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A time to build:

Enabling Wealth Management-as-a-Service

additiv

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Overview

Bank customers are all uniquely different. They have varying requirements and evolving needs. Banks must respond to these needs with a suitable approach, and their IT strategy is no exception.



There's a new approach to buying and building enterprise software: banks must consider what can be standardised for integration purposes and what can be tailored.

A brief history of bank IT systems

Historically, banks built their own systems. At the time, the strategy made sense. There were few vendor solutions to choose from and systemization gave an important competitive edge. However, financial institutions continued to add in-house developed systems, which were developed by different teams at different times, which led to integration issues, high cost of ownership and lack of flexibility.

In response, many banks moved to integrated systems from established vendors, which improved cost of ownership and allowed banks to make regulatory updates and launch new products more efficiently. However, these integrated systems, while efficient, have hampered banks in their quest to update business models in the light of new distribution channels and ecosystem opportunities.

But, help is at hand. Banks can now access highly modular systems whose components can be assembled in whatever configuration best suits their business strategy. These configurations can either be templated, such as with the additiv Hybrid Wealth Manager solution, or, with Wealth Solution Builder, they can be assembled or reassembled by the financial institution at their will.

Building an internal bank IT platform: some historical challenges

In the past, some large and more traditional institutions often built their wealth management platform internally from scratch.

52%
of those banks that built banking technology completely inhouse missed their targeted timeline, and

45%
came in more than 25% over budget. In particular, deploying basic infrastructure, designing client journeys and coding business logic and system logic was a major reason for project delays (81%).

Source: Forrester

Add to this elements such as project scoping, analysis, the need to source and establish relationships and integrate with ecosystem partners etc. and these are sobering statistics. But these shouldn't dissuade banks from developing inhouse from the ground up, as long as they have the right foundation in place. At additiv, we are helping banks to do this, enabling Banking-as-a-Service to become a reality.



Source: Record of change and innovation, Goldman Sachs – January 2020

Banking-as-a-Service: building-your-own platform the right way

Banking as a service (BaaS) refers to the decomposition of the banking value chain into composable services – or to put another way, the transformation of banking services into code. This clearly has business strategy implications for banks and wealth managers: for example, it allows their services, individually or collectively, to be offered through third-party distribution channels. But it also has implications for their IT strategy. If IT systems increasingly consist of composable blocks of functionality, then they can be assembled into many different configurations – both “off the shelf” and “build your own”.

The two major changes in the nature of IT systems have been around microservices and APIs.

1. Microservices

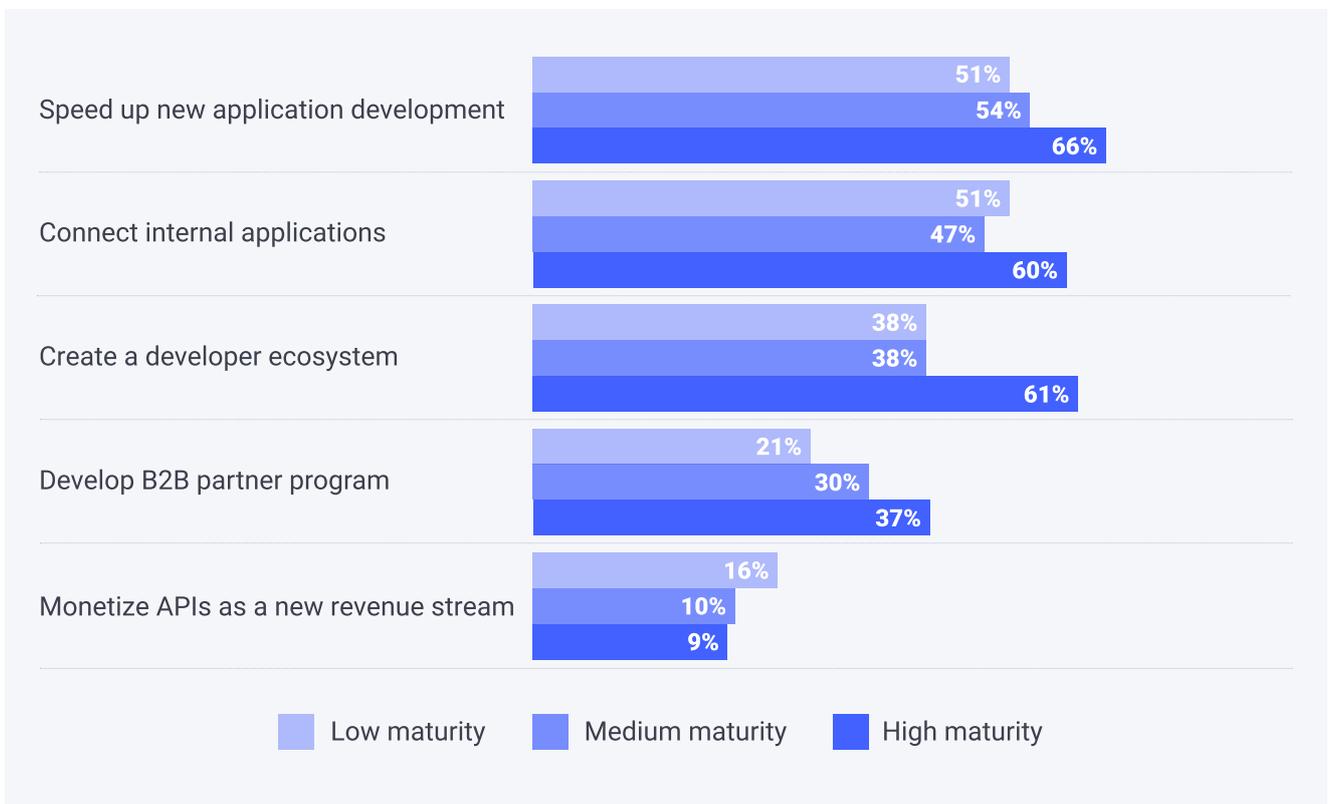
Microservices are, as the name suggests, fine-grained, loosely-coupled pieces of software. Building applications using microservices has various benefits, including security and maintainability. But, importantly, it gives more options to users to closely align IT systems with business strategy. This can be through different off-the-shelf configurations, but also by giving the building blocks to IT teams to build solutions themselves. However, unlike in the past, building doesn't mean starting from scratch since the building blocks already exist, nor stumbling into high cost of ownership over time, since the blocks are maintained by the infrastructure provider and continue to benefit from the collective research and development (R&D) of all users.

