

# CAPTURING THE NEXT WAVE OF GROWTH

## HOW EUROPEAN WEALTH MANAGERS COULD EMERGE AS WINNERS IN THE POST-PANDEMIC ERA

### VIDEO TRANSCRIPT

#### What is impacting the industry now and in the future?

**Ian Woodhouse**  
**Lead Wealth Management Transformation Europe Accenture:**

Participant told us they see the industry moving into a new wave. There are 3 major factors: First, increasing consolidation, the second is the use of new technologies, and the third is a shortage of skills and talents. What this means in effect is that they need to be much more organisationally agile than in the past to succeed in this new environment.

Not everybody is succeeding equally. What they also told us is that there is a group of firms out there, that are growing five times the rate of the low growth players in the industry.

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**Liz Field**  
**Chief Executive PIMFA:**

At our recent Strategy Day with our board and our strategic advisory group, we talked about the 3 "T"s (Takeovers, Talent and Technology) as part of our visioning for what the sector was going to look like in 10 years time. There is a lot of consolidation going on in the market. We've got banks coming back into advice, we've got FinTech coming through and that will impact of the shape of the sector.

#### How to retain clients and prospect for new ones?

I think one of the key things for us is to look at talents within our sector. We've got a real shortage of talents both within the sector but also coming into the sector and this is something that we have to do as an industry collective and the focus for PIMFA for sure in trying to get diverse talents into the industry, that way that would help with the retention and the future prospecting of clients.

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**Ian Woodhouse:**

The first thing to look at is to deepen and extend the relationship with the existing core clients. The second is to move faster to generate new opportunities by gaining new clients across the various market and segment opportunities that exists. All of this needs to be underpinned by a new approach. So, it would be much more focus on delivering client experience, it would be much more around hybrid advisors, machine-enabled, interactive offers. It would also be using new channels to gain clients such as social media.

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## What could innovation in investment and advice look like?

But the lower end of the client base, the lower wealthy clients, there is a big opportunity to convert savers who are currently in banking deposits into investors. At the higher end level, the change there is towards a greater usage of institutional type products and services like private assets and also digital assets going forward.

### **Liz Field:**

Part of the innovation within our industry is ESG related investments. We have to be a little bit careful of greenwashing and of course the regulatory regime is not quite there yet, and as part of that innovation we do need to be mindful that clients will need education and they also need some protection particularly against high-risk investments and things that claim to be what they are not.

## What firms need to change to become future-ready?

### **Ian Woodhouse:**

Two key levels to think about: the first is the industry collective level where there is a great opportunity to reset perception of the Wealth industry. The second area is firm specific and here the major emphasis would be on finding new growth opportunities both from existing clients and new clients, and also being much more agile in changing to go forward. The agile approach to change would mean smaller, faster projects that can be quickly scaled, and I think the second area that was pointing out is the need for broader metrics beyond the traditional financial ones (return, risk and growth) to also include societal metrics which increasingly firms would also be judged by to evidence progress, these have been particularly in the areas of ESG and diversity and inclusions. We called this 360-value metric.

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### **Liz Field:**

I think the keyway that the industry can help itself is in the collective action and that is part of the remit of PIMFA. The more collective action we have, the greater the impact. Whether that's for talents, whether that's technology or seeking regulatory and policy change, but the more that we work together then we will be able to better serve clients today and the clients of the future.

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