

**In the banking sector, what skill set will be required for  
human advisors to succeed in a more digitalized  
industry?**

**Bachelor Project submitted for the degree of  
Bachelor of Science HES in International Business Management**

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**Geneva, June 3<sup>rd</sup> 2020**

**Haute école de gestion de Genève (HEG-GE)**

**International Business Management**



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Geneva, June 3<sup>rd</sup> 2020

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## Acknowledgements

I would like to thank all contributors for their insights and involvement in the development of this report. Particularly:

M. **Pascal Bonvin**, my Professional Mentor for many years, who supported me all the way through this thesis and who helped me finding people to interview thanks to his broad Network.

M. **Frédéric Ruiz**, my Bachelor Project Mentor, who was always available to answer my questions and to provide me with his insights along the writing of this project.

Every banker who agreed to be interviewed for this project; from those I knew personally to those I dared to contact while not knowing them. Your input and vision on the subject were of great value to me and for my future, way beyond this project.

# Executive Summary

Banking history demonstrates that the banking sector and its banks have evolved over time by offering new products and services and adopting new technologies. The arising of newcomers such as FinTech or other non-financial institutions on the market are driving revenues and margins down and make it more challenging for companies to succeed. One is unsure about how far those new technologies will change banking in the future.

Client's interactions with the bank and his needs will highly depend on the generation he was born in. Next generations are tech-savvy and do not go to a bank office anymore. They prefer using banking applications on their smartphones instead and are awaiting from these to work as easily and user-friendly as music and shopping applications.

The ever-evolving world will force banks to adopt new technologies and human advisors will sooner than expected need to collaborate with them to provide the greatest service to clients. What skills will human advisors need to survive in a more digitalized environment? This research paper describes the challenges of upskilling the current workforce and the required skills needed in the future. Employees must be ready to tackle change and be upskilled or reskilled in due time. It is an issue for banks to find the talents that have the skills to deal with new technologies or to upskill existing talents to bridge the gap between current and emerging skills. Such skills will be needed to best acquire the new tech-savvy generations clients as well.

Five theoretical findings and fifteen interviews with managers of various banks have been analyzed to answer the problematic. Results are relatively similar between theoretical and personal findings. People are clear: human and social skills remain essential for human advisors, if not more valuable than ever next to machines. It includes leadership, emotional intelligence as well as collaboration and adaptability. In addition, high cognitive skills such as complex problem solving and creativity are in high demand. Basic digital skills complete the human advisor skill set.

Even though machines are granted an ever-increasing importance, human advisors will still hold a significant position in the banking industry. Clients from all generations are more tech-savvy and will definitely transfer some wealth to less costly FinTech or robo-advisor solutions. However, they will look for people they trust for important financial matter such as acquiring a property, tax advisory and estate planning.

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# 1. Introduction

We live in a fast-evolving technological world in which FinTech and high-tech driven companies need much less employees to create the same or more value than traditional companies. Technology is changing the society and its progress and innovation has led to cost savings and growth. Emerging technologies allow for new innovative business models, faster communication with clients and within the bank, new ultra-personalized experiences, products and services, and with the capability to analyze a large amount of data within a short time. Technologies improve employees' way of working by facilitating their tasks and allow handle an enormous quantity of information available much faster. Technologies are present to complement and assist humans in their activities.

Yet the workforce needs to adapt and develop new skills to succeed in this ever-growing tech-world. Whereas selling of products and services will remain largely unchanged, it is about how financial advisors' skills will need to evolve to do so. It will require more technology and social skills, and those skills will evolve again in the future as technologies will develop. People will need to keep up to date and enlarge their competences continuously. This research paper is focused on the skills human advisors will need to have in the future, and will try to answer the question "in the banking sector, what skill set will be required for human advisors to succeed in a more digitalized industry?"

The report articulates a theoretical content in its first part, explaining the banking history, and trying to explain the impact of technology on the banking industry today and tomorrow. It also covers the client segmentation, changes in clients' behavior due to technology and their different needs depending on their life cycle and amount of wealth, as well as what they value most in banking services.