2. Application Programming Interfaces (APIs)

Application Programming Interfaces (APIs) are key to pulling together the overall proposition. APIs make it easier for developers to build products, to link together the services to form new solutions and to access third-party services to offer a broader solution to clients. They provide a set of rules and protocols that allows services to interact with any user agent or third-party channel to access products or services in a safe, simple and flexible way.

By utilising APIs, bank IT departments can add these new digital capabilities easily to their existing IT platforms. APIs allow the quick and easy delivery of added value to a client solution, often offering functionality that wouldn't have been viable to develop inhouse, however, they usually only support one usecase (Wealth Solution Builder is the exception).

In addition, as highlighted within a recent report issued by Google Cloud (State of API Economy 2021 Report), *'when used by internal developers, APIs accelerate development of line-of-business applications, process automations, and more. Extended to outside partners and developers, APIs open even more opportunities, letting a business focus on maximising its strengths while relying on other ecosystem participants for complementary technologies and to fill competitive or go-to-market gaps.'* The report later adds that high-maturity respondents to their survey, *'are significantly more likely to focus on developing a developer ecosystem or B2B partner ecosystem around their APIs.'*



Source: Google Cloud - State of API Economy 2021 Report

And, when combined with a foundational platform, easy access to a wide range of API's can enable bank IT teams to build the perfect end-to-end solution for their individual needs. At additiv we are offering just that, with our Wealth Solution Builder approach.

Wealth Solution Builder: a complete approach to 'build-your-own'

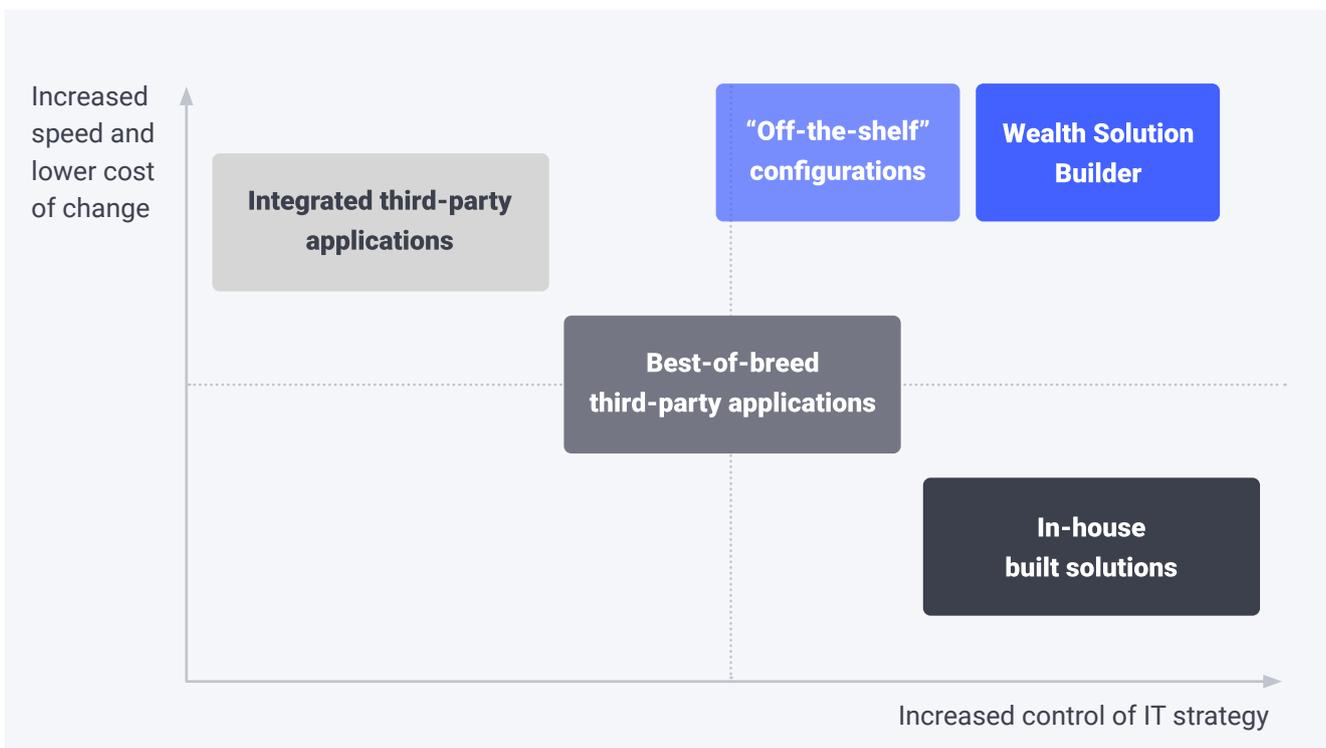
Based on years of research working with our top tier Financial Institution clients, we've created a foundation that enables IT departments to overcome the limitations and risks they previously experienced when building IT solutions inhouse.

