The impact of COVID-19 on client experience in asset management

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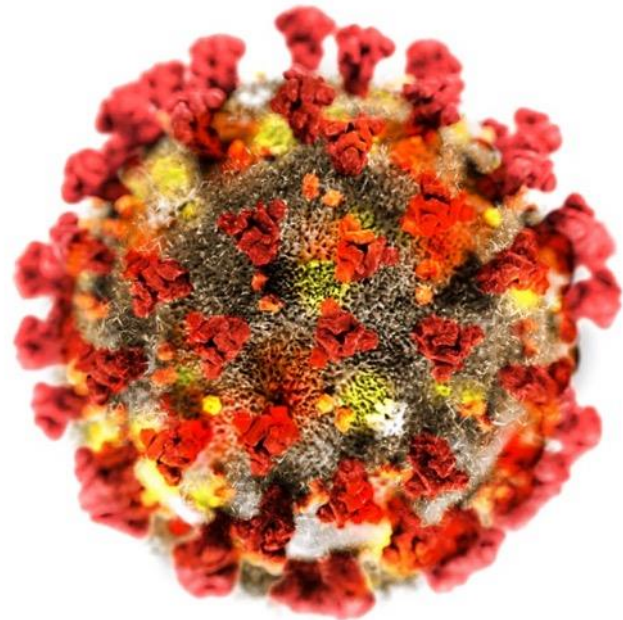
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COVID-19 lockdown

- **In the spring of 2020, in response to the COVID-19 pandemic, governments implemented emergency stay-at-home orders, or 'lockdowns'.**

- **Asset managers executed the logistical and welfare tasks of moving staff and in some cases equipment to their places of residence.**

Remote everything

- **By early April, 3.9bn people worldwide were under some form of lockdown – more than half the world's population.**

- **Modern society shifted to a state of remote everything.**

- **Some effects will be temporary, and others will endure.**

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A client-led impact assessment

- How did clients' needs change as a result of COVID-19?
- What were asset managers' immediate responses?
- What does this mean for client experience (CX)?
- What's the direction of travel?
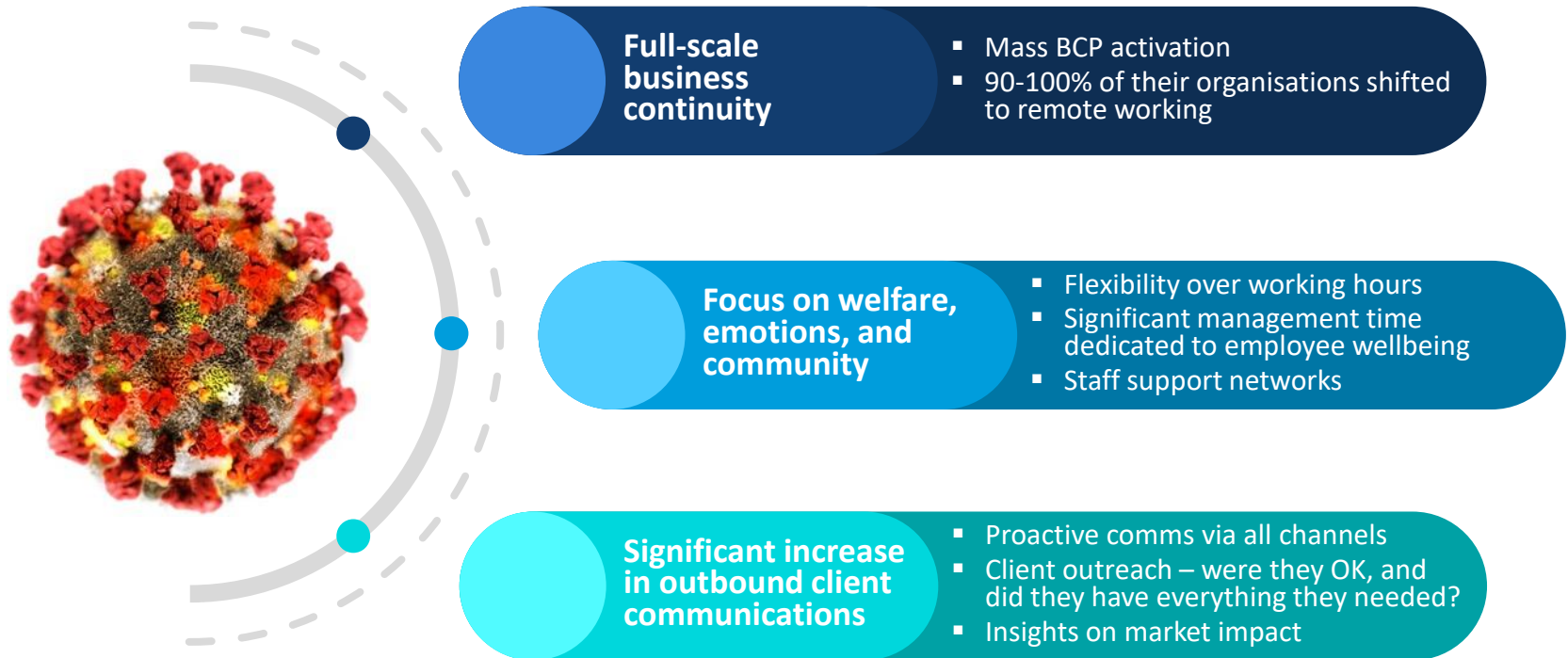- What will firms need for the journey ahead?

