

# Onboarding for Wealth

2021 is the year digital onboarding goes mainstream

Wealth management is ripe with opportunity, but only for those that provide a truly connected digital experience.

The way forward—and through digital transformation—is with data connectivity. It is especially true for transforming a client's first impression of wealth management firms and platforms: the onboarding process.



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## Part 1 – The state of onboarding

- [The opportunity](#)
- [The challenge](#)
- [A practical way forward](#)

## Part 2 – The future of onboarding

- [Connected experiences](#)
- [Two strategies to consider](#)

## Highlights


1. Firms and platforms move away from legacy processes and deliver connected digital experiences to meet the changing expectations of tech-savvy Millennials and Gen-Xers.
2. Financial data connectivity is a practical way to digitize client onboarding. Through a simple connection to their accounts with other institutions, clients share the financial information firms and platform need to open accounts or transfer assets.
3. Data connectivity is a flexible tool that supports both personal advisory and self-serving experiences.



## THE OPPORTUNITY

# Meeting digital expectations of the young and (soon-to-be) wealthy

According to CEB TowerGroup's 2016 Wealth Management Leadership Council Agenda Poll, 84% of senior IT executives in wealth management say that improving the onboarding process is their top priority. It's no wonder.




*Onboarding new clients is the first and potentially most lasting experience with a wealth management firm or platform.*

It sets the tone and expectations for how the relationship will evolve and showcases the tools, data and systems that will be used throughout. The opportunity in wealth management is definitely motivation enough to create an outstanding first impression.

In a recent [Broadridge report](#), the Roubini ThoughtLab forecasted that household assets would rise \$89 trillion (to \$296 trillion) in the 25 top world markets by 2021. Likewise, younger generations in the US have already begun to [inherit some of the massive \\$30 trillion wealth transfer](#) from their parents that will happen over the next decades.

To meet [changing client expectations](#)—especially those of tech-savvy Millennials and Gen-Xers—now demands a higher degree of digital expertise. Many Millennials, for example, have adopted a plethora of new applications to manage their money, pay their purchases, or get loans.

*They have come to expect picking up a new financial service will be fast and easy across all sectors, including wealth management.*





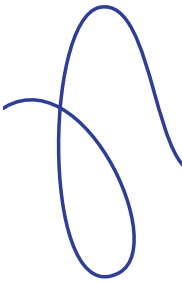
## THE CHALLENGE

# From legacy processes to connected experiences

This is not currently the case, however. When it comes to onboarding, firms still use the same age-old pen-and-paper processes, and perhaps have made the “upgrade” to PDF forms or CRM tools.

Industry research has shown that investors complain the client onboarding experience consists of numerous, cumbersome and dated forms with repetitive questions, signatures and too much back-and-forth on documents.

*Clients whose assets are spread across multiple institutions face additional steps if they want to transfer them, or even provide a degree of visibility to their advisors.*



Likewise, advisors find that the data entry process is manually slow, highly repetitive, disconnected, and siloed within firms.

### Onboarding: Common Pain Points

#### For investors

- Repeated requests for the same information across numerous forms
- Delays in getting valuable assets invested (fear of missing out)
- Frustration due to the recurring “back-and-forth” of paperwork problems
- Logistical challenges in getting signatures on documents

#### For advisors

- Manual data entry and re-entry across multiple systems and processes
- Lack of transparency when tracking paperwork through various departments in the firm
- Manual compliance processes
- Delay in funding accounts

Adapted from [Onboarding: The Imperative to Improve the First Experience](#).

Wealth management organizations see the immense opportunity on the horizon, and understand the tools they use to collect and handle the information they need from their clients won't cut it. However, there has yet to be a clear way forward through the (generally) uncharted terrain of digitization.



## A PRACTICAL WAY FORWARD

# Unblocking digital transformation with data connectivity

[Financial data connectivity](#) allows consumers to direct the information held by a financial institution to a third party of their choosing, through a simple connection to their account.

Many financial organizations in Canada and the US, including banks, have successfully [digitized their services](#) using data connectivity. In fact, [64% of consumers worldwide have used one or more fintech platforms](#) in 2020—a 33% increase from 2017.