Say goodbye to compromise

With the Wealth Solution Builder, your organization can say goodbye to the constraints and trade-offs it faced in the past. Previously, building IT solutions internally gave financial institution full control over the IT strategy, but it came with high cost of ownership, along with a multiplicity of applications to integrate, maintain and update.

But, taking third-party systems, while it lowered the cost and increased the speed of change, it removed financial institutions' sovereignty over IT strategy and, in particular, the ability to adapt IT to meet the challenges and opportunities of digitalization, which require business model adaptation.

Now, there are no compromises. You have control without high costs and flexibility without dependencies. All while ensuring the highest level of security is maintained continually.



Source: additiv

The Benefits of Wealth Solution Builder

Wealth Solution Builder enables banks to easily build client journeys and functionality themselves, at any time, on top of a pre-defined, established foundation. This gives them the same level of control they have established through their own systems, the ability to implement change quickly and easily in response to new regulations or to launch new products, while also have the flexibility for more fundamental changes in their sourcing, servicing and operating models.

Key benefits include:



Unique/bespoke

Build your own solution according to your needs



Efficient

Less coding, smaller teams



Flexible

Adopt to future needs by leveraging existing modules



Speed

Build based on existing RESTful APIs



Specialism

We provide the infrastructure, you make the apps



Shared R&D

R&D costs shared across all users, achieving scale economies



Brand

Your digital channels are your brand, now you are in full control



Ecosystem

Gain access to our wide range of pre integrated ecosystem partners

Wealth Solution Builder: how it works

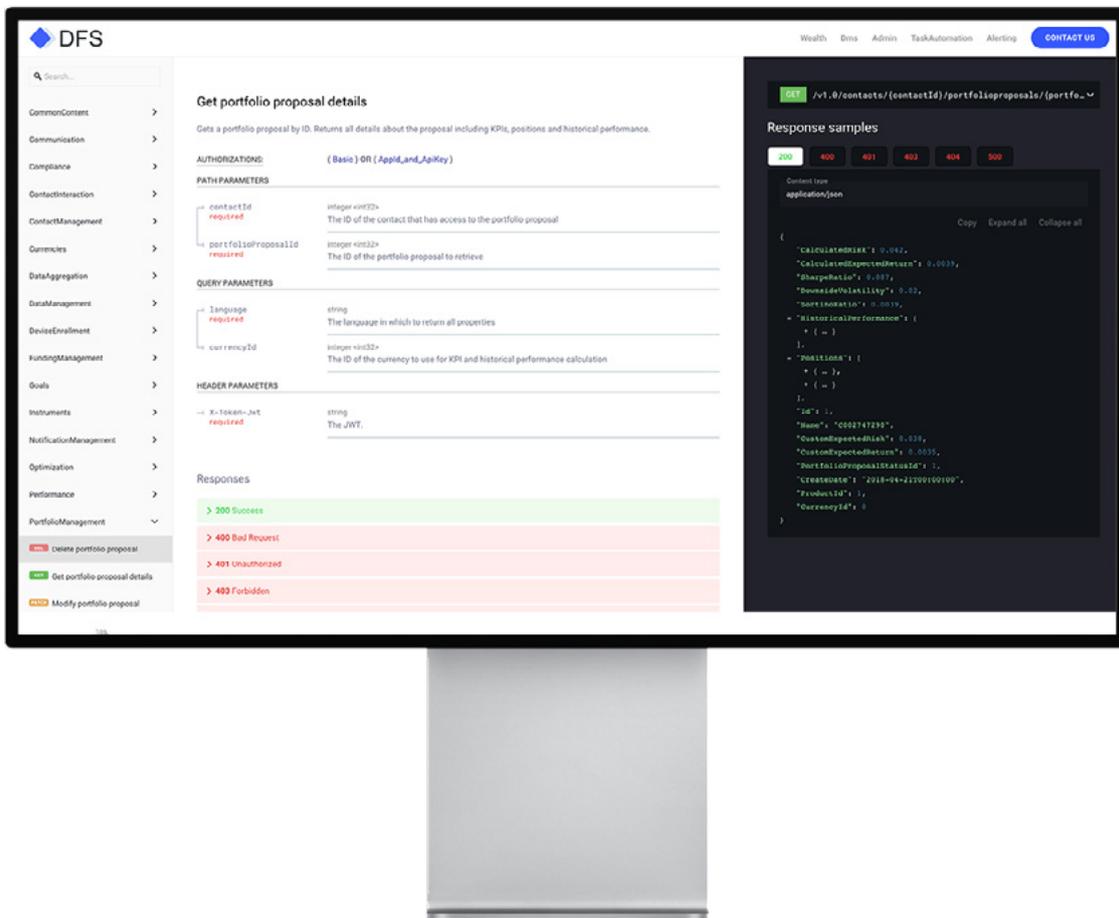
As with an internal IT platform that is built 'from the ground up', Wealth Solution Builder enables developers to create and control every element of the system.

