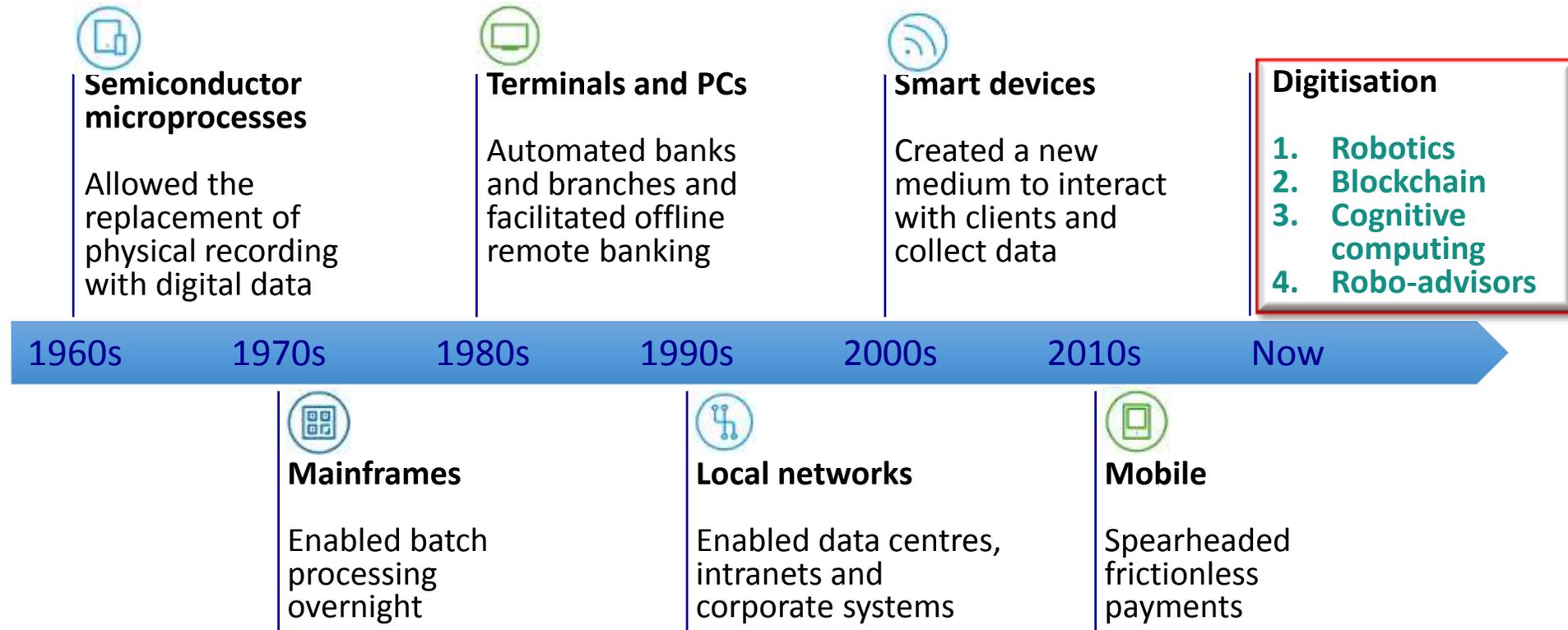


Digitisation of asset management: Evolution or revolution?

