

## Optimise Institutional Client On-boarding Process

### CONTEXT

DWS is a global asset managers with a strong and growing presence in Asia Pacific markets. They provide investment solutions primarily to institutional customers and individuals through intermediaries.

Over the last decade, a shift in their customers' expectation has impacted the way they do business traditionally. The industry has seen changes such as-

- Customers are savvier, with greater access to information
- Their expectations of what their investment fees delivers is changing, and
- There is a transition from active to passive investing (which attracts lower fees)

So, investment managers are looking at other ways to optimize their processes and add value, such as -

- Improving the speed at which they can respond the customer's needs
- Provide a seamless customer experience throughout their lifecycle including during on-boarding, servicing and reporting

Winning an client's mandate (e.g. from a private bank) is a long journey in itself starting from preparing and submitting an RFP (request for proposal) to multiple rounds of shortlisting and pitching before finally getting selected. This can take months and even years sometimes. After getting selected the long process of on-boarding the client (institutional customer) begins. This again can take many months and even longer for clients / institutions based in countries other than where the asset manager is based. This could be due to -

- Differing regulatory requirements by client country
  - This may impact one country more than another due to differing regulations, country risk ratings, sanctions/watch lists etc
- Differing processes for providing documentation
  - Including documents in foreign language requiring translation
  - Differences in certifying or authentication
  - Different formats used - PDF, scans, notes

As their clients can be in different countries, DWS (like other Investment Managers) needs to navigate the specific regulatory environment of the client's country to facilitate on-boarding. Until on-boarding is complete, DWS cannot begin

to generate revenue, which means investment managers cannot begin earning a commission.

Getting on-boarding wrong can have dire consequences, such as reputational damage, regulatory fines or even imprisonment. Therefore, the customer on-boarding process must not only be a good experience for customers and the asset manager, but also provide assurance that the regulatory requirements are met to the quality expected.

The multi-regulatory environments, multi-lingual data provision and manual back and forth communication with clients greatly increases the time to on-board, the risk of errors in the process and the risk of loss of data and traceability of records.

From the client point of view, they would have to repeat the process with other investment managers as well as service providers like custodians, banks etc who are part of the mandate set up, even if the documents and checks are the same.

### **PROBLEM STATEMENT**

How might we more efficiently on-board institutional customers, both in Singapore and abroad, so that we can confidently and legally begin to service them?

### **WHAT ARE WE LOOKING FOR?**

A prototype solution(s) that

- Collects and quality assures data in context of the specific country regulations
- Raises Compliance and Regulatory issues early so that these can be addressed in a timely manner
- Can connect with existing workflows (e.g. Salesforce)
- Ensure real time authenticity and legitimacy of the information provided
- And as a bonus, gives the client the benefit of a single on-boarding platform

There are no restrictions on the geographic location of the problem solvers who may choose to apply to this challenge. However, the prototype needs to be demonstrated in Singapore.

### **POSSIBLE USE CASE**

A private bank in Thailand accepts our pitch and we begin to on-board them to meet the Thai and Singapore regulatory requirements, including:

- Identifying the specific requirements, data and documents required
- Translating any information to English and raising any translation risk

- Ensuring certification of documentation meets requirements
- Raise 'red flags', such as a 'Politically Exposed Person (PEP)'

We provide an on-boarding workflow to support the compliance team, including task allocation, review/approval, issues tracking and ensure an audit trail for internal and regulatory reporting. The documents provided are verified digitally and questionable documents are red-flagged for manual intervention.

## WHAT'S IN IT FOR YOU

- SGD \$20,000 of prize money for a prototype (see Award Model)
- Partnering with DWS who have deep industry knowledge of the problem statement and has the industry context across global markets
- Opportunity to develop a future product with global scaling potential, or other long-term partnership for mutual gain
- Co-creating a solution that is applicable to other regulated environments and jurisdictions
- Potentially extend the solution to be able to translate from different languages in Asia.
- Opportunity to pitch to industry audience in:
  - IMAS Digital Accelerator Program Showcase in March 2020
  - IMAS-Bloomberg Investment Conference in April 2020
  - For more information, visit [www.imasdap.com](http://www.imasdap.com)

## EVALUATION CRITERIA

<b>Solution Fit</b>	To what extent does the proposed solution address the problem statement effectively?
<b>Solution Readiness</b>	How ready is the proposed solution to go to the market? Is there any evidence to suggest capacity to scale?
<b>Solution Advantage</b>	Is the solution truly innovative, does it make use of new technologies in the market, and can it potentially generate new IP?
<b>Company Profile</b>	Does the product have user and revenue traction? Do the team members possess strong scientific/technical background?

## **AWARD MODEL**

30% of the prize money will be awarded to each selected finalist at the start of the prototype development process, with the remainder 70% to be awarded during the prototype development process, based on milestones agreed between DWS and the solver.

Note that a finalist who is selected to undertake the prototype development process will be required to enter into an agreement with DWS that will include more detailed conditions pertaining to the prototype development.

## **DEADLINE**

All submissions must be made by **14 February 2020, 1600 hours (SGT/GMT +8)**. DWS and IMDA may extend the deadline of the submission at their discretion. Late submissions will not be considered.