It includes configuration without the need to go through the lengthy and costly process of building the foundational elements of the system.

Wealth Solution Builder lets you build your own, end-to-end, digital wealth offering and unique client journeys. It offers complete autonomy at an unseen speed with the support of additiv technical staff. The foundation is the additiv Digital Finance Suite (DFS®) system of intelligence and its extensive, ever growing, RESTful API catalogue. This allows a faster time to market, brings flexibility and allows you to focus on client needs.

DFS® platform exposed through APIs

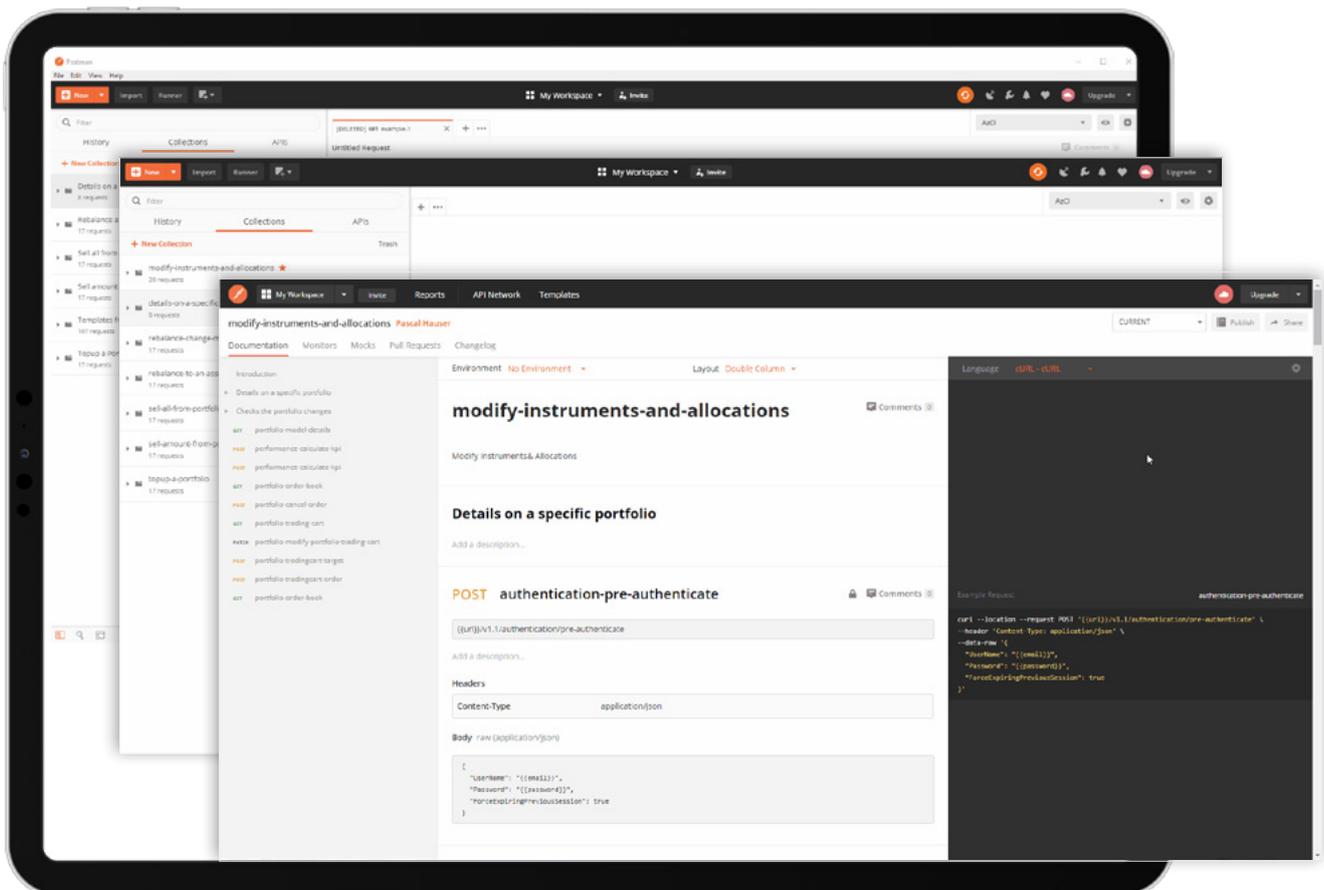
The additiv DFS® platform is exposed through multiple API groups, each serving different purposes (e.g., Wealth, Credit, Document Management, Administration, Task Automation, Alerting).



Postman Collections

Wealth Solution Builder facilitates users by sharing examples of Postman Collections that consume additiv DFS® APIs as examples of different user journeys. These collections can easily be understood by software engineers, technical analysts and frontend developers with know-how in the finance industry and specifically the wealth domain.

- **More possibilities** – access examples which provide an intuitive approach to grasping the functionalities and processes of the DFS® APIs
- **Implement Faster** – reduce the time spent creating custom front-ends, integration into existing online banking applications etc.
- **Ensure Quality** – obtain enhancements and validations of already implemented examples for every new version of DFS®



Service packages to ease your build

Wealth Solution Builder is available with a range of standard packages, offering access to expert support, our comprehensive and evolving API catalogue and sample front-ends. Or, financial institutions can select customizable options for their unique needs.



Our packages are designed to help developers build tailored user journeys quickly and easily with the guidance of documentation, technical experts and training; utilising our specialist team to facilitate innovation and collaborative opportunities.

These support packages offer a differentiated support structure according to what's selected and ensure guidance at all times. Developers will also be equipped as if they were additiv internal engineers, with access to code libraries, code samples, test data sets and configuration.

Banks and wealth managers get the best of both worlds – the reassurance of a robust, agile foundational system (DFS®) and the ability to leverage additiv's breadth and the extent of products by accessing core code from its front-end products. This can be achieved by Financial Institutions (FIs) accessing the downloadable code of our products (Hybrid Wealth Manager and Wealth Robo Advisor). Plus FIs can easily integrate with our wide ecosystem of solution partners, already set up, reducing project and implementation time from weeks to under a day.

Comprehensive support and training for developers

It is essential that developers are fully equipped to build optimum wealth management solutions, that's why we offer an extensive training and support programme as part of our Wealth Solution Builder packages.

Sessions include an introduction to the development environment, product, architecture and integration overviews, hands-on expert demonstrations, business configuration and API use-cases, as well as an introduction and access to our leading developers academy for post-training support.

Sample front-end applications

Fully functioning and integrated end to end front-end samples are available for FIs to kickstart their development effort.

Access 'blueprints' for success: code samples, libraries etc.

At additiv, we understand that having to build all the components for a sophisticated, digital wealth solution can be a little daunting. Our team of experts can be on hand to support at anytime, however, we can offer more than this.

We offer a range of products that enable banks to service their wealth management clients. APIs are the backbone of our **Hybrid Wealth Manager** and **Wealth Robo Advisor** products. This is why the front-end source code for these products is available to allow banks to model their own solutions on our established products when building with Wealth Solution Builder.

Access our Hybrid Wealth Manager blueprint

Our Hybrid Wealth Manager product enables banks to offer a truly digital solution. It is a set of digital applications for managing investments and client relationships: **Workbench**, **Mobile Advisor** and an advanced self-service **Client Cockpit** module. Unlike a standard robo approach, our **Client Cockpit** only automates the menial elements previously undertaken by the bank and really puts bank clients, with their advisor, in the driver's seat:

- Offering users tools to view portfolio impact simulations
- Providing complete clarity by showing interactive views of positions and performance
- Presenting personalized content, next best trade and idea generation
- Giving quick and easy consent for advisor proposals and proposal exchange
- Offering real-time, secure and collaborative remote advisor, call center and communication at anytime, from anywhere

Hybrid Wealth Manager gives a rich and seamless customer experience across all client touchpoints. As with our other solutions, which can also be used as a blueprint for Wealth Solution Builder, **Hybrid Wealth Manager's** omnichannel, front agnostic approach exposes RESTful APIs; leveraging all the benefits of APIs while also taking advantage of existing protocols to provide a high level of flexibility. These sit on top of our cloud-based orchestration engine – DFS® system of intelligence.

Access our Wealth Robo Advisor blueprint

Our Wealth Robo Advisor allows banks to offer the same superior quality service as traditional advice with the efficiency of an automated approach. It enables banks to provide self-service, remote chat with an advisor or via call-center, screen sharing and phone-in capabilities from anywhere, anytime (24/7). This allows more clients to be reached at a lower cost without compromising relationships.

Increase business opportunities, reach and efficiencies

- Access new geographies and client segments: cost-effectively access previously financially unviable markets
- Minimize attrition risks: retain clients and acquire next generation users by avoiding outflows of assets
- Decrease client management overheads: encourage online and remote interaction where previously only personal advisor was available
- Increase client engagement: ensure services become central to a client's financial affairs by enabling intelligence-driven interaction

Enhanced wealth management client experience

- Ensure a continual personal touch: manage all products with person-to-person advice, self-service, or via call-centre, screen sharing and phone-in from anywhere, anytime (24/7)
- Support savings goals: view investment simulations and guide savings decisions with thoughtful automation to encourage financial control and well-being
- Offer advice when needed: continually monitor portfolios and goals in real-time, with action alerts and associated advice
- Offer more clients access to wealth products: supports the democratisation of wealth giving additional client segments, with lower investable assets, access to the same products as HNWI's.

Wealth Robo enables wealth democratization and easy future planning. Now wealth management clients can easily invest lower amounts or decumulate their investible assets to support their instant or longer-term financial plans.

DFS[®] System of Intelligence: the foundation for Wealth Solution Builder

Built from the ground up, additiv DFS[®] is a single platform with the agility to adapt to changing needs and the intelligence to deliver personalization, at scale. It makes an ongoing digital roadmap operable.



additiv DFS[®] is available in the cloud or as hybrid cloud setup through Software-as-a-Service (SaaS), both as an 'out-of-box' and API based 'build-your-own-bank' delivery model. DFS[®] uniquely enables additiv customers to quickly launch new propositions such as Hybrid Wealth Manager, while giving them the intelligence to maximize customer engagement according to the individual business and technology strategies.

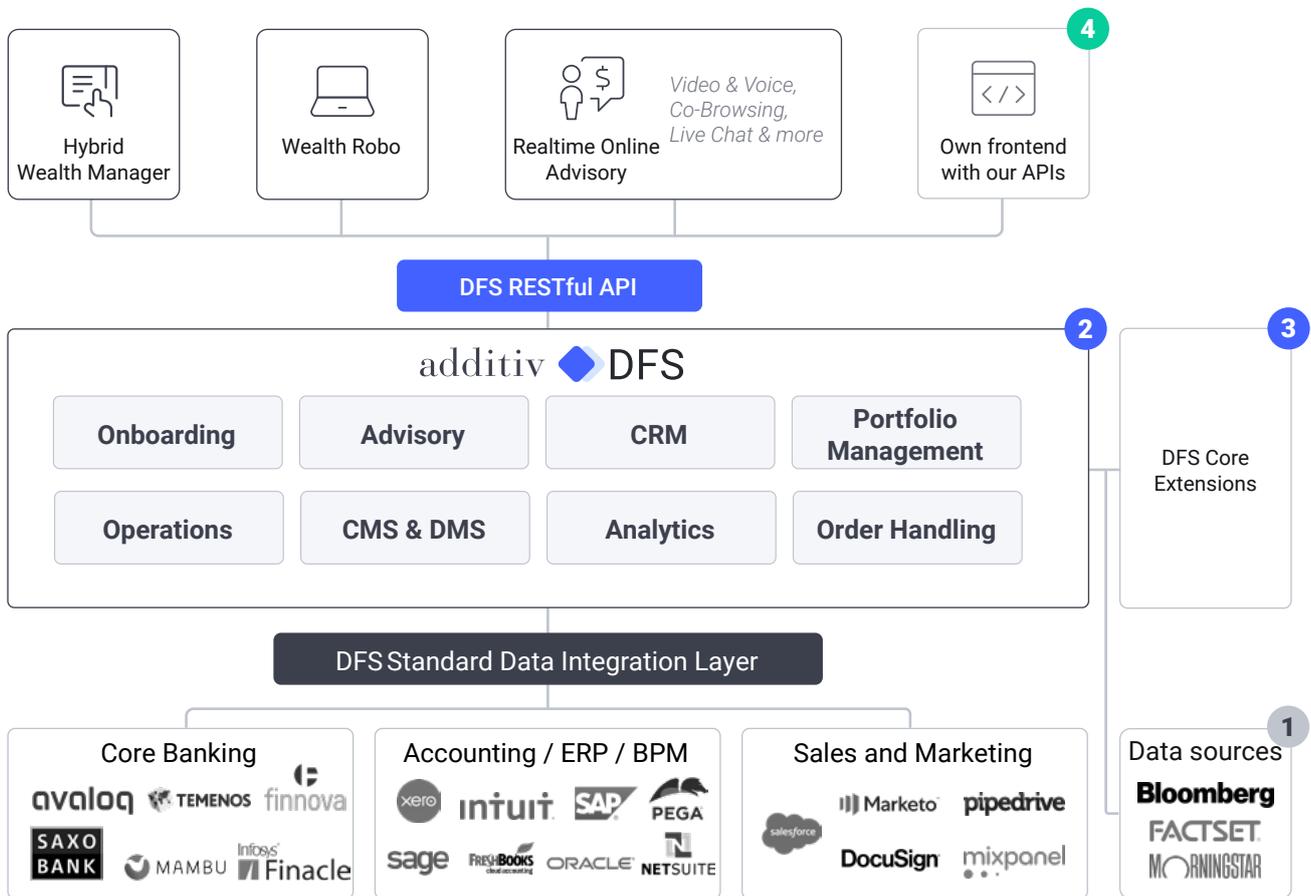
Banks can now access our robust and trusted DFS[®] system of intelligence to 'build their own bank' quickly. DFS[®] is a pre-defined, established foundation which enables banks to easily build the functionality and client journeys themselves on top with Wealth Solution Builder.

