

# WealthTech Matters – Switzerland

Thursday 7 November 2024, Sheraton Zurich Hotel



Schedule of the Day			
Foyer	0830-0900	<b>Breakfast</b>	<b>Informal networking</b> over breakfast
Foyer	0900-0920	<b>Welcome</b>	<b>Scene Setter Findings.</b> With <b>Daniel Gilmore</b> , Sales Director, Owen James Events
Hardturm	0925-0955	<b>TechTalk 1</b>	Short and punchy presentations from our fintech companies, to tell you what they do - within the space of ten minutes
		<b>TechTalk 2</b>	
		<b>TechTalk 3</b>	
Breakout rooms	1000-1100	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
Foyer	1100-1125	<b>Morning Coffee</b>	Grab a refreshment and catch up with your peers
Breakout rooms	1130-1230	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
Foyer	1230-1315	<b>Buffet lunch</b>	<b>Network with peers over lunch</b>
Breakout rooms	1350-1415	<b>Roundtable Session</b>	<i>Please refer below to get a feel for the topics that will be tabled for discussion within the roundtables</i>
Hardturm	1420-1450	<b>Keynote Presentation</b>	<b>Future Trends in the Age of AI - How to succeed and sustain.</b> Make your finance organisation fit for the future to gain a decisive competitive advantage. With <b>Katrin J. Yuan</b> , CEO Swiss Future Institute
Foyer	1450-1530	<b>Fizz and final networking</b>	Network with peers over a glass of fizz

# WEALTHTECH MATTERS

## WealthTech Matters Switzerland

7 November 2024

### A bespoke Swiss agenda

Switzerland's reputation as being professional, trusted and innovative is key to its success in providing wealth management services.

At this bespoke event for Wealth Managers and private banks to be held in Zurich, the themes which are pertinent to any wealth tech region will be framed against the factors which are unique to the Swiss private banking and Wealth Management sector, when it comes to the implementation of technology and digital transformation.

### The Roundtables

While many Swiss wealth managers are actively exploring and adopting new technologies to streamline their operating model and enhance the client experience, as well as finding cost savings and efficiencies by improving back-office processes, it can be a battle when it comes to allocating resources and putting trust in digital innovation.

The regulatory environment in Wealth Management in Switzerland has changed significantly and has led to a not inconsiderable expense, which runs against the margin. The associated expense is by no means a one-time investment, but leads to recurring expenses, as new processes for compliance have had to be introduced. Since it is very difficult to raise prices with clients, the process landscape has to be optimised.

Furthermore, client demands have also evolved. Here, the size of the company no longer plays a role in the customer's expectations. This means that even small companies will need to come up with a competitive digital offering.

These are relatively new challenges for Wealth Managers, who until now have primarily been concerned with client acquisition and relationship management, but it is also where technology can play a decisive role and win back some of the lost margins through efficiency gains.

This agenda highlights the key technology areas for wealth tech implementation within the context of the Swiss Wealth Management sector, presented in the following eight suggested roundtables:

### Content

1. Integrated Solutions - The opportunities and challenges of AI ..... 2
2. Enhanced Experience - Balancing human touch with technological innovation..... 2
3. Happy Families - Building internal trust in AI with a phased approach ..... 3
4. Managing the mountain of ESG data and reporting..... 3
5. Stronger Together - Building successful relationships with FinTech companies..... 3
6. Attractive Forces - How to prepare for the clients of the future..... 4
7. Business Pressures - Cost cutting through technological innovation ..... 4
8. Trust Matters – Cybersecurity and selecting the right providers ..... 5
9. Safe Haven – Harvesting the digital assets' opportunity ..... 5

# WEALTHTECH MATTERS

## **I. Integrated Solutions - The opportunities and challenges of AI**

The opportunities and challenges of leveraging AI, as well as the capabilities of large language models like GPT, are many.

