## Relationship Manager

Standardized and efficient, onboarding clients with Appway maximizes productivity and revenue while giving relationship managers peace of mind.

**Guided data gathering saves time and boosts accuracy**

**Product suggestions customized for each client and region**

**Leverage sales and increase revenue with cross- and upselling**

**Client traceability for insight into client lifecycle status**

## Compliance Officers

Appway gives compliance offices control and authority with tools that reduce risk and enable companies to adapt quickly to new regulations.

**Overrule risk rating empowers compliance officers to set final ratings**

**Complete client due diligence to minimize risk and protect reputation**

**Complete audit trails record process steps for future reference**

| Out-of-the-box regulatory rules for KYC, PEP, MiFID, FATCA & more | Easy integration with core banking, archive, CRM and other third party systems | Available across devices, in multiple languages |
| --- | --- | --- |

## Back Office

Appway Client Onboarding improves data quality and increase productivity for a back office that's smooth and precise.

**Improved data quality with automation**

**No rekeying boosts speed and efficiency**

**Automated background checks to reduce risk and save time**

## Management

Appway ensures efficiency at each step that management oversees, empowering a company to maximize profits and guarantee client satisfaction.

**Ensure service levels to reach company goals and assure client satisfaction**

**Reach potential by detecting bottlenecks and opportunities**

**Process optimization for increased revenue and greater client satisfaction**

Appway empowers the service industries to move beyond automation toward ongoing digital transformation. With its seamless orchestration of people, knowledge, and systems, Appway promotes collective intelligence and enables businesses to reinvent for the digital age. Headquartered in Zurich with offices in Ticino, New York, Hong Kong, and Singapore, Appway and its award-winning technology serve over 100 service institutions and 175,000 individuals worldwide.

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