Sourcing and extending components this way reduces technical complexity significantly, and spreads the cost of R & D across all customers.

By utilising our DFS[®] platform it is far easier for banks to tailor these external components to their own brand and specific circumstances. It makes adaption to changing future needs far less onerous, removing the tendency to revert to big and costly start-from-scratch projects on a regular basis. This frees up the bank's own internal resources to work on building elements that are truly unique to their value offering.

Now, if a bank chooses to build in-house, they can finally be truly digital.

Wealth Solution Builder: You can build yourself using DFS technology



1 Data Integration:

- **Integrate your core banking** and 3rd party systems
- **Leverage** our staging tables and **data mapping guides**

3 Extensions:

- **Extend the DFS® core** by customized functionalities
- **Leverage our extensive code library** from customized integration projects
- **Consult our experts**

2 Parameterization:

- **Configure DFS® platform** according to your needs and requirements
- **Receive quarterly product updates** to always stay up-to-date

4 Frontends / APIs:

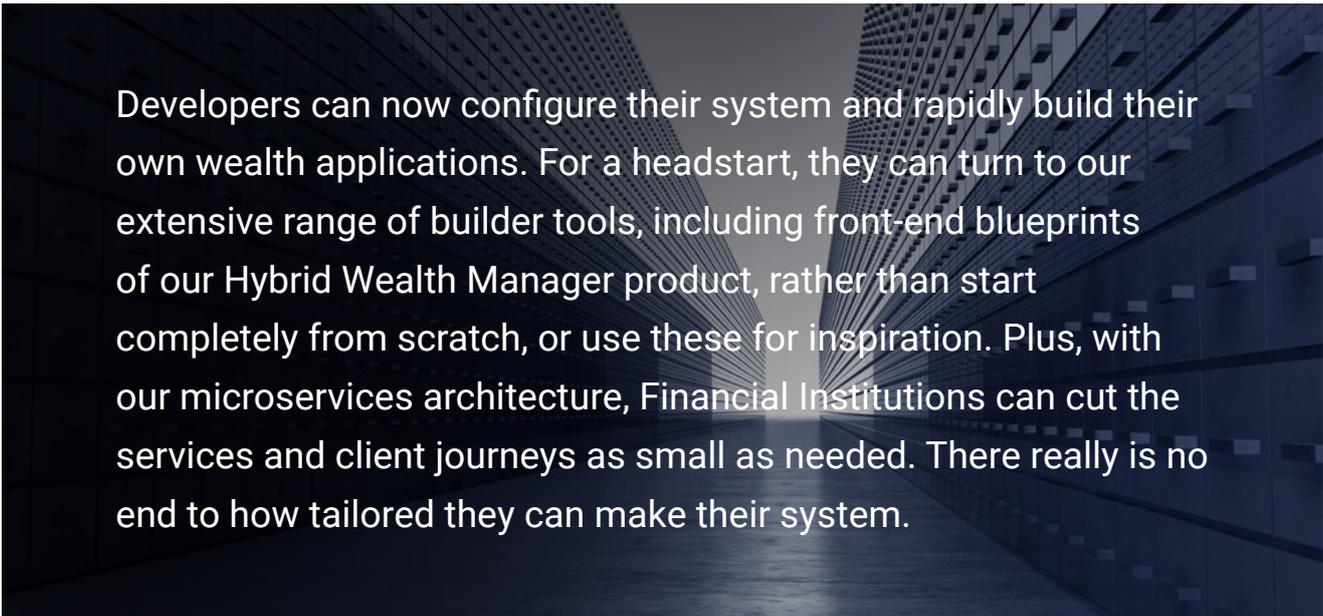
- **Customize and extend existing front-ends** to match your corporate identity
- **Develop own frontends** from scratch by using the extensive **API catalogue** and **Postman Collections**
- **Adapt Backends** (Working Tools e.g. CRM, ...)