The second part of the report, the analytical framework, involves theoretical and personal findings. The first one contains different challenges such as businesses' concerns about their workforce future skills needs and closing employees' skills gaps. Strategies to address shifting skills and required skills in the future are addressed in different chapters, reported by various sources from the World Economic Forum to Ernst & Young. An additional part describes how the skilled workforce can make the difference in the future next to emerging technologies based on interviews. The latter were performed with managers coming from different backgrounds and banks across Switzerland and abroad, and diverse client segmentations.

## **2. Theoretical Content**

### **2.1 Banking History**

#### **2.1.1 Banking 1.0 – From 1472 to 1980**

Historically, clients had no account number. For each transaction, one had to go to the exact same bank office. It was the only place where one was registered. The branch had a paper with the client's name and a register of the transactions. If someone wanted to transact from another place, he had to open an additional banking relationship in this new branch (King, 2018).

In the 1950s, real structural changes appeared. The Electronic Recording Machine for Accounting purposes (ERMA) was deployed in 1953 for Bank of America by the Massachusetts Information Technology, Stanford Research Institute and General Electrics. This machine was used for check processing, as there were more and more checks used in the United States of America. For simplification purpose, ERMA gave a unique identifier to each of its customers. This was the first reported use of a bank account number in the world (King, 2019; King, 2018).

#### **2.1.2 Banking 2.0 – From 1980 to 2007**

In the 1990s, new technology arose with the appearance of self-service machine (ATM), internet, and mobile banking. However, there was still a limited offering. Clients were only able to see their bank statement on the internet or on the mobile phone. Banks still wanted people to come to their bank offices to do banking and interact with their employees (King, 2019).

#### **2.1.3 Banking 3.0 – From 2007 to 2016**

Since the late 2000s, the revolution of banking appeared with the introduction of real time anywhere banking. As online banking was not much developed at that time, customers were calling their bank regularly to know their account balance. Thanks to mobile and online banking, one can now have instant access to his account balance (King, 2019).

Robo-advisors were also released at that time, with the first launched in 2008. Since then, the number of robots has significantly increased and are mainly used to manage passive and buy-and-hold investments online; to optimize portfolios, using theories such as modern portfolio theory; or to calculate Strategic or Tactical Asset Allocation (Frankenfield, 2019).

As of 2010, many companies started offering the possibility to open a bank account on the internet. Now, almost every bank offers an online account opening service (King, 2019).

In the mid-2010, banks around the world were already improving their services and the customer experience. Since then, in Poland customers can request a mobile ATM – implemented in an electric car – via their smartphone, to come to them “at a specified place and time (Ernst & Young, 2016)”. In Kenya, partnerships are created between banks and mobile network providers in order to “assess credit risks of first-time bank customers (Ernst & Young, 2016)”. In Indonesia, “floating banks” travel from island to island to capture new customers (Ernst & Young, 2016).

#### **2.1.4 Banking 4.0 – From 2016**

Today, the most use of banking is via mobile phone applications. Technology is at the core of business and mobile payment is taking more space. People pay with their mobile instead of using their credit cards to make transactions. In 2018, 22 trillion of mobile payments took place just in China. In comparison, MasterCard, Visa, UnionPay and American Express did 21 trillion card payments all together the same year (King, 2019). Even though in Switzerland cash remains a largely used payment method, payments by cards increased by +226% between 2005 and 2018, from 42 to 139 card transactions per person and per year (BAK Economics, 2019).

The evolution in robotics and FinTech has brought the industry to the top with explosive growth as a result. “Client assets managed by robo-advisors hit \$60 billion at year-end 2015 and is projected to reach US\$2 trillion by 2020 and \$7 trillion worldwide by 2025.” (Frankenfield, 2019). Unlike in the past, people have multiple banking relationships and will search for the best service anywhere. Very few customers remain as loyal as before and people use more digital access to make use of the banks services than they visit a bank office. (King, 2019).

