ASSET AND WEALTH MANAGEMENT INNOVATION WITH GENERATIVE AI

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THE FUTURE IS NOW

GETTING TO KNOW GENERATIVE AI

Consider the potential impact of Generative AI in wealth management by exploring what Generative AI is and how it operates. Generative AI:

- **Creates original content**, such as text, images, audio, code, and video. Until now, these types of content solely required human skills and expertise to create.

- **Can add contextual awareness** and human-like decision-making to enterprise and finance workflows, potentially and dramatically changing how work is conducted.

- **Is powered by foundation models**, which run on deep-learning algorithms modeled on the organization of neurons in the human brain.

**DECISION SUPPORT**

For Analyst

Improve **time-to-value** to search, navigate, and extract insights from large amounts of complex data

**COMMUNICATION**

For Customer Service

Improve **customer experience**, reaching larger client bases by making online interactions more natural.

**CONTENT CREATION**

For Creative

Generate text, code, image, video or music content, speeding up every business process and maximizing productivity.

**GENERATIVE AI FOR ASSET AND WEALTH MANAGEMENT**

AI is a game-changer and a key source of transformation and competitive advantage for asset and wealth managers. Major areas for tectonic changes are productivity and customer engagement. The complexity of the product will depend on the maturity of the technology. Nevertheless, Generative AI enables:

- **Process automation for assembling data and generating prompts**, creating reports for analysts, advisors, and other financial professionals. Owners of internal datasets can use the technology to gather unique insights for their stakeholders. The productivity of advisors is the primary goal we hear from our clients in the industry. Advisors have an opportunity to focus on customer relationships, not routine tasks at the desktop, as AI-powered solutions allow for the automation of processes. We envision user-facing tools as a priority use case, delivering value for investors and experience at the workplace for advisors.

- **24/7 assistance for personalized financial planning and exceptional digital-native customer experience**, which is expected by the next generation. We have heard about digital agents and virtual assistants trending during the past five years. But not many market participants have started implementation. We envision AI for a robust alignment of customer needs and expectations, with personalized product design and extended customer engagement.

- **Fraud detection and compliance** remain on the radars of the C-level and regulators. AI-based solutions continue to help eliminate operational, compliance, and counter-party risks with real-time solutions for the prediction of emerging risks.

**KEY PRECAUTIONARY**

Generative AI solutions require efforts in the following areas:

**Earning the Customer Trust**

Virtual assistants will not replace human advisors, but can improve the work process and eliminate those caused by data availability for decision-making or conflict of interest threats.

**Regulatory Readiness**

While not all regulators have developed policies for Generative AI outcomes, key standards and regulations defined for advisors will be obligatory for virtual assistants as tools for advisory and investment management processes.

**Ethical Conduct**

Generative AI cannot fully eliminate biases, but the functionality enables the elimination of those inherent to human beings.
The wealth management industry evolves with increasing volumes of global wealth and assets under management. The digital transformation is driven by macroeconomic conditions and strategic goals to delight the next generation of customers that will inherit wealth during the next decade.

Obsolete legacy systems and the complexity of financial instruments are common problems for market incumbents. Client demand continues to focus on new products and services, such as private markets, personalized advice, and a seamless omnichannel experience.

Democratization of wealth management and embedding financial literacy into service offerings and marketing improve financial inclusion and nurture new wealth customer segments. More mass affluent products and services can appear on the market.

Despite discussions about ethical issues and the disruptive impact of AI-based solutions on advisory businesses, leading market participants bet this technology can improve the productivity of financial advisors and provide more human-enabled advisory services for customers. Financial advisors increasingly turn to AI-powered tools to process information faster from analytical sources and data providers, whether the data is structured or unstructured.

Financial professionals who need more insight into their client’s portfolio can justify recommendations with AI-powered tools, make recommendations for investment opportunities, and meet the lifestyle goals of their clients. Generative AI is a game-changing solution that assists wealth managers and self-directed investors, executing routine work with huge volume of data, different scenarios, and questions answered quickly.

