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Investments

The forces of automation



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In the third edition of our Industry Insights series, Joe Riccio, Mackenzie's Account Manager, Dealer Relations, wrote an insightful review of the benefits of "Going Green" in the financial industry. In one example he cites an average office worker uses 10,000 sheets of paper annually and within the financial industry there are opportunities to implement new automation strategies.

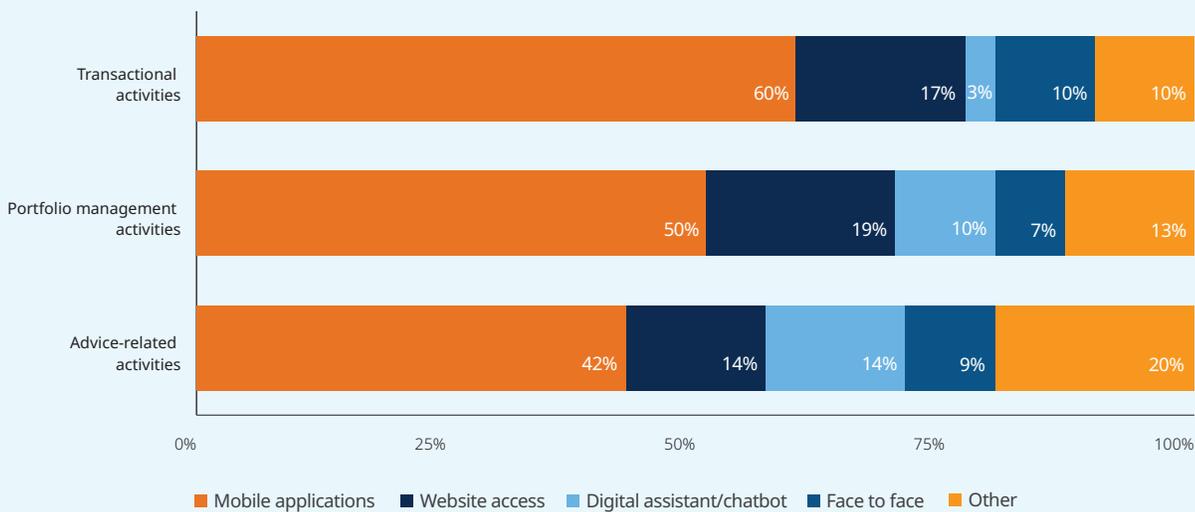
Little did we know when the article was penned that the world would be gripped by a global pandemic and workplaces would be embracing automation and digital enablement at breakneck speed. Even with this retrospect, it bears reviewing some of the best practices of highly automated companies across Canada and the world. With this view, how can our industry benefit from embracing 'going green' and moving away from a paper-based approach?

The definition of automation refers to the replacement of manual processing of tasks by using online tools or technology. And while this has been prevalent for years in other industries, we're now seeing the time and cost benefits of increased automation within the mutual funds industry with the adoption of various Fundserv enhancements. Recent research from Accenture found that seven to 10 percent of tasks in the financial services workforce could be automated by 2025, while 43 to 48 percent will be augmented with technology. This is huge.

Clients' expectations are evolving. They're influenced by experiences across other industries – such as retail. They demand technologies that can listen, learn, anticipate needs and process transactional activities. And we want to meet them where, when and how they want to do business. Having an integrated and automated solution that benefits both clients and advisors in times of need is critical for us. One of the ways Mackenzie is supporting these efforts is through the automation and technological advancements in dealer education and advocacy.

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Clients who prefer to use each method as their primary channel in the next three years for key wealth management activities



Source: 2019 Global Wealth Management Research Report, EY.

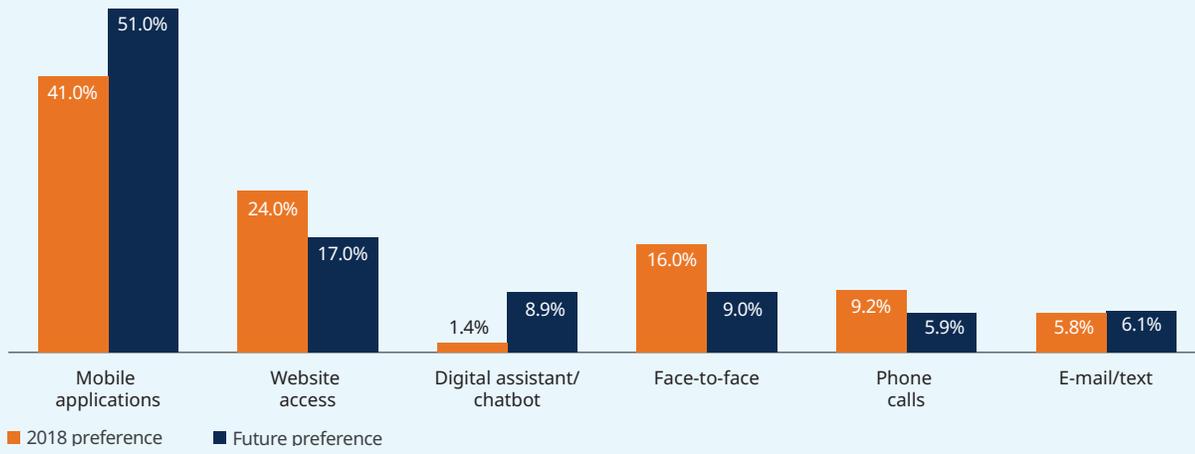
Within recent versions of the Fundserv standards, enhancements allow more transactions to be completed without needing to send paper to the Manufacturer to complete the process. This includes the expansion of error correction done online and a new option for purchases to settle by way of an EFT. With version 29 of these standards, there's the additional capability to complete an external transfer between two different dealers for a Client name account.

With the financial industry adapting to these technological advances and the changing make up of the workforce, finding innovative strategies will go a long way to improving the overall satisfaction of clients. In a blog from OneSpam, Jennifer Milliner says that NIGO documents are time consuming and expensive to correct and fixing them is three to four times the cost simply due to the extra time and effort involved in going back to the customer for correction. We need to do better than this.

Improving automated practices will not only increase productivity, it will free up time for activities that offer much more value to clients. From a financial advisor perspective, online tools have always been well perceived for doing business, but more importantly, mutual funds dealers are reaping rewards in terms of praise and loyalty from advisors.

The world of financial services is changing rapidly for a number of reasons. As new grads and the younger generation enter the workforce, they bring fresh perspectives and new ways of working and thinking. Clients prefer online apps for a wider variety of wealth management activities with nearly two-thirds preferring apps for executing financial transactions. As a financial industry, we must adapt to the technological advances or risk being left behind. And that's exactly what we intend to do.

Clients that prefer to use each method as their primary channel currently and in the future



Source: 2019 Global Wealth Management Research Report, EY.

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