The future of the bank is all about scale and its core will be the ability to serve its customers when they need it, whenever and wherever they need it. Cash will probably be disappeared with only digital distribution. Customer expectations will drive the business model of the banks and banks will have to adapt if they want to persist in the future (King, 2019).

## **2.2 The impact of technologies on the banking industry**

### **2.2.1 The impact of technologies on the banking industry today**

Bank employees have been laid off in recent years to make room for technology. In 2018, banks within the European Union counted around 2,7 million jobs in the banking sector, representing a reduction of almost 600'000 employees compared to 2008 (Lederer, 2019). After 6'000 cost-cutting jobs worldwide at Credit Suisse between 2016 and 2018 (Carrupt, 2016), UBS announced a reduction of headcounts of 500 jobs following their new strategy in 2020 (Belga, 2020). Deutsche Bank declared a radical elimination of 18'000 jobs worldwide until 2022 (Hauteville, 2019). HSBC will erase about 10'000 jobs worldwide in the next few years (Lederer, 2019). Other foreign banks and smaller banks have also announced job cuts.

After the 2008 crisis, employments in the banking sector in Switzerland decreased, from 110'100 employees in 2008 to 90'660 employees in 2018. It represents a decrease of 17,62% over ten years (SwissBanking, 2019). The large increase of staff in Other Banks in 2013 represents the "first-time inclusion of PostFinance" in the SwissBanking Barometer (SwissBanking, 2014). The large increase of staff in Stock Exchange Banks in 2014 and the large decrease of staff in Private Banks the same year is due to the fact that some Private Banks changed their legal form on January 1<sup>st</sup> 2014 - Pictet & Cie, Lombard Odier & Cie, Mirabaud & Cie (ats/rber, 2013) - and thus switched from the status Private Bank to Stock Exchange Bank (SwissBanking, 2020).

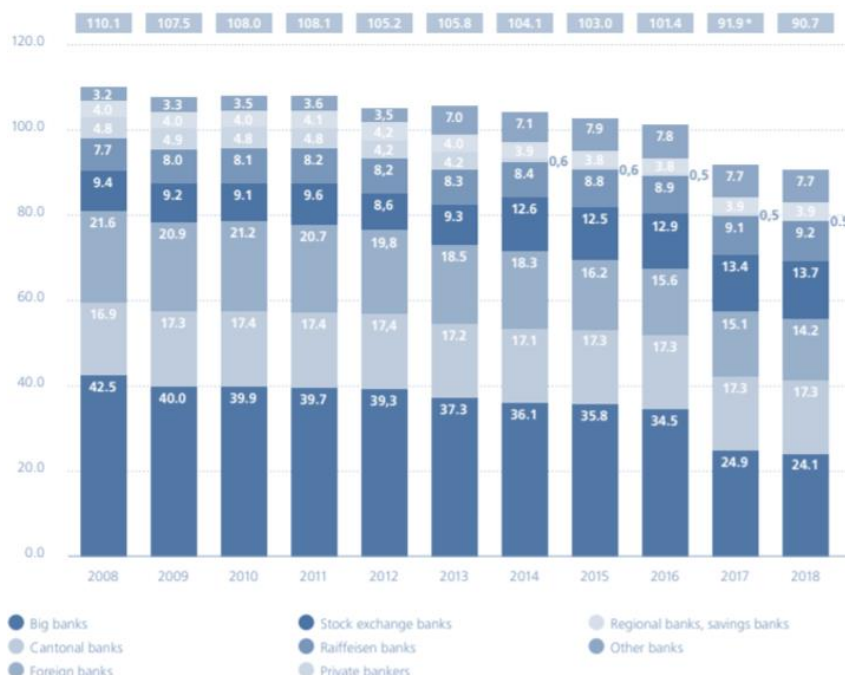
Due to the COVID-19 pandemic<sup>1</sup>, it is likely that a lower number of employments will rise in the short- to mid-term. Indeed, banks such as Credit Suisse do not exclude any economics measures after the pandemic<sup>2</sup>.

