

## CLIENT CASE STUDY: GETTING TO MARKET FASTER

# Major U.S. Bank<sup>1</sup> Accelerates Digital Advice Offering to Investors

*Partnership with Pershing Sets Stage for Market Leadership Growth*

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## IN BRIEF

### CLIENT PROFILE

- Top-10 bank in North America
- Parent is top-25 bank globally; SIFI designated
- Provides wealth solutions to a range of investors

### CLIENT PRIORITIES

- Retain existing clients
- Attract smaller investors
- Rapidly stand up a digital advice offering
- Integrate digital capabilities with human wealth advisors
- Ensure highly automated, exceptional investor experience

### WHY PERSHING?

- Strong relationship since 2013
- Enterprise relationship with BNY Mellon through Pershing, Asset Management, Asset Servicing, Markets, Collateral Management, Corporate Trust, and Treasury Services
- Track record as strategic partner
- Trusted technology platform and service delivery model
- Significant investment in digital enablement tools for clients

### CLIENT BENEFITS

- Equipped to retain existing clients by providing a competitive digital investment platform
- Able to meet client expectations for convenient digital investing tools as well as lower account fees and minimums
- Positioned for growth by connecting with new investors and engaging digital-first, do-it-yourself investors of all demographics

Our client wanted to bring a digital advice offering to its customers to fully capture growth opportunities. It would need a proven solution backed by the experience and technology of a firm like BNY Mellon | Pershing.

### THE CHALLENGE

A rising number of Americans are gravitating toward digital tools to access and manage their investments. In 2020, assets held in investment portfolios delivered mainly through digital channels grew at twice the rate of the previous year.<sup>2</sup> According to an Ernst & Young report, 51% of wealth management clients said they plan to “make greater use of digital tools in the future.” Interest is even higher—78%—for Millennials, the firm reported.<sup>3</sup>





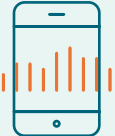



One of our long-time clients, a leading North American bank, was intent on harnessing this trend by bringing a digital advice capability to market—extremely quickly. They knew that building such a capability from scratch would take too long, so they explored the possibility of accessing already proven, scalable solutions from a strategic partner. This approach could swiftly deliver a digital advice experience for both clients and prospects.

<sup>1</sup> This offering was accessed by broker-dealer subsidiary of the bank

<sup>2</sup> “How wealth firms can create digital delight among clients”. Wealthprofessional.ca, May 4, 2021

<sup>3</sup> “How digitalization can drive personalization in wealth management”. ey.com. April 22, 2021

*The client sought to achieve several specific goals:*

 <p>Launch a scalable solution with the least amount of friction</p>	 <p>Retain existing clients who value digital investment options</p>	 <p>Provide clients with solutions for each phase of their investing lifecycle</p>	 <p>Equip new or novice investors with self-directed trading via an online solution</p>
 <p>Serve investors who prefer a simple account they can manage without human intervention</p>	 <p>Give automation-focused investors an option to get professional advice</p>	 <p>Serve those who have amassed enough wealth to consider a managed portfolio</p>	 <p>Build the capability for offering comprehensive advisory services to higher-net-worth clients</p>

Pershing had been delivering its investor portal technology as well as clearing and custodial services for several years, so the quality of its team and broader capabilities were well known to the bank. Within months of initial discussions, teams from the bank and Pershing were collaborating to frame out the rapid deployment of a branded digital advice service.

## THE OPPORTUNITY

Pershing was in an ideal position to help the bank leap forward in its implementation. More broadly, Pershing has been an industry leader in its advocacy for digital transformation, working with clients to unlock efficiencies and enhance services to a range of stakeholders. The firm also has particular strengths in digital authorization, expanded self-service features and eDelivery, for which it offers an enhanced level of support.

The bank was particularly excited about a more recent Pershing advancement—our **Digital Portfolios**—a powerful digital advice feature inside our industry-leading NetXInvestor platform. Launched three years ago, the feature started as a way to offer a quality digital wealth experience for those with lower account balances. But the feature’s flexibility has allowed for use with more upscale investors, as well.

These aspects of Digital Portfolios were highly compelling for the bank:

- **Adaptability**—can modulate the digital advice experience for investor clients, who can manage their wealth with various levels of sophistication in investment options.
- **Personalization**—investors can open online investment accounts by answering a series of questions and then choosing a professionally advised portfolio that aligns with their financial goals and risk tolerance.
- **Flexibility**—clients can use their own investment solutions or leverage the investment solutions of Lockwood.<sup>3</sup>
- **Integration**—portfolios are accessible within Pershing’s NetXInvestor platform

<sup>3</sup> Lockwood Advisors, Inc. (Lockwood) is an investment adviser registered in the United States under the Investment Advisers Act of 1940, an affiliate of Pershing LLC and a subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

## TAKING ACTION

Business and technology workstreams were established along with a rapid tempo meeting cadence to gather requirements, agree on design, establish the underlying managed account program and train staff at the bank to support. Dedicated teams from the bank and Pershing moved rapidly from requirements to development to delivery—allowing two months for testing prior to on-time launch of the solution.

Along the way Pershing subject matter experts provided prescriptive guidance to the bank as they became familiar with this new digital space. Active partnership and open communication ensured that all expectations were met in timely fashion.

By using NetXInvestor's unique entitlement management system the combined team was able to roll out the feature without disrupting the existing user experience, while also making the new opportunity prominent on the site. The use of Single Sign-On made it easy for users to navigate from the brochureware on the bank's site to the new NetXInvestor experience.

## THE RESULT

Working with Pershing's executives, experts and technology specialists, the bank completed the first phase of its digital advice rollout within six months of its first exploratory conversation with Pershing. By the end of 2021, a select few investors had already begun taking advantage of the feature during its soft launch. The bank is expanding its marketing efforts in 2022 to onboard new clients seamlessly into the new digital offering.

Assured by the bank's trusted brand and enabled by Pershing's advanced technology, these investors are benefiting from:

- Portfolios that reflect their personal risk tolerance, based on their answers to an online questionnaire
- Access to seven diversified portfolios of Exchange Traded Funds (ETFs) and/or Mutual Funds
- Automatic rebalancing of their investment portfolios
- Highly achievable asset threshold (\$5000) for accessing these benefits and an affordable asset-based fee
- Advice and planning support services, if they choose to take advantage of them
- Ability to expand into more traditional self-service or advisory accounts in the future on the same platform

To discuss opportunities you'd like to seize for your institution, contact your relationship manager.

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