

Digitising wealth management: what can we learn from healthcare?

Over recent years, the healthcare sector has focused on transforming the patient experience and helping providers evolve and grow through digitisation. While some of these advances were already in the works, external influences also had an impact, forcing the industry to move faster than expected. Healthcare responded well to a new wave of digital demands, adapting and reimagining its offering to create positive change across the board.

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It's time for wealth management to take similar strides in a client-centric environment requiring digital-first thinking to succeed. Moving forward, we can learn from healthcare's wins and mistakes, as we transition into a new era of wealth management 4.0.

Drivers of change

There are many parallels between the digital drivers in healthcare and wealth management; like all industries, they combine industry trends and technology trends.

Patient satisfaction in healthcare was low, even before COVID, largely because end-to-end care pathways weren't being considered. There was a lack of communication and standardised use of data across the board. Cyber security threats also cost billions annually, causing patients to question how their information was being protected. In the UK

Government's *Cyber Security Breaches Survey 2002*, finance and healthcare are the top two sectors most likely to hold personal data about their customers putting them at significant risk of a breach. These things created negative outcomes and healthcare providers weren't armed with the right analytics to make better-quality decisions.

From a consumerisation perspective, people were used to managing their lives on a device. They expected to reach out around the clock, via any channel they chose, and have their needs met. The appetite for instant online access meant they wanted to be in the driving seat of their health. If you could order clothes or book a taxi online, why couldn't you arrange a GP appointment in the same, seamless way? Likewise, when e-commerce offered personalised recommendations across multiple channels, backed by customer data, why couldn't healthcare?

In wealth management, we see the same shift to digital and a wider demand for democratised products and services. According to a report from *Deloitte*, 40% of investors say digital access has become a greater priority, while 89% said their preferred channel would be mobile apps. And it's not just younger investors who want to do things digitally. As patients wondered why new technologies weren't being leveraged for their benefit, investors agree.

When smart capabilities, omnichannel communication, and cloud and edge computing exist in everyday life, key sectors like healthcare and finance need new domains that maximise their impact.

Connecting the dots

Previously the concept of a healthcare journey was characterised by areas such as health, wellness, self-treatment, investigation, diagnosis, treatment, recovery, rehab, and monitoring. But the journey wasn't individualised to the patient. Neither was it digitally accessible. During the

first wave of digitisation in healthcare, the patient portal was introduced. Client portals were actually created earlier in wealth management, but the main issue applied to both - they weren't comprehensive enough. They offered a limited top-line view with no real actionable insights.

Then, when new tech-savvy entrants hit the market, they saw straight past the patient portal to the limitless opportunities of a digital front door. This connects all of the patient's data in one place, with easy access points, plus the added value of analysis and trends. We are still a long way off that in wealth management, yet firms must start building a holistic approach.

Another way healthcare reacted well to change was by creating a set of standards that could be used to transfer and exchange information digitally - firstly with HL7 and then HL7 FHIR. The regulators also got involved forcing companies to comply with the new standard, as well as incorporating added data security and privacy requirements.

The financial services industry is making moves with the ISO20022 financial messaging standard. Also, TISA's OSIP. Still, more needs to be done to achieve universality. Healthcare knew that standards would only work on an international scale. What wealth management needs now is a global framework to thrive.

Progress through partnerships

That isn't to say there weren't missteps made by health and wellness providers. And if we have the power of hindsight, we would be short-sighted not to use it. One of the biggest mistakes any organisation can make during times of transformation is assuming they are too big or too established to fail. We saw this happen with major healthcare players who didn't recognise the threat posed by new entrants. In fact, they weren't even on their radar. It's also dangerous for companies to assume they can

digitise their systems and processes alone. Successful transformation and innovation are about partnerships. They require collaboration and common ground, another reason why it's crucial to have a shared set of industry standards created by trade bodies and industry experts who agree.

Thankfully, plenty of impressive healthcare partnerships have developed to set a strong example. They include the *Kantaro Biosciences* joint venture between Mount Sinai Health System and RenalytixAI, which produced a new set of COVID-19 diagnostic tests. Or *Elekta and Phillips* helping to streamline the path from cancer diagnosis to treatment. And elsewhere in the tech world, if Microsoft and Oracle can come together to deliver a better cloud experience, no one can dispute the power of cooperation - even between competitors.

Priorities for the future

There's no doubt that the financial services industry, and specifically the wealth and asset management industry, needs technology to enhance its offering and deepen relationships. That starts with building a digital front door that can federate identities, connect assets, and maintain a single KYC process. As a result, we can create authentic end-to-end journeys and establish in-depth, personalised wealth pathways from day one.

When we talk about personalisation, the industry has always prided itself on being a business built on personal relationships. While personal relationships are key, a mindset shift is needed to realise the value of technology (when used correctly) to strengthen client ties. Effective personalisation relies on the intelligent use of data, which is only possible when we have a consolidated view of it and integrate technologies such as AI and ML into the mix. The digital front door becomes a way for advisors to understand clients better and reflect their values in their investment strategies, especially when investing with purpose is a priority

for so many.

In a world where consumers expect digital experiences, everybody should be a software-led business. Everyone in the Wealth & Asset Management industry should acknowledge that and keep an open mind, searching for synergies that can deliver what investors truly want in a shifting economic and social landscape.

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