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<sup>1</sup> COVID-19 explanation available on the World Health Organization (WHO) website: <https://www.who.int/fr/emergencies/diseases/novel-coronavirus-2019>

<sup>2</sup> Newspaper article available under appendix 2

**Figure 1: FTE Staff in the Banking Sector in Switzerland  
in thousands FTE<sup>3</sup>**



\* This reflects a one-off effect caused by a big bank's transfer of employees to an intragroup service company. The domestic staff levels for 2017 were corrected by the SNB on 27.06.2019 due to a retroactive correction from 93,554 to 91,900 made by a reporting bank.

Source: SNB

Source: SwissBanking (2019, p.67)

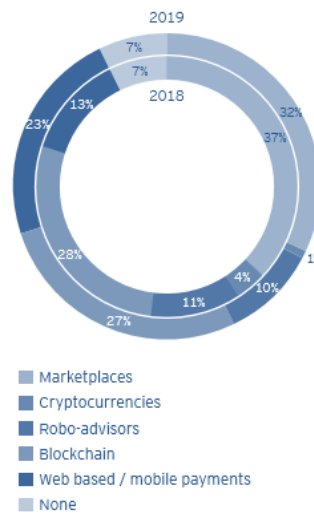
Not only the number of employees decreased, but also the number of banks. In 2010 the number of Swiss banks were 320 (SwissBanking, 2012) and has decreased to 248 as at 31.12.2018 (SwissBanking, 2019). The COVID-19 sanitary crisis in 2020 will very likely reduce the number of banks in the future as profits and AuM have decreased, resulting in less revenues and reducing the margin, which have become very small. (Garessus & Ruche, 2020).

Not only Swiss banks perceive danger in low revenues and reduced margins, they also perceive danger in evolving technologies. Especially in three of them: “marketplaces (32%), blockchain<sup>4</sup> (27%) and mobile payments systems (23%) (Ernst & Young, 2020)”.

<sup>3</sup> Note: the intragroup transfer might be due to an externalization of internal services, which is not comprised in the financial sector statistics anymore. UBS and Credit Suisse adapted their structures by creating independent structures attached to the group (BAK Economics, 2019)

<sup>4</sup> Definition available under appendix 1

**Figure 2: Bank perceptions of evolving technologies threats**



Source: Ernst & Young (2020, p.44)

Worldwide, new big-tech joiners, such as Google and Alibaba are emerging in the financial industry in offering techfin solutions. The success of these firms is based on their capability to collect and analyze significant sets of data, to improve personalization and to expand offering according to clients' needs (Marous, 2018). In Switzerland, a large number of FinTech exists and some of them are highly profitable such as Numbrs Personal Finance, that is today valued at more than CHF 1 billion. The Bank Reyli created a project called Alpien in 2020, which will manage the wealth of affluent clients from CHF 100'000 up to CHF 1 million through a mix of technology and human contact. The service offered will be mainly basics services such as debit cards and payments as well as investments. If its banking license is accepted, Alpien could start its operations in 2021 (Ruche, 2020).

Even though Wealth Management is one of the least tech-developed sectors of financial services, banks, especially universal banks, try to harness digital infrastructure into their activities to be able to compete against FinTech and Techfin incomers. Some banks will form partnerships with FinTech or other third-party providers to implement ultra-efficient systems to avoid investing massively in their own proprietary technology, which is extremely costly (Strategy& PwC, 2016).

This tech-trend also resulted in different actions: banks closing some of their offices around Switzerland and throughout the world (Farine, 2016); UBS opening a new Digital Factory (AWP, 2019); Swissquote working with robo-advisors (Swissquote, 2020). This clearly demonstrates that technologies are ubiquitous. Thanks to new technologies, banks can do more, reach higher revenues faster, while employing less employees.

