

Transforming wealth management in the US: how digital platforms enhance efficiency and client engagement while ensuring compliance

By Philip Jacquet-Francillon, Business Development Americas, ERI

The US banking and particularly the private wealth industry stand at a crossroads, grappling with the dual challenges of meeting escalating demands for efficiency and innovation while adhering to stringent regulatory requirements. This balancing act is exerting unprecedented pressure on financial institutions, compelling them to re-imagine their operational strategies and service models.

As banks strive to improve back-office operations and adapt to new technology at the front, they face the challenge of meeting these goals without slowing down business growth. This balance becomes even more critical as banks compete to retain and attract a new generation of clients beneficiaries of the impending great wealth transfer who are digitally savvy, self-informed, and have high expectations for digital access and self-service. How can banks maintain trust built with the current generation of wealth holders, ensure regulatory compliance and deliver top-tier services to the new generation? This article explores the complexities of this issue and offers insights into how banks can navigate this evolving landscape effectively.

The emerging digital-savvy clientele

Today's banking clients are vastly different from those of previous generations. No longer reliant solely on financial advisors, they are self-educated, informed by social media, and have easy access to analytics. This new demographic is not only less risk-averse but also has a greater appetite for investment. These individuals are keen to self-serve and expect banks to offer mobile-friendly, intuitive platforms that allow them to make decisions instantly.

For banks, the ability to attract and retain these clients is crucial, as they represent the future. This demographic is not just looking for investment tools – they will eventually seek loans for homes, cars, and other major life purchases. Capturing their loyalty early on is essential to long-term profitability. But meeting their high expectations while staying compliant with demanding financial regulations presents a significant challenge.



Compliance: a critical concern

The demand for instant access to information and the ability to make informed decisions places enormous pressure on banks to ensure their operations are fully compliant. Regulatory requirements in the US banking sector are stringent, and failing to comply can lead to severe penalties, damaged reputations, and loss of client trust.

However, compliance is not just about avoiding penalties. It is also about safeguarding clients' investments, protecting sensitive data, and ensuring transparency in all transactions. In a world where financial crimes like fraud and money laundering are widespread, compliance is the first line of defense.

As banks work to streamline their operations and introduce new technologies, they must do so in a way that does not compromise their compliance efforts. The challenge is twofold: maintaining the integrity of compliance processes while also embracing innovation and efficiency.

Embracing operational efficiency

Efficiency in banking is closely tied to the technology that powers operations. Yet, despite the advances in digital tools, many banks are still reliant on outdated systems such as spreadsheets for managing complex financial data. This dependency on legacy technology is not only inefficient but also increases the risk of errors and non-compliance.

The push for efficiency has led many banks to explore cost-effective ways to leverage both existing technology and new investments. While implementing sleek, trendy front-end solutions is essential, the true challenge lies in actualizing these innovations when legacy core systems lack the flexibility to support them. Revisiting and revamping fundamental infrastructure has emerged as a critical strategy. The key question becomes: How can banks effectively modernize their customer-facing interfaces if their underlying architecture isn't designed with innovation and adaptability at its core?

Another factor banks are considering is the balance between in-house operations and outsourcing. Outsourcing certain functions can contribute to improved efficiency, but it also presents risks related to data consistency, security and compliance. Banks must carefully assess which tasks can be outsourced without compromising regulatory standards and keep the fees generated under control.

The role of technology in wealth management

One area where technology has shown great promise is wealth management. As more clients look for digital solutions to manage their investments, wealth managers must adapt by offering tools that provide mobile access, broad functionality, ease of use, and ensure compliance standards are met from front to back office. While this is valid for mass affluent clientele, UHNWI clients are looking for hybrid wealth management services. The key lies in delivering precisely tailored services at optimal moments, while seamlessly integrating high-value human expertise. This approach ensures a harmonious blend of digital efficiency and personalized, expert-driven guidance.

In this context, firms like ERI are gaining traction. Their OLYMPIC Banking System offers a comprehensive wealth management solution that optimizes efficiency across the entire client lifecycle. Unlike many vendors that offer piecemeal solutions, ERI provides an integrated platform that streamlines and automates processes from client onboarding to portfolio management and reporting. Its digital capabilities enable seamless 24/7 client interactions across multiple channels, including mobile banking. This end-to-end approach not only ensures regulatory adherence but also enables wealth managers to deliver a superior, tech-savvy client experience.