As well as improving productivity and efficiency in areas like documentation, reporting, research analysis, personalized investment recommendations, it can also enhance client servicing through virtual assistants and chatbots,

But effective implementation relies on having the right data architecture and vendor partnerships to drive system integration, and overcoming legacy challenges around data quality, siloed processes and systems.

This session will consider what the new EU and Swiss regulations for AI will mean for the sector, examining how these upcoming rules could impact AI deployment, data handling, and compliance requirements in wealth management, as well:

- Assessing gaps in data architecture, systems, and processes before deployment of any AI-based solution
- How to leverage vendor partnerships strategically
- How to address the critical AI challenges for wealth firms in areas such as:
  1. Data quality and integration
  2. Ethical concerns and bias
  3. Regulatory compliance
  4. Transparency and explainability requirements.
  5. Balancing human and AI roles
  6. Adoption and training
  7. Competition and differentiation
  8. Client trust and acceptance

## **2. Enhanced Experience - Balancing human touch with technological innovation**

Wealth management firms are facing the challenge of balancing technological innovation with the human touch in their services, as client personalities and needs evolve. Trust is the foundation of client-adviser relationships, making it crucial to enhance this trust to maximize client satisfaction.

The right combination of technology and human interaction can significantly boost overall client satisfaction, especially at a time when loyalty is declining and clients are increasingly concerned about their investments in volatile markets.

Additionally, Switzerland's emphasis on cross-border business relationships underscores the need to maintain human connections, even in our increasingly interconnected world. Technological innovation should not only address efficiency but also bring clients and relationship managers (RMs) closer together.

This session will focus on how wealth managers can ensure their technology-driven initiatives enhance, rather than diminish, the client experience, covering topics such as:

# WEALTHTECH MATTERS

- Proactive engagement with predictive analytics, client profiling, and personalization fueled by data analytics.
- Design-friendly, consistent communications that still incorporate personal interactions.
- Reassuring clients with 'what if' scenarios to maintain focus on trust, credibility, and honesty.
- Leveraging technology to strengthen human connections, especially in cross-border relationships, thereby ensuring clients feel valued and understood, regardless of geographic boundaries.

### 3. Happy Families - Building internal trust in AI with a phased approach

AI should aim to augment human capabilities, not replace jobs, a message that wealth management firms and family offices need to clearly communicate. Resistance to new tech, such as CRM tools, often arises, making a phased, risk-managed introduction of AI essential. Starting with low-risk, practical applications like generating meeting notes can ease the transition.

This session will explore:

- How to build trust in AI incrementally, starting with controlled, lower-risk applications like Microsoft CoPilot's slide creation feature
- Creating a culture of change management through effective staff training and engagement
- Using AI for personalized client experiences while ensuring relationship managers feel empowered, not replaced
- The importance of the human dimension in evolving client needs and integrating AI solutions

### 4. Managing the mountain of ESG data and reporting

ESG investing in wealth management has traditionally been hindered by the lack of clear standards and definitions around sustainability, as well as the reputational risk of overpromising ESG capabilities. But there is also a mountain of data collection, validation and report presentation to climb.

Given younger generations now see ESG as a priority, their needs will also be an increasing priority for wealth managers. This session will therefore discuss:

- How the use of technology like client dashboards, AI and digital tools can provide ongoing personalised ESG insights
- The best practices when it comes to the collection of data
- The challenges faced when it comes to ESG data and reporting?

### 5. Stronger Together - Building successful relationships with FinTech companies

Partnerships between wealth management firms and FinTech companies can drive innovation and create new opportunities, but challenges remain - particularly in gaining approval from large institutions that may prefer internal solutions.

This session will delve into how to forge successful collaborations and the mutual benefits for both parties, including:

# WEALTHTECH MATTERS

- Identifying pain points and establishing clear success metrics
- Using FinTechs to stimulate early ideation and new business opportunities
- Overcoming institutional resistance to external solutions
- Finding the right FinTech partners: Where to meet, how to build trust, and red flags to watch for
- Leveraging the global FinTech market as a Swiss company - understanding commonalities and differences across regions, and whether location truly matters in partnerships

## 6. Attractive Forces - How to prepare for the clients of the future

As wealth management evolves, understanding and preparing for future clients is crucial. While technology expectations are rising among younger clients, many future wealth inheritors in Switzerland will likely be over 60, retired, and require tailored services.

This session will explore how firms can adapt to serve both older and younger generations effectively, including:

- Defining the typical future Swiss client, who is more likely to be older and retired rather than young, and understanding their specific needs
- Using data to recognize and segment clients, moving beyond assumptions about a young "next-gen" client
- Preparing to attract and retain future clients through financial education and digital tools
- Developing hyper-personalized, holistic planning strategies to deliver individual experiences
- Embracing sustainability and purpose-driven investing to align with client values
- Addressing the challenge of differentiating through technology - why building in-house solutions may not be the best approach for future success

## 7. Business Pressures - Cost cutting through technological innovation

As the cost of operating wealth management businesses continues to rise, firms are under pressure to evolve processes and embrace technological innovations. Meeting client expectations while cutting costs requires strategic use of technology to streamline operations and optimize services.

This session will explore:

- The potential for cost reduction in the Swiss wealth management industry through automation and AI, minimizing manual tasks and improving efficiency
- Cloud computing and APIs, which help reduce IT infrastructure expenses
- Digital client engagement tools, which lower the costs of client acquisition and servicing
- Data analytics and personalization to optimize operations and offer tailored services
- Outsourcing and partnerships to reduce fixed costs and increase flexibility
- How to measure cost savings post-implementation, ensuring that cost reductions meet initial expectations and deliver the desired impact

Expert: SS&C

## 8. Trust Matters – Cybersecurity and selecting the right providers

As the wealth management sector becomes more data-driven, the need to protect client confidentiality has become critical, especially with rising regulatory demands and increasing security threats. With fraudsters putting pressure on clients and the prevalence of attacks targeting the weakest link – people - robust cybersecurity measures are no longer optional but essential.

This session will explore:

- How to build trust in a landscape where fraud and cyberattacks are rampant, including protecting clients from increasingly sophisticated fraud schemes
- The integration of Switzerland's new QR code payment slips, and how to secure systems when the human element remains the weakest link
- The importance of robust cybersecurity protocols to mitigate cyberattacks, technical data breaches, and human errors
- Navigating growing regulatory requirements, such as DORA and similar legal frameworks
- The movement toward open data and digital IDs, where clients control their data and decide what to share
- Developing the necessary competencies for managing cybersecurity risks, including selecting and monitoring third-party providers and ensuring ongoing cyber-resilience across all operations

## 9. Safe Haven – Harvesting the digital assets' opportunity

Switzerland remains one of the most digital assets-friendly countries with its stable and progressive laws and regulations and a thriving ecosystem covering all aspects of specialized asset management. As one of the world's largest wealth management centers, it is grappling with the opportunity of offering products and services coherent with its well-trodden approaches to investments.

With the backdrop of an unsettled US crypto-banking industry, a select number of banks and asset managers in Switzerland are developing a wider range of digital assets services. As a new sizeable (USD 2.3 trillion) asset class, digital assets are maturing in HNWI's and financial intermediaries' line up of alternative investments allocations.

While this asset class has predominantly been shaped by cryptos and retail investors, traditional wealth managers have been slower to adapt their business models to find space for digital assets. This has largely been driven by limited access to products beyond ETFs within existing platforms, inability to onboard existing digital assets into their mandates, and limited knowledge of the asset class and managers.

This session will discuss:

- How digital assets should, and can be, integrated in traditional portfolios
- How wealth managers can create additional revenues
- How diversification in digital assets increases/lowers returns/risk
- What infrastructure is required and available to provide such an offering