### 2.2.2 The impact of technologies on the banking industry tomorrow

The COVID-19 will have a huge impact on the development of new technologies and new ways of working. This will change the banking industry of tomorrow even sooner. *Machine Learning* (ML) and *Artificial Intelligence* (AI) will automate tasks, while biometrics might replace password and PINs, enabling real-time customer identity validation. *Cloud Computing* will allow banks to provide consumers with massive data processing capabilities, while *Quantum Computing* will help ML & AI learn more rapidly in their objective to automate manual duties (KPMG, 2019)<sup>5</sup>.

Interactions with clients will change. There will be different communication channels and advisory services will be much more personalized and specialized. Banks will take more care of the clients' values, that might be global warming for example, by proposing Environmental, Social and Governance (ESG) investments. Even the way of working might change, with more employees working from home instead of from banks office. Interactions with the clients will change triggering that trust and availability will be of paramount importance (Garessus & Ruche, 2020). Regulations and security will probably be the biggest obstacles to the speed for implementing new technology.

Another challenge the technology will bring is to find and train people with the required skills to become a digital institution. The digital transformation requires specific skills in areas such as digital content, big data, digital customer experience, digital branding, and cybersecurity management. Exceedingly difficult as there are not enough tech-savvy persons available on the market, and that banks cannot develop internal talents fast enough to keep up with the rapid digital pace. To cover for the shortfall, banks may need to hire freelancer experts in some domains for a limited time (Bailey & al, 2015).

Customers are awaiting a smart digital banking, accessible across numerous channels and designed for their current needs. They want banking services to operate the same as music or shopping applications they use daily (BCG, 2019). Technologies will force banks to modify their distribution channels and drive costs down to keep margins up and to remain profitable. FinTech and Techfin are also a challenge for traditional banks, and those who are unable to sustain an acceptable revenue/cost ratio will disappear (Garessus & Ruche, 2020).

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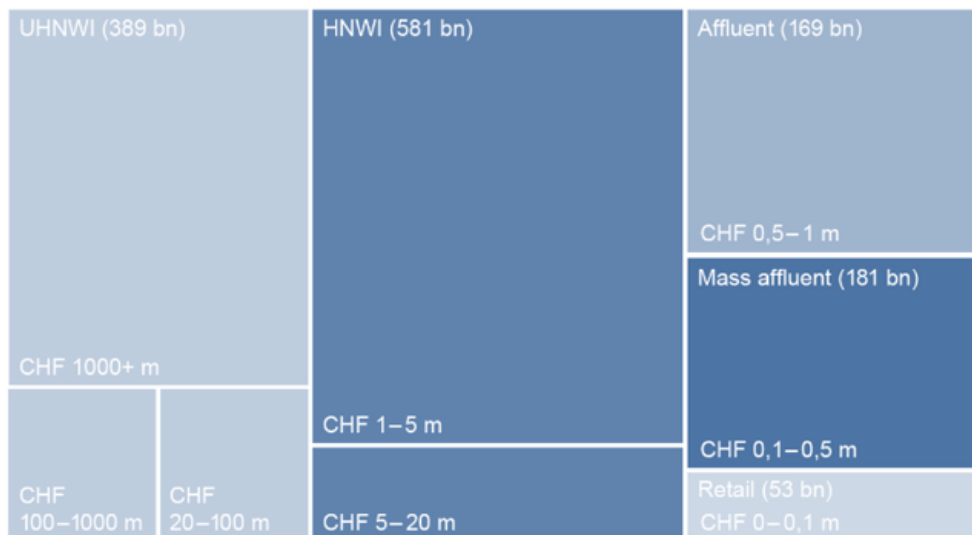
<sup>5</sup> Tech-words definitions available under appendix 1

## 2.3 Client segmentation, behavior, and retention

### 2.3.1 Client segmentation

To provide the best service to clients, banks divide their service offering into different client segments. This helps employees to better focus on client's specific needs and wants. Client segmentations differ from one bank to another and from one country to another. Some banks consider other criteria in addition to the traditional one - asset volume, demographic, age - to segment its clientele (Financial Brand, 2017). Each bank defines its divisions depending on its strategy and vision. The figure below shows clients' segmentations according to Swiss Banking, which means the type of private clients and their assets volume.