The potential of Artificial Intelligence (AI)

Artificial intelligence is often touted as the future of banking, with its potential to transform everything from customer service to risk management. AI has the potential to reduce costs, and enhance decision-making, but banks are cautious about fully adopting it without clear use cases and regulatory approval. However, while there is significant buzz around AI, there is still a lack of concrete use cases within the banking sector, particularly when it comes to compliance.



AI can analyze vast amounts of data more quickly and accurately than human analysts, making it an ideal tool for detecting fraud, monitoring transactions, and ensuring compliance with regulatory frameworks. However, the challenge lies in integrating AI into existing systems without disrupting operations or compromising security.

Furthermore, regulatory bodies have yet to fully endorse the use of AI in compliance-related tasks, which adds another layer of complexity. Banks are keen to explore the benefits of AI, but they must do so cautiously, ensuring that any implementation adheres to current compliance standards.

Conclusion: striking the right balance

The US banking industry is at a pivotal moment, where the need for compliance and the drive for efficiency must coexist. The new generation of clients presents a tremendous opportunity for banks, but capturing their loyalty requires the right mix of digital innovation and personalized services.

Technology, particularly AI and mobile platforms, offers exciting possibilities for increasing efficiency and enhancing client service. By focusing on delivering compliant, efficient, and tech-forward solutions, banks can meet the needs of today's digitally savvy clientele while ensuring long-term success in an increasingly regulated environment. Banks that can successfully navigate this balance will be well-positioned for growth in the years to come.



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and its solutions on The Wealth Mosaic

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OLYMPIC Banking System

A fully integrated, front-to-back, parameter-driven digital platform supporting banks and financial institutions with streamlining their core business activities across their clients' entire lifecycle.

“ More than 400 banks and wealth managers across over 60 countries have chosen OLYMPIC Banking System to streamline, automate and digitise their daily processes.

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About ERI

ERI is the provider of OLYMPIC Banking System, a fully integrated, real time, front-to-back, parameter-driven technology platform. Over 400 banks and financial institutions across 60 countries have chosen OLYMPIC Banking System to streamline, automate and digitize their daily processes.

Our solutions assist various banking and financial segments in achieving cost and operational efficiency. The platform provides a complete set of decision-making, transaction processing and control tools to support domestic and international core services and operations. Whether your institution is a private, corporate or retail bank, a central bank, a credit union or a business focusing on custody, fund administration and brokerage services, OLYMPIC Banking System helps automate complex processes from front-to-back office, unlocking your institution's full growth potential.

OLYMPIC Banking System

OLYMPIC Banking System supports banks and financial institutions with streamlining their core business activities across their clients' entire lifecycle.

Our solutions assist private banks and wealth managers in achieving cost and operational efficiency while keeping the focus on anticipating their clients' needs. The solution comprises a functionally rich client-centric Core System, and a wide range of integrated front, middle and back-office functions. These include CRM, Client On-boarding, Regulatory Reporting, Portfolio and Order Management, Advisory and Digital Banking (e-banking and mobile banking).

Fact file

Website	www.olympicbankingsystem.com
Email address	info@olympicbankingsystem.com
No. of employees	101-500
No. of clients	101-500
Geographic relevance	Global
Type of wealth manager served	Bank Trust, Broker-dealer, RIA, Private banks

Features

Streamlined & flexible

Benefit from a single, centralised entry point, allowing institutions to connect and reconcile data with satellite solutions.

An open architecture

Harmonise and enrich user experiences, simplify workflows and easily integrate fintech applications thanks to our extensive library of APIs.

Security

Manage a unified database as the single source of truth for your data so that you can stay in control and ensure data consistency and security.

Parameter-driven

Providing support for multi-currency, multi-language, multi-entity, and multi-time zone requirements, adapting to each client's specific business requirements.

Real-time STP

Available across transaction processing, messaging and payments, contributing to quick, effective decisions.

Cloud

OLYMPIC Banking System's integrated, scalable, real-time solution is available 24x7 on an outsourced private or public cloud (IBM Cloud, Azure, AWS, etc.), reducing operating costs and time to market.

Compliance

Automatically embed regulatory constraints into workflows.