### Key Priorities & Challenges

Competitive pressure along with external factors, such as macroeconomic headwinds and geopolitical issues, are among the challenges. Customers require more services for less money, a new digital experience, and robust security.

1. **Productivity of advisor and customer relationship development** are a priority for wealth management firms. Financial advisors spend three-quarters of their time at their desktop, switching between systems and gathering information needed for the justification of recommendations, and only one-quarter with clients to build customer relationships. The strategy of the asset or wealth manager defines the specific need. For example, private equity funds can use Generative AI during the due diligence process before making a decision on buying, investing, cooperating with, or crediting an entity.

2. **40% of advisors say their customers want more than just investment services**, while capacity remains the same and legacy systems are unsuitable. Moreover, pricing management for wealth managers is a cornerstone of competitive advantage and profitability.

3. **Next-gen investors want to be more self-directed** in their decision-making, requiring relevant information and analytics. Investors with lower wealth of $3,000 and those with higher wealth of $5 million represent the largest revenue growth opportunity in the industry. This segment is set to create approximately $45 billion in new revenue and account for nearly 60% of the total wealth management revenue pool by 2026. In the past, this segment has been underserved by wealth managers and retail banks. Digitization and personalization are key challenges to gain attention from these clients.

4. **Talent development.** Over one-third of financial advisors will retire in the next 10 years, and the number of clients who need intelligent financial advice will only increase. Constant education for advisors, education for their clients, blogs, and financial literacy content suitable for their audience are a priority for market impact and revenue growth.

5. **Pricing management and cost management for competitiveness and profitability** are still a focus. Leveraging data for customer segmentation and profitability analysis must enhance product design. Cloud optimization and application modernization are key services to manage costs and identify areas for improvement and economy of scale. As-a-Service infrastructure has become a trend, as wealth managers collaborate with technology firms on distribution, product delivery, and digit customer experiences. Module infrastructure enables wealth management firms and non-wealth firms to adopt best practices beyond their core business and offer a full scope of financial and non-financial services to their clients.

6. **Finding a niche for differentiation** goes beyond ESG impact-focused investments and offers personalization, according to their clients’ lifestyles. Wealth managers can combine customer acquisition with financial education for their corporate clients, as employers care about the financial well-being of their middle and upper management. The approach to customer acquisition potentially can save costs and drive benefits from high-value leads.
OPPORTUNITIES OF GENERATIVE AI

KEY ADVANTAGES

The level of positive impact that Generative AI can have on wealth management is difficult to overestimate. We suggest you consider some of the most promising directions for the future, as shown below.

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<th>Use Case Complexity</th>
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- Improve Productivity of Advisors
- Increase Profit per Client
- Improve Client Experience
- Personalize Product Design
- Eliminate Bias with Improved Decision-Making
- Innovate in Search of Opportunities for Clients
- Nurture Talents for Fulfillment
- Increase Competitive Advantage

BUSINESS OPPORTUNITIES

Asset and wealth management organizations adapt their business models to client needs through price management and personalized digital customer experiences. Generative AI enables justified opportunities to add enterprise value and extend market impact.
MOST PROMISING GENERATIVE AI USE CASES

SMART CUSTOMER ONBOARDING IN B2C
AI-powered assistants streamline customer onboarding, matching interests for delightful and cost-effective experiences. Meeter-greeter facilitates advisor matching, prospecting, product selection, and online account opening.

PROFILE ASSISTANT FOR SMART DUE DILIGENCE IN B2B
Virtual assistant aids fundamental analysis, gathering data, and identifying risks and opportunities for decision-making in M&A, investments, and credit activities.

BETTER CUSTOMER ENGAGEMENT IN B2C
AI-powered virtual assistants align investment suggestions with customer objectives, providing prompts and notifying about relevant opportunities, accessible 24/7 through the client portal.

INSIGHTS FOR ADVISORS IN B2B & B2C
Generative AI insights enable data monetization and product personalization for wealth management tech providers and account aggregators.