**Figure 3: Segmentation by AuM**

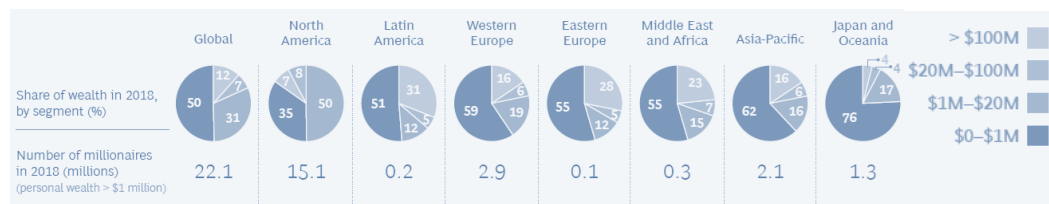


Source: Adapted from SwissBanking (2018)

Nowadays the HNWI (High Net Worth Individuals) segment holds the largest concentration of wealth with 31%, followed by the UHNWI (Ultra High Net Worth Individuals) segment with 19% (figure 4 below). Globally, millionaires reached 50% of the overall personal financial assets, with a population to 22.1 million individuals in 2018. The largest share of millionaires is in North America (15.1), followed by Western Europe (2.9) and Asia-Pacific (2.1). However, Asia is the region that will likely experience the fastest growth of number of millionaires by 2023, with a growth rate of 10.1% (BCG, 2019).



**Figure 4: Share of Wealth Globally and by Region**



Source: Adapted from Boston Consulting Group (2019, p.7)

One must not forget the affluent segmentation with a personal wealth between \$250'000 and \$1 million<sup>6</sup>. Although banks usually neglect this segment, it grew by 3.8% between 2013 and 2018 and is expected to grow another 6.2% by 2023 to \$24.5 trillion<sup>7</sup> (BCG, 2019). This segment represents a substantial source of long-term value for banks and their wealth managers.

### 2.3.2 Client behavior

Clients usually come to a bank to see a mortgage specialist, an investment specialist or to receive advice from a specialist in a domain and on a topic the client is not familiar with or wants to obtain a second opinion. Bankers try to support the client in his decision process, selecting from different options. Despite machines have more data at disposal to make decisions and therefore are able to give better advice than humans, clients might still want to maintain the human interface because they need to trust the person they collaborate with before doing business. Some clients put most of their money in one bank and need assurance and trust in the person that takes care of their wealth. It will therefore still certainly take many years before machines are fully implemented in the banking system. Older generations do not necessarily trust nonbank providers. But generations are changing (King, 2019; Ernst & Young, 2019; Financial Brand, 2017).

Generation X and millennials are extremely connected and most of them expect a digital banking experience as the one they have with other industries (BCG, 2019). Moreover, they spend less time at bank offices and much more time online. People nowadays are more favorable to digitization. Most customers are hybrid, they use both digital and face-to-face interactions (figure 5). The number of digital clients is increasing at a fast pace and will be of high importance in the near future, especially in Europe and Australia, where the number of customers using digital means are much higher than in the rest of the world. There is however still a large disparity: Columbia and the United Arab Emirates

<sup>6</sup> Affluent individuals' assets according to the Boston Consulting Group (BCG, 2019)

<sup>7</sup> Figure available under appendix 3

have 11% of customers using digital means and surprisingly China only 26% (BCG, 2019).

**Figure 5: The rise of digital customers**



Source: Boston Consulting Group (2019)

Millennials priorities also differ from their old peers. This generation's savings objectives are less focused on wealth accumulation. They want to enjoy life and discover new cultures while they are still young. Millennials also face major choices in life, such as marriage and children and start saving later in life. Their change in savings behavior will postpone their need for traditional financial advice as their lifestyle priorities are far different from the baby-boomers' generation (PwC US, 2017).

According to a study of 2017 from the Zürich University of Applied Sciences (ZHAW), Swiss clients do not have a strