

To hedge against macroeconomic challenges, wealth management firms will prioritize three critical focus areas



CUSTOMER FIRST

ENTERPRISE MANAGEMENT

INTELLIGENT INDUSTRY

Market forces will catalyze...

The success of wealth management firms will depend on...

CUSTOMER FIRST

- An expanding wealth continuum, with previously underserved wealth bands becoming more lucrative
- Ongoing market uncertainty amid high interest rates and attractive bond market yields

- Developing product offerings and providing personalized services to target the affluent investor wealth band
- Intelligently rebalancing portfolios to preserve wealth and provide stable returns

ENTERPRISE MANAGEMENT

- Dissatisfaction of high-net-worth individuals regarding digital channels and lack of effective management
- Ongoing intergenerational wealth transfer
- Clients' increasing interest in impact investing
- Continued interest digital assets, even in the face of high-profile collapses of crypto firms

- Leveraging generative AI to enhance customer experience and boost relationship manager efficiency
- Engaging with the next generation early and tailoring investment strategies to meet their unique needs
- Communicating measurable impact transparently in investments aligned with social causes
- Being prepared for anticipated regulations which will bolster consumer trust and could lead to increased market activity

INTELLIGENT INDUSTRY

- Demand for liquidity and ease of trading high-ticket, illiquid asset pools
- Increased demand for personalized products and efficiency
- Need for efficiency as manual processes become cost-prohibitive
- Increasing interest in ESG investments and demand for better transparency in returns

- Tokenizing assets for increased liquidity, fractional ownership, and simplified trading
- Using intelligent automation models to streamline manual tasks across the wealth management value chain
- Leveraging digitization to gain productivity
- Adoption of standardized and traceable ESG metrics

FUTURE FOCUS

Wealth management firms will navigate a dynamic 2024 market environment marked by a shift from wealth preservation to growth and uncertainty stemming from high-interest rates, persistent inflation, and geopolitical instability.

- Firms will diversify their strategies, targeting the affluent segment and capitalizing on intergenerational wealth transfer.
- Harnessing emerging technologies – particularly generative AI and intelligent automation – is crucial for optimizing workflows and enhancing customer experience.
- Wealth management firms will prioritize client-advisor relationships and accelerate use of digital technologies amid increasing competition from incumbents and new-age players.

Finally, addressing changing client preferences, including demands for sustainability, inclusivity, and ESG metrics, will be imperative.



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