Digitization and Automation: The Foundation for Onboarding Success

A CEB Insight Brief Commissioned by Doxim
Key Findings

1. Wealth firms lag behind the account opening standards set by other service providers, and are focusing technology strategy on improving inefficiencies in client onboarding from front to back office.

2. Not all aspects of the onboarding process have equal impact on the client experience: firms should focus technology and process improvements on increasing the speed of account opening, and ensuring easy and accurate data collection.

3. In order to lay the foundation for onboarding success, wealth management firms should begin by digitizing client documents, as well as establishing a technology architecture that enables content access across multiple channels and supports the sharing of client data across systems.

Digital Onboarding Is Front and Center

The digital revolution is changing the way clients prefer to interact with their wealth firm. The bar for a satisfactory digital experience is continually rising, and high-net-worth (HNW) clients have become accustomed to completing account activities anytime, anywhere, and with minimal effort. Onboarding is a pivotal stage in the client lifecycle, yet wealth firms consistently cite obstacles such as the number of forms and the amount of data requested on those forms as hurdles to onboarding HNW investors. Improving these inefficiencies in the onboarding process from front to back office is topping the current technology agendas for wealth firms, second only to preparing for upcoming regulatory deadlines (Figure 1).

Figure 1: Critical Areas of Focus During the Next 6-12 Months
Percentage of Wealth Management Executives, 2014

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparing for Upcoming Regulatory Deadlines</td>
<td>36%</td>
</tr>
<tr>
<td>Improving Client Onboarding from Front to Back Office</td>
<td>32%</td>
</tr>
<tr>
<td>Applying Technology to Improve Multi-channel (Portal, Mobile, Branch) Client Engagement</td>
<td>32%</td>
</tr>
<tr>
<td>Making Goals-Based Planning and Reporting the Center of Your Value Proposition</td>
<td>25%</td>
</tr>
<tr>
<td>Integrating Core Advisor Desktop Components to Increase Advisor Productivity</td>
<td>21%</td>
</tr>
<tr>
<td>Assessing/Defining Strategies for Core Platform (Trust, Brokerage) Conversion</td>
<td>18%</td>
</tr>
</tbody>
</table>

Avoid Common Onboarding Pitfalls to Reduce Client Effort

Wealth firms’ capabilities are lagging behind the account opening standards set by other service providers. Paper-driven processes like onboarding are often hampered by the need for customers to physically sign paperwork or come into the branch to complete account opening, slowing down the process (Figure 2). Furthermore, illegible handwriting, missing signatures, duplicate data entry, and nonstandard processes to move assets increase advisor and client effort, and also increase the risk of missing or inaccurate information. To reduce client effort, firms hoping to fully digitize the onboarding process must focus on eliminating these common pitfalls.
Figure 2: Common Customer Problems Experienced with Online Account Opening
Percentage of Respondents, 2013

<table>
<thead>
<tr>
<th>Problem</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank Had to Send Me Paperwork to Sign Before the Account Was Opened</td>
<td>70%</td>
</tr>
<tr>
<td>I Had to Call Customer Service to Activate My Account</td>
<td>67%</td>
</tr>
<tr>
<td>I Had to Go to the Branch to Sign Paperwork and/or Show Identification</td>
<td>58%</td>
</tr>
<tr>
<td>The Account Could Not Be Opened Immediately</td>
<td>52%</td>
</tr>
<tr>
<td>The Process Was Confusing or Did Not Work</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>40%</td>
</tr>
</tbody>
</table>

n = 1630.
Source: CEB 2013 Customer Experience Survey.
Note: Respondents could select more than one option.

**Identify High-Impact Onboarding Activities**

The initial onboarding experience can have a profound effect on client referrals, as CEB research shows that firms can potentially double their number of client referrals when they provide a low-effort onboarding experience. Additional CEB analysis shows that firms should focus process and technology improvements on the activities that have the most impact: speed of account opening and accurate and fast data collection. A welcome call from senior management and an annual portfolio review are touchpoints that follow from the onboarding process, and while all four steps impact the client experience, firms have the most control over the account opening speed and ensuring data collection is easy and accurate (Figure 3).

Figure 3: Impact of New Clients’ Rating of Onboarding Activities on Rating of Initial Firm Interactions
Illustrative

<table>
<thead>
<tr>
<th>No Impact</th>
<th>Secondary Impact</th>
<th>Primary Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Events and Publications</td>
<td>Client Service and Statement Clarity</td>
<td>Client Transition and Annual Review</td>
</tr>
</tbody>
</table>
| - Invitations to educational events or seminars  
  - Invitations to client appreciation events  
  - Receipt of firm newsletter | - Quality of proactive contact about personal financial situation  
  - Clarity of information presented on financial statements | - Speed of opening account, including transfer  
  - Ease of data collection for account opening  
  - Welcome call or letter from senior management  
  - Occurrence and quality of annual review |

**Level of Impact on Clients’ Rating of Initial Firm Interactions**

Source: CEB analysis.
**Automation Tools Provide Foundational Value**

For the majority of firms, a market-leading onboarding solution consists of three parts: digitized, intelligent forms; integrated data that can pre-fill forms from internal and external databases; and e-signature capabilities that allow the onboarding process to be completely paperless. Although firms may not be able to deliver all of these capabilities in the immediate future, there are two foundational steps that can be taken to begin optimizing platforms for digital onboarding success: 1.) digitizing all client documents and 2.) automating technologies to standardize the flow of content across business systems and staff.

With firms capturing client data across multiple business applications (e.g. advisor desktop, client portal, web apps), and advisors using tablets and smartphones to capture physical evidence on the spot, automation solutions can help firms standardize the flow of documents and data across systems, staff, and supervisory review. Enterprise content management (ECM), business process management (BPM), and e-signature technologies provide value by helping wealth firms apply onboarding automation across client segments, from mass market to ultra-high-net-worth (Figure 4). By integrating front-office channels into one platform, wealth firms can offer uniform service to all client segments.

Figure 4: Ideal Wealth Firm Technology Architecture

*Illustrative*

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Source: CEB analysis.
Digitization:
Ensuring that capabilities (e.g., advice, information, transactions) are accessible on the appropriate devices across multiple client touchpoints (e.g., face to face, phone, online with an advisor, online without an advisor).

Next Steps for Ensuring Onboarding Success

As the wealth management industry adapts to meet the rising bar for digital customer experience, firms can gain efficiencies from digitization through the entire client lifecycle. Onboarding, however, is a unique opportunity to capture information that enables firms to not only open an account, but also to serve the client as the relationship grows. In order to build a foundation for onboarding success, firms should focus on:

1.) Digitizing Content: To deliver an excellent onboarding experience, firms must gather required documentation from clients easily, and open and fund accounts quickly. Digitizing documents and automating the transfer of data and documents across departments and systems can not only reduce errors and risk of lost documents, but can also free up advisor time to drive new client acquisition (Figure 5).

2.) Enable Multi-Channel Access: Firms should establish a technology architecture that enables content access across multiple channels, and supports the sharing of client data across systems. Taking these steps will position wealth firms to take advantage of the benefits of mobile and online capabilities (signature pad, smartphone, and tablet) that many of their clients are using to access and open accounts (Figure 5).

Figure 5: Checklist of Next Steps for Wealth Firms to Ensure Onboarding Success

1. Digitize Content
   - Inventory assets: forms, brochures, videos, podcasts, etc.
   - Convert analog content to digital.
   - Catalog assets for easy access.
   - Create a golden source data model for customer reference data.

2. Establish Business Architecture
   - Enable access across multiple channels.
   - Don’t forget data aggregation.
   - Don’t forget account administration from change of address to ad-hoc disbursements.

Source: CEB analysis.

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