Relevant. Brief. Gone.

- We answered these questions by surveying individual members of European Asset Management CX Forum – responsible, collectively, for €2.6tn of institutional AUM.

- To properly assess the impact, we asked open questions about what had happened and analysed the answers for patterns. Respondents were heads of distribution, strategy, client services and CX.

- We timed the project to capture not just the immediate response, but also the end of the first quarter, the stabilisation activities once firms had 'taken stock' of the situation, and an early view of the longer-term direction of travel.

- Response rate: 84% #cxcommunity

- Average completion time: 5 mins 29 secs

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The initial hours and days of the crisis were similar for most asset managers

Common emergency responses

Full-scale business continuity
- Mass BCP activation
- 90-100% of their organisations shifted to remote working

Focus on welfare, emotions, and community
- Flexibility over working hours
- Significant management time dedicated to employee wellbeing
- Staff support networks

Significant increase in outbound client communications
- Proactive comms via all channels
- Client outreach – were they OK, and did they have everything they needed?
- Insights on market impact
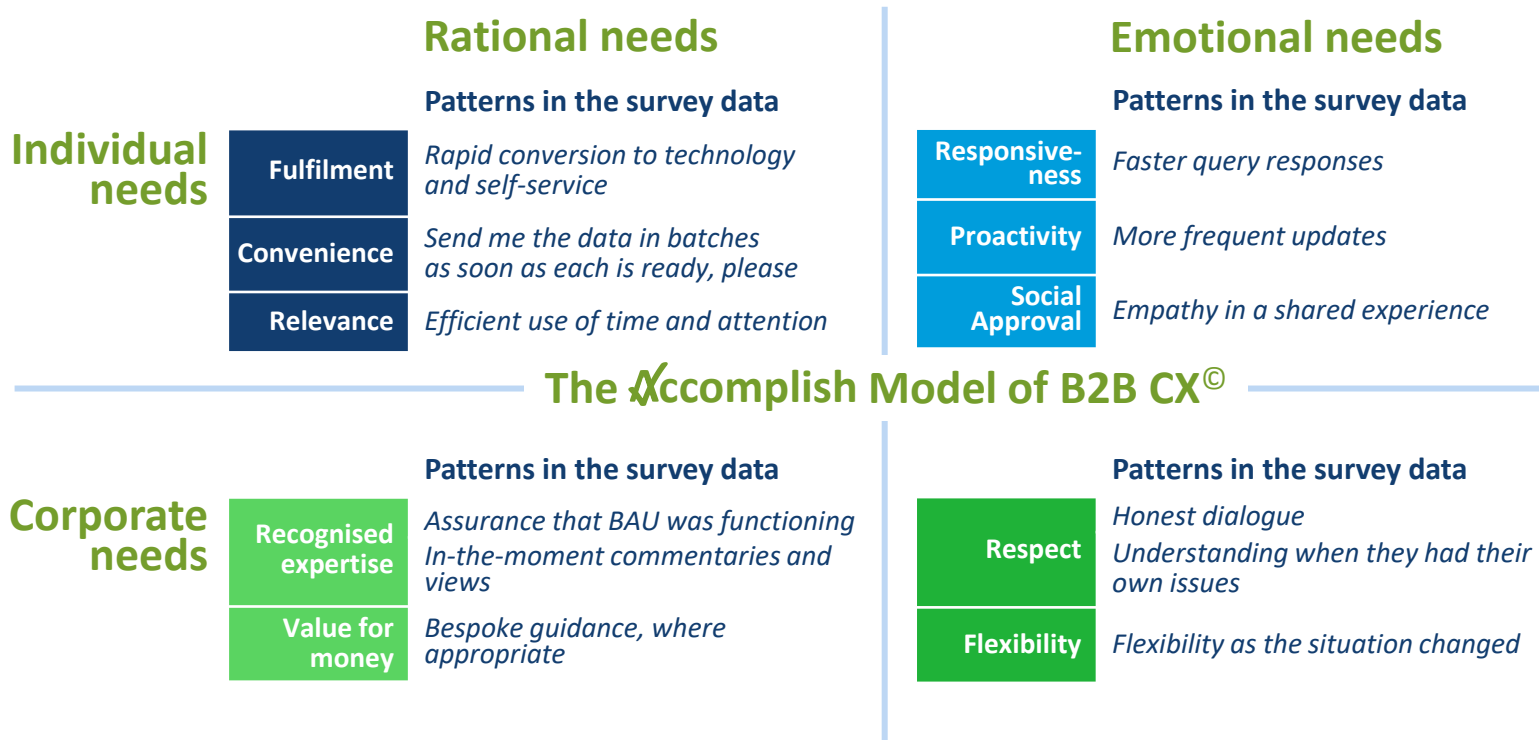
Immediate actions and triage complete

Once clients had adjusted, new needs emerged

We have analysed these needs through the lens of B2B CX

		Rational needs	**Emotional needs**

Individual needs

Rational needs

Patterns in the survey data

Fulfilment	Rapid conversion to technology and self-service
Convenience	Send me the data in batches as soon as each is ready, please
Relevance	Efficient use of time and attention

Emotional needs

Patterns in the survey data

Responsive-ness	Faster query responses
Proactivity	More frequent updates
Social Approval	Empathy in a shared experience

The Accomplish Model of B2B CX©

Corporate needs

Patterns in the survey data

Recognised expertise	Assurance that BAU was functioning In-the-moment commentaries and views
Value for money	Bespoke guidance, where appropriate

Patterns in the survey data

Respect	Honest dialogue Understanding when they had their own issues
Flexibility	Flexibility as the situation changed

Clients wanted to do business online right away, and they wanted information sooner, and more frequently than before

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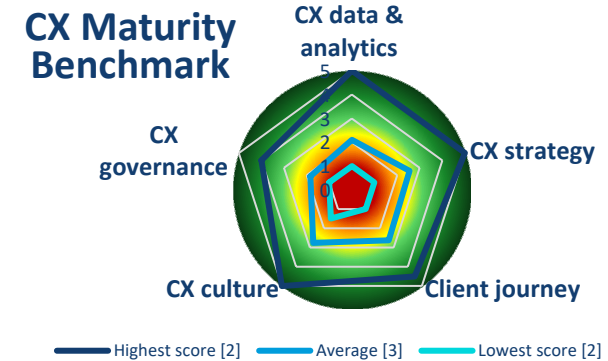**Accomplish**
CX Maturity Benchmark

Asset managers with stronger CX capabilities were better able to meet these needs

Smart work vs. hard work

CX Maturity Benchmark

Highest score [2] — Average [3] — Lowest score [2]

19% firms with stronger CX[1] extended their lead

37% of respondents associated with different aspects from both scenarios

44% of firms with weaker CX[1] sprinted to stand still

- Used existing dashboards of live data to prioritise and coordinate activity

- Central automated query management processes mitigated high volumes and provided a familiar framework for staff to work through exceptions

- Staff were already broadly empowered to interact with clients

- Critical aspects of the client journey were already digital, creating an opportunity to:
  - Accelerate roll-out of planned improvements
  - Stand-out by going 'above and beyond'
  - Refine service blueprints

- Analytics of consolidated data enabled a move onto the offensive with agile and relevant marketing

- Client segmentation enabled a renewed push on their growth strategies

The Building Blocks of CX©

- CX governance
- CX culture
- Client journey
- CX data & analytics
- CX strategy

- Built ad hoc trackers to help manage the situation
- Some had to focus on meeting contractual commitments

- A "tsunami" of client queries fell on manual processes and highlighted a fine balance between client satisfaction and staff welfare

- Business development staff assigned to service tasks

- Rapid and concurrent automation of critical processes:
  - External instructions and internal approvals
  - Replacement of paper-based processes
  - Reporting data distributed in sections as soon as it's available

- Fragmented data made analysis slower and harder

- Firms moved to the defensive

Seized the opportunity

Essential priorities first

1. As measured by the Accomplish CX Maturity Benchmark, March 2020.
2. The lowest and highest scores are for each building block across all participating firms. In neither case do they represent a single firm's profile.
3. The arithmetic mean, which is subject to outlying data. We highlight these where they occur.

What does this event mean for CX?

Two-thirds expect CX to become more important in the anticipated market environment

Predicted change in the importance of CX depending on the maturity of a firm's CX capability[1]

Firms' CX maturity[1]

Key
- ↗ Increase
- = Remain the same
- ↘ Decrease
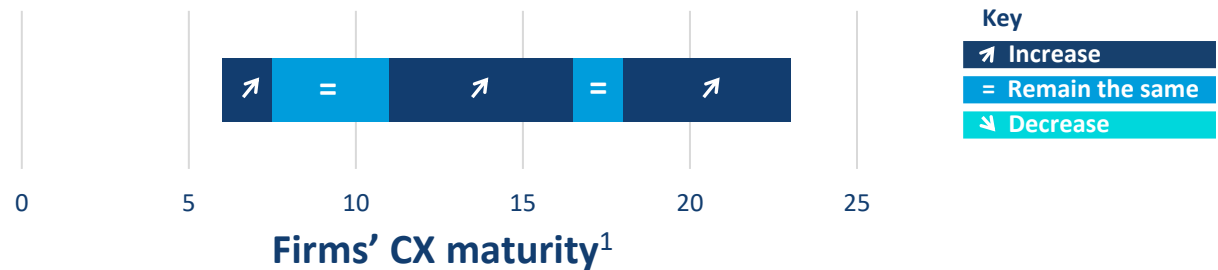
"Increase" – 68% of respondents believe CX will now be even more important:

- *"Revenue retention rules"*
- *"Being digital is no longer a differentiator, so we're doubling-down on CX"*
- *"We recognise we need to catch up"*

"Remain the same" for the remaining 32% of firms:

- *"We have already embedded CX into BAU"*
- *"Improving CX was already a top priority and will remain so"*
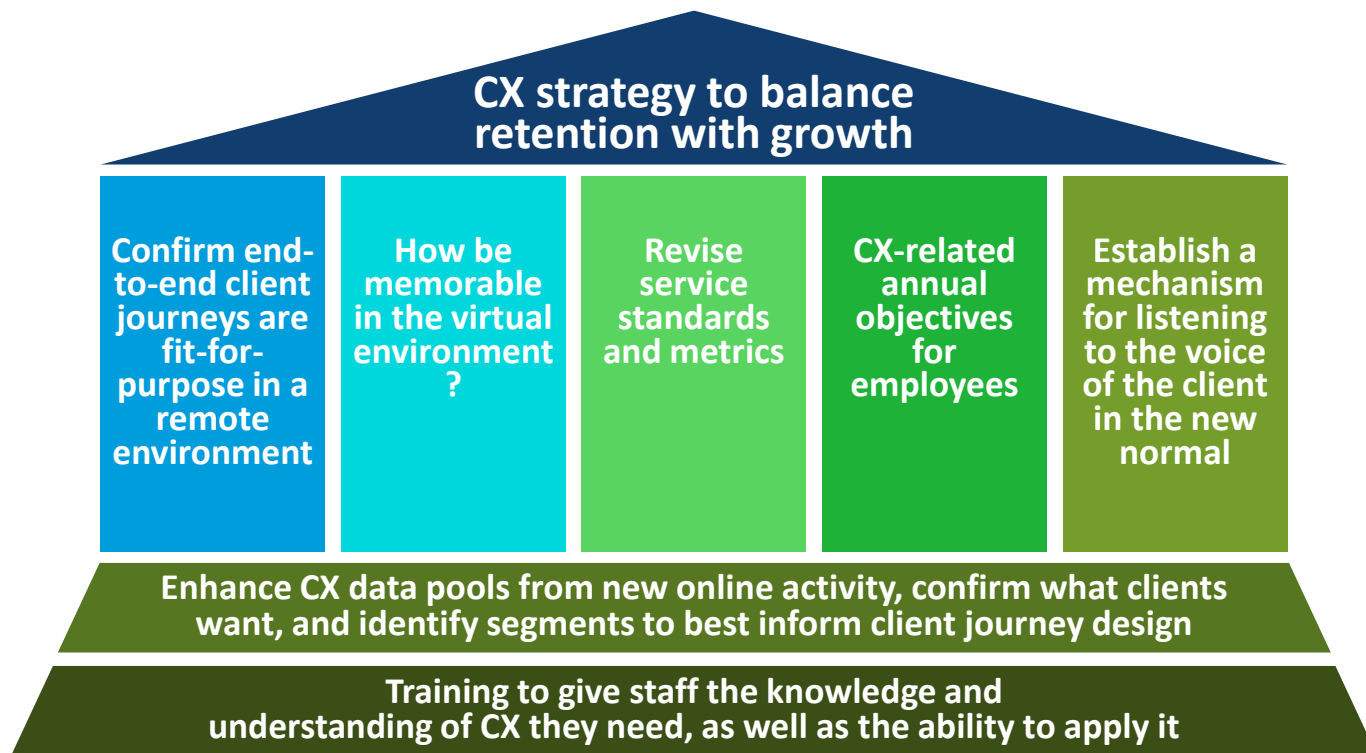- *"We would like to embed CX, but we just can't prioritise it right now"*

"Decrease" – no respondent expected their firm to reduce its focus on CX

On balance, firms intend to push on and embed CX into BAU

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1. As measured by the Accomplish CX Maturity Benchmark (March 2020) that gauges the strength of a firm's CX capability on a scale of 0 to 25.

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The direction of travel

Every firm is revising its strategy in response to the macro shock and the new normal. As we have seen, many are making CX a factor in this. Other factors include productivity opportunities and staff welfare policies. Here are the key CX-related themes they are considering.

CX strategy to balance retention with growth

Confirm end-to-end client journeys are fit-for-purpose in a remote environment	How be memorable in the virtual environment?	Revise service standards and metrics	CX-related annual objectives for employees	Establish a mechanism for listening to the voice of the client in the new normal

Enhance CX data pools from new online activity, confirm what clients want, and identify segments to best inform client journey design

Training to give staff the knowledge and understanding of CX they need, as well as the ability to apply it

Asset management CX benchmarking

Exploit CX
or don't be surprised

Bargaining power has shifted to clients …
CX has become **THE differentiator**

Unreliable differentiators

Product performance
Pricing
Brand

Headwinds

✗ *Market over-supply*
✗ *Price-taking*
✗ *External events*

Reliable differentiators

Client experience (CX)

Tailwinds

✓ *Controllable*
✓ *Commercial*
✓ *Incremental*

What can you do about it?
Measure it

Evaluate
your internal CX capability

Compare
your 'effect' on clients' behaviour

Engage
with the industry CX community

CX is here to stay

Your clients are consumers in the B2C economy.

This is driving demand for CX from your B2B asset management firm.

Our focus on benchmarking means we have **no conflict of interest** when we work with clients

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About us

We are the directors of Accomplish

We have a shared experience of adversity

We have been lucky

We intend to redress the balance

GenieShares makes us stronger

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