Millions of consumers use financial wellness applications, for instance, to manage their income, spending and savings. All of those consumers opted-in to connecting their financial data and information with fintechs in order to simplify access and control over their finances. Data connectivity helped make this possible in retail banking, and now [the same can be true for wealth management](#).

## CONNECTED EXPERIENCES

# Data connectivity and onboarding in wealth management

When using data connectivity for onboarding, clients simply have to connect their accounts from other retail banking and wealth management institutions in order to share the information their advisors need to verify their identity and assets. The whole process can be done in minutes.

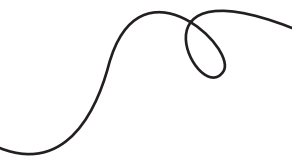
Asset transfers, which typically require much information gathering in order to fill out authorization forms, can also be streamlined.

*Clients never have to provide new financial information, since connected accounts continuously return up-to-date information on their assets.*



Firms and platforms stand to gain a more complete picture of a client and their financial situation in real-time. This allows advisors to provide valuable advice right from the start and at every step in the relationship.

### Digital-first impressions



If a client's first impression is to connect their financial accounts—something that millions of retail bank consumers worldwide are familiar with—an expectation is set. They know that their information will be autofilled to save them time and that any advice thereafter will be based on their holistic financial situation.

## TWO STRATEGIES TO CONSIDER

### The digitally-supported and data-powered models

Understandably, not all wealth management providers will approach the digital transformation of onboarding the same way. Advisory firms, portfolio management platforms and robo-advisory apps diverge in the kind of relationship they wish to establish with their clients.

*A key feature of financial data connectivity is its flexibility.*

*It can power a large range of experiences.*



### Model #1 – Digitally-supported wealth management experiences

The digitally supported model is for those businesses that consider personal advisory to be a key differentiator, and do not want to go fully digital with a decentralized, self-service experience.



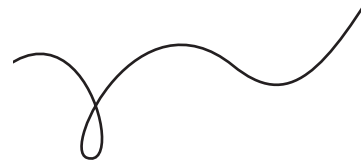
Many advisors already use CRMs to partially digitize their services with online forms and access to portfolio management dashboards. Here, data connectivity will help power existing systems and free up more time to focus on individual relationships and provide personalized service—as well as servicing more clients.

Once an account is connected, data is automatically retrieved and can be linked to an existing CRM. Because Flinks standardizes data across all institutions, analyzing and organizing it is more efficient.

### Benefits for firms

Financial data connectivity makes it faster and more convenient for clients to share the information required to open a new account and/or transfer assets.

- **For firms**, this is a tool to gather more client data and break down information silos both internally and across multiple institutions. Having full visibility allows firms to provide better advice and more accurate judgments on investments.
- **For clients**, connecting accounts from other institutions is a fast and easy way to share their financial information—whether this is to switch to a new wealth management firm in minutes instead of days, or simply to know that decisions are informed.



## Model #2 – Data-powered digital wealth management platforms

Data-powered digital platforms, on the other hand, offer users the ability to self-serve or self-direct their portfolio with digital tools. This requires robust, user-friendly, valuable and personalized processes at scale, starting with a quick and simple onboarding experience.



Connecting to retail banking accounts enables platforms to automatically collect KYC information needed to identify users and fulfill compliance obligations. Data connectivity can also be used in fraud reduction. In this case, data from banks can be used to assess the legitimacy of a user by checking account activity and history, for example.

In this same way, firms have full visibility over assets in other institutions that connect to investment accounts. What's different, however, is that data-powered platforms can turn data into insights through analytics. This allows them to make better, more timely recommendations and prompt asset transfers.

### Benefits for platforms

Financial data connectivity allows platforms to power digital and (to varying degrees) automated experiences. Connected accounts turn into ongoing data feeds that can be monitored for changes in a users' financial situation.

- **Platforms** can leverage this information to provide insights and trigger timely advice.
- **Users** can be given the ability to log in and check their entire portfolio's performance at will, and take action faster.

## Transform your client onboarding experience

Open account and transfer assets faster with Flinks.

[Talk to an expert >](#)