Benefits

Lower operating costs & optimise efficiency

Automation at scale prevents, reduces, allows staff to focus on client satisfaction.

Personalized services

Consolidate and analyse data to respond to clients' specific needs, increasing customer acquisition and loyalty thanks to an enhanced experience regardless of the channel used.

Flexibility & scalability

Eliminate complexity and ensure 24x7 business continuity. Standardise your IT by leveraging a SaaS model for increased operational efficiency and workforce productivity.

Real time

Future-proof your business by providing the right data, or service at the right time.

Agility

Replace high-maintenance hardware with the flexibility of running your services from the cloud, reducing the time to market.

Diversified servicing

The extensive set of functionalities offered by APIs will allow banks and financial institutions to widen their service offerings and attract new customer segments.

Mitigate compliance risks

Embedded regulatory constraints assure the activities performed are fully compliant with all major regulatory and legal initiatives.

Read more about ERI

Differentiators

Our innovative banking software solution "OLYMPIC Banking System" enhances operational efficiency and customer-centricity by reducing costs and accelerating implementation. By leveraging cloud technology and advanced APIs, OLYMPIC Banking System enables real-time straight-through processing and personalized services, boosting customer loyalty across all channels.

With built-in scalability, OLYMPIC Banking System eliminates legacy constraints, ensures seamless regulatory compliance through automated workflows, and allows banks to diversify their offerings. By choosing our solution, institutions can focus on exceeding client expectations in today's competitive landscape.

Use cases

The banks' clients will benefit from the usage of OLYMPIC Banking System Digital Banking solution for various actions and objectives.

The Digital Banking portal covers the customer's lifecycle from the opening of the account (digital onboarding) to the eventual closure of the account, this includes: consultation of documents, management of payments and transactions, communications with the bank. Omni-channel integration includes mobile and web applications.

Technology and architecture

OLYMPIC Banking System inherently supports digital transformation. It can be deployed on a number of standard platforms, operating systems, DBMSs and application servers. It is available on Red Hat Linux, IBM i, IBM AIX, Microsoft Windows Servers and Oracle Solaris. OLYMPIC Banking System enables omnichannel access and streamlined processes, built on a fully integrated platform using modern Services Oriented Architecture (SOA) principles. It is 100% thin-client, offering a responsive, user-friendly web interface and a wide range of capabilities.

Users

The main users of our solutions can be anyone within the bank who is in contact with the client especially the relationship managers, but also the accounting department, risk managers, compliance officers, IT specialists. In short, employees of the bank covering operations from back office to the front office.

OLYMPIC Banking System allowed Stern International Bank to manage the entire payment processing lifecycle, from initiation through execution to full settlement. Stern Bank was keen to streamline and automate processes to lower costs while enabling responsive customer service. A key objective was to obtain a master online account with the New York Federal Reserve to process USD payments as a direct clearer in the U.S. financial system.

Installation and deployment

No matter the selected implementation strategy ("big bang" or phased approach) or deployment model (on-site or SaaS), our teams follow a proven process-driven implementation methodology and industrialised approach, resulting in a significantly reduced deployment time, costs and risks.

OLYMPIC Banking System is delivered using a best practice Model Bank approach with extensive parameters that enable the system to be tailored to satisfy each client's individual requirements and adapted to meet local market requirements.

Partners and integrations

OLYMPIC Banking System easily integrates with third-party systems thanks to its open, service-oriented architecture. Various integration methods have been developed to integrate OLYMPIC Banking System, either as a central core with satellite systems, or as part of a larger functional architecture connecting disparate systems using different technologies.

Third-party interfacing enables support for interbank communication, broker messaging and market data feeds, as well as providing access to the increasingly important fintech community.

Get in touch



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Read more on The Wealth Mosaic

ERI provides comprehensive software solutions through its digital platform, the OLYMPIC Banking System.

Our solutions support banks and financial institutions across the globe, with streamlining and digitising their core business activities across their clients' entire lifecycle. Fully integrated from front to back and fully configurable, it powers seamless customer-centric workflows to deliver optimal business performance.

Whether your institution is a private, commercial, retail, or a central bank, a credit union or a business focusing on custody, fund administration and brokerage services, we help you automate complex processes, while mitigating risks, controlling costs and unlocking your institution's full potential for innovation and growth.