Enabling a bank platform model: toward Banking-as-a-Service

Today, a bank's front end is their shop front. Those that survive (and succeed) will ensure that they have an engaging, omni-channel approach that is tailored to their clients' needs and overall strategy. Whether banks are building inhouse or buying a pre-configured solution, agility and speed to market must be a priority.

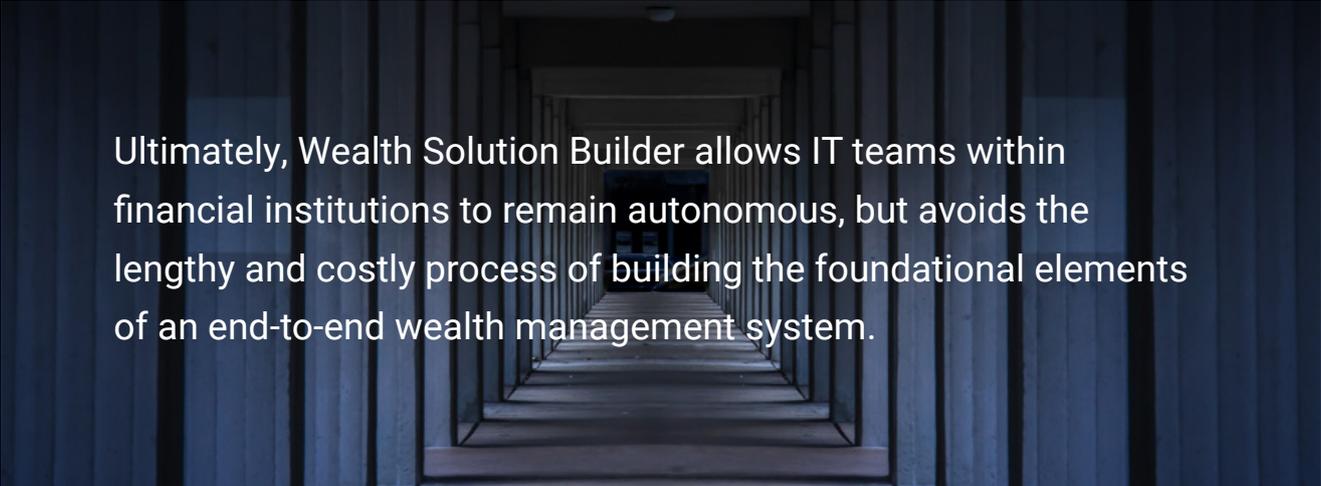
For banks looking to build inhouse, Wealth Solution Builder means that real value can be achieved. These banks can now become truly digital quickly, without the risk of building the foundational wealth platform inhouse. It allows banks to create their own WealthTech end-to-end solution, unique functionality and client journeys at unseen speed, on top of an established foundation – additiv DFS®. This is available in addition to our extensive and ever growing RESTful API catalogue, the DFS® system of intelligence, ensures optimum agility and intelligence delivering the best customer experiences at scale.

Wealth Solution Builder is a game changer for IT teams. It provides support at every stage when developing a wealth platform: accessing front-end code libraries and samples, data integration methods, test data sets, postman collections, configuration handbooks, checklists, cookbooks and much more.



Developers can now configure their system and rapidly build their own wealth applications. For a headstart, they can turn to our extensive range of builder tools, including front-end blueprints of our Hybrid Wealth Manager product, rather than start completely from scratch, or use these for inspiration. Plus, with our microservices architecture, Financial Institutions can cut the services and client journeys as small as needed. There really is no end to how tailored they can make their system.

With these tools, and our technical staff available, FIs can now easily build inhouse with a ready foundation and wide range of components. This brings flexibility and ensures faster time to market, enabling FIs to focus on client and advisor needs at every stage of their system build.



Ultimately, Wealth Solution Builder allows IT teams within financial institutions to remain autonomous, but avoids the lengthy and costly process of building the foundational elements of an end-to-end wealth management system.

It comes down to having a platform to adapt to changing client needs and the ability to create new models. The equivalent of a safe pair of hands to support you, regardless of your digital need. Wealth Solution Builder does just that.

additiv

additiv was established in 1998 in Zurich and has international presence in Europe, Africa & Middle East and South East Asia. Its market-leading DFS® system of intelligence is an omnichannel orchestration platform which uses RESTful APIs. It is available on the cloud or as hybrid cloud setup through Software-as-a-Service (SaaS), both as 'out-of-box' and API based 'build-your-own-bank' delivery models. DFS® uniquely enables additiv customers to quickly launch new propositions such as Hybrid Wealth Manager, while giving them the intelligence to maximize client engagement according to the individual business and technology strategies. It also helps financial institutions to deploy leading client advisory, servicing, and expert tools in wealth and credit in existing ecosystems. additiv offers digital wealth- and credit-management-as-a-service today for the financial institutions of tomorrow and is a leading catalyst for change in the financial service industry through easy, quick, and affordable digitalization.

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