EDTECH AND CONTENT CREATION
Crucial for talent development, the solution helps advisors with Q&A, content creation, and financial literacy for clients. Offers financial education for employee well-being — a valuable employer and wealth manager benefit.
LET SOFTSERVE ACCELERATE YOUR GENERATIVE AI JOURNEY WITH 3 OFFERINGS

Don’t be left behind in the race to harness the disruptive innovation of Generative AI. SoftServe defined Generative AI adoption patterns that are designed to help you navigate the complexities of this emerging technology. We will help you select an appropriate adoption pattern or its combinations for building tailored solutions to meet your enterprise's unique needs. Expedite your journey towards a new way of productivity and creativity with SoftServe Generative AI offerings, positioning your business as a leader in the industry:

**AI DISCOVERY**
- From Interest to Discovery: Generative AI Ecosystem and Implications for My Business
- Use Cases & Business Impact Priorities
- Data Quality and Availability
- Technology Trade-offs and Architecture
- Technical Feasibility with POC

**AI LAUNCHPAD**
- Launchpad to Innovation: Evidence-Based Exploration and Deployment
- Generative AI Lab
- AI Launchpad Program for rapid experimentation
- Value Stream Mapping & Use Cases
- POC/POV Pipeline

**AI ADOPTION**
- From Insight to Impact: Rapid Scaling and Adoption in My Organization
- Generative AI Adoption Roadmap
- Technology Strategy
- Data Strategy
- Change Management and AI Governance
- Generative AI Solution Development
- Generative AI in Product and Engineering Teams

It’s urgent and the time to start is now. But you know that Generative AI is not a deployment sprint. With SoftServe’s experts to address your unique enterprise needs and guide you through possible adoption options, you will move past the hype and harness its benefits for your enterprise.

Learn more about SoftServe’s Generative AI Lab, POVs, offerings, and partners. Visit us at our Generative AI website page.
YOUR PARTNER FOR THE FUTURE

DIGITAL ADVISORS, SOFTWARE INNOVATORS, AND EXPERIENCE BUILDERS

30 Years of Experience  98% Client Retention  14 Countries of Operations

GOOGLE CLOUD
As a Google Cloud Partner and the winner of the 2020 Google Cloud Partner of the Year Award for Machine Learning, SoftServe is committed to helping customers solve their most pressing business challenges. SoftServe utilizes Google Cloud's AI ecosystem, including tools such as Google Cloud Vertex AI and Generative AI App Builder. Learn more

430+ Google Cloud Certified Resources
150+ Anthos expert Resources

AMAZON WEB SERVICES
As an APN Premier Services Partner, SoftServe acts as an exceptional cloud guide, vastly decreasing the time to achieve cloud value. By doing so, SoftServe ensures that your AI initiatives unleash the full potential of AWS Machine Learning services, such as Amazon Bedrock and SageMaker, and that they are deployed in accordance with AWS Well-Architected best practices. Learn more

500+ AWS Certified Resources
50+ AWS Certified Solution Architects
40+ AWS Professional Certifications

MICROSOFT
Innovate with purpose, rationalize costs, and drive efficiencies with Microsoft Azure's open and flexible cloud computing platform. Leverage Azure OpenAI and Machine Learning services to deliver next-generation AI solutions. As a Gold Microsoft Partner, SoftServe enables your business to build and deploy on your terms — both today and in the future. Learn more

1,200+ Engineers with MS experience
150+ Azure Certified Experts and Professionals
18 Years as a Microsoft Partner

NVIDIA
As an NVIDIA Service Delivery Partner, SoftServe harnesses NVIDIA's cutting-edge technologies, like GPU-accelerated compute infrastructure, to deliver robust AI solutions. Leveraging NVIDIA's NeMo Service, SoftServe streamlines the development of Generative AI products, driving rapid digital transformation. Learn more
DEEP TECHNOLOGY EXPERTISE IN AI/ML

HUMAN-FIRST APPROACH TO DESIGNING EFFECTIVE EXPERIENCES

INDUSTRY EXPERTISE AND PARTNERSHIPS WITH CLOUD SOLUTIONS PROVIDERS

— We have deep technology expertise in AI/ML, XR, blockchain, and automation.
— We take a human-first approach to designing effective experiences.
— We have industry expertise and partnerships with solutions providers.

LET'S TALK