Prof Amin Rajan



Evolution of technology



Source: Deloitte, January 2017

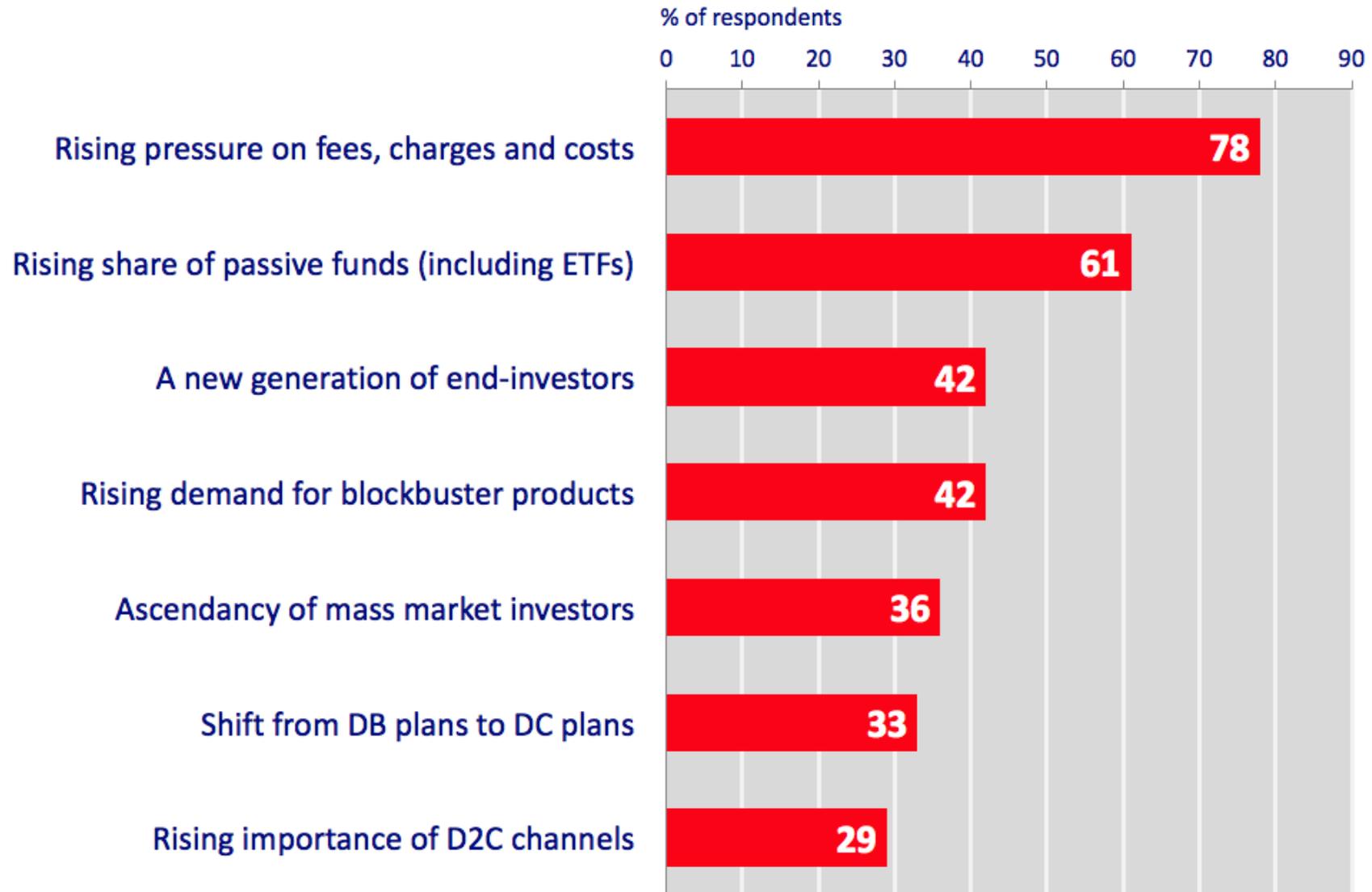
Key non linear technologies attracting interest from asset managers

1. **Blockchain:** a distributed ledger that disintermediates payments and settlements
2. **Big data and machine learning:** a combination that can change active management by delivering “commoditized” alpha
3. **Application programming interfaces:** it allows asset managers to leverage their existing IT assets to generate new business via mobile apps, connected devices and the cloud
4. **Robo advisors:** advisory algorithms that disintermediate fund distributors
5. **Robotic process automation:** software tools that perform routine processes hitherto requiring significant human input
6. **Cognitive technology:** covering natural language processing , speech recognition and computer vision

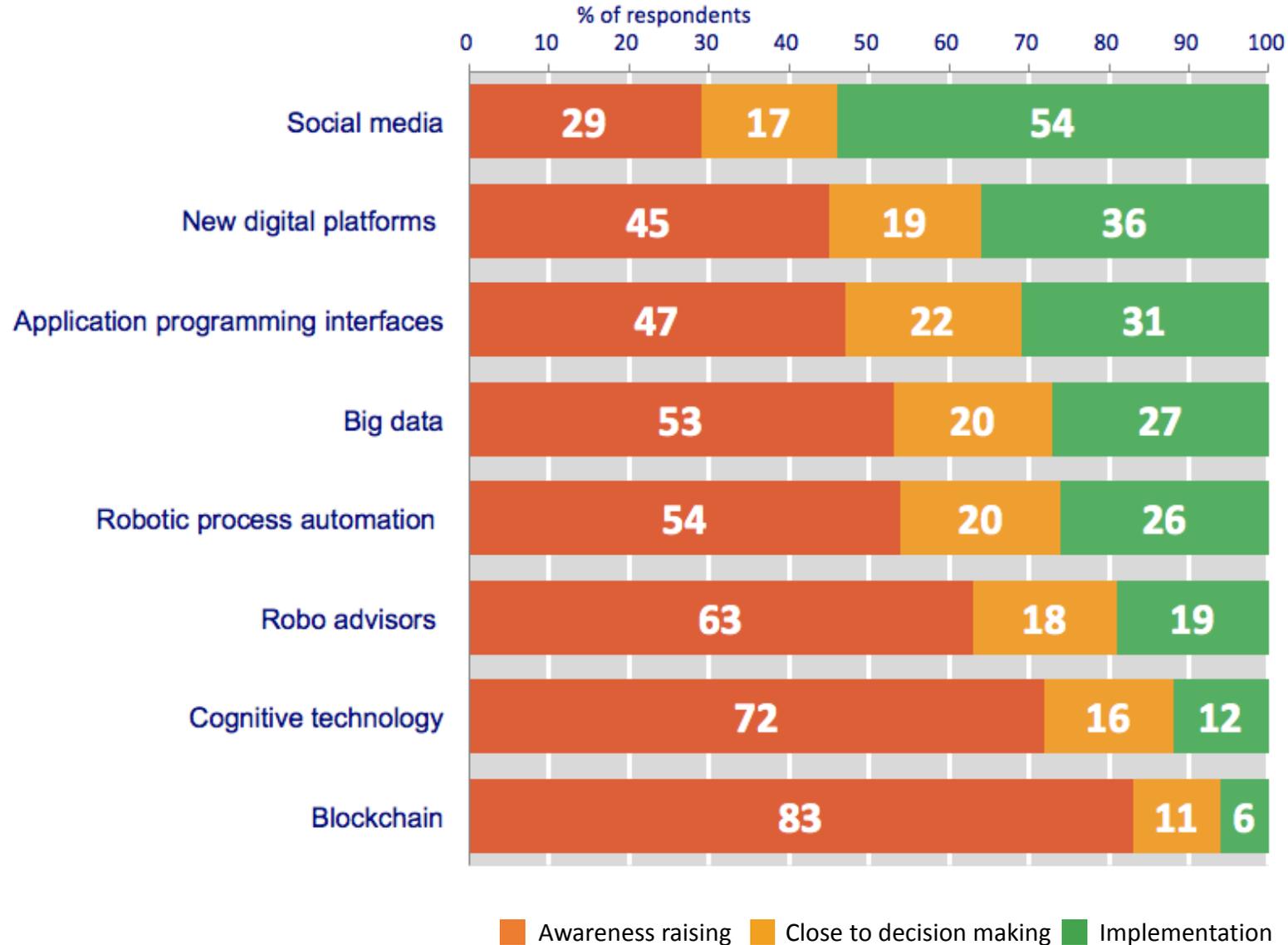
***“Robo is not a fad and it is not going to fade away.
It is an important change and it is becoming ubiquitous.***

Bill McNab, CEO of Vanguard

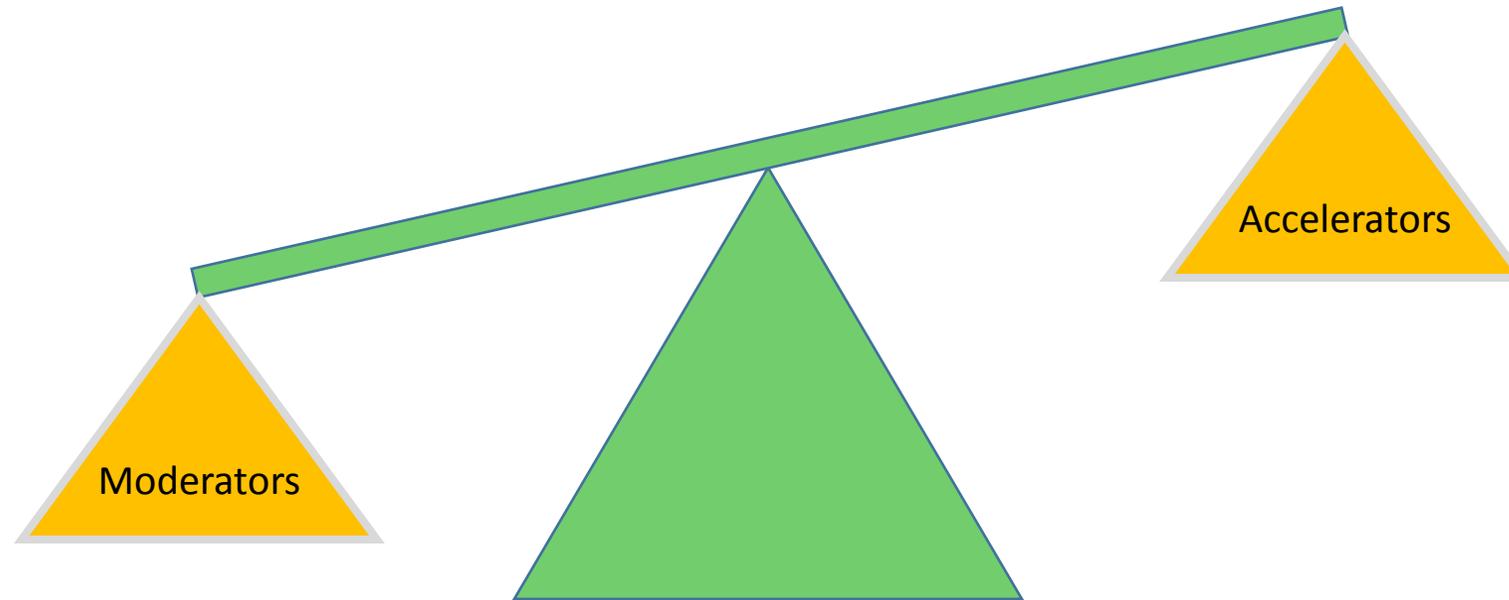
Which of the following structural drivers will drive the digitisation process over the next 3 years?



With respect to each of the seven key digital innovations below, in which stage is your business currently?



The relative importance of moderators and accelerators: Why revolutionary technology will have evolutionary impacts?



Organisational inertia:

- Legacy systems
- Legacy thinking
- Innovator's dilemma
- Risk averse leaders
- Lack of strategic vision
- Inadequate digital spend

Business Darwinism:

- Fee pressures
- Rise of passives
- Regulatory creep
- Rise of brands
- Changing demographics
- A new heartland technology

Critical success factors in the digital age

- **A strategic vision**
- **Investment in digital infrastructure**
- **Scalable business model with strong operating leverage**
- **Forward spend on human capital**
- **Brand development and leverage**

“Current models are singularly unfit for the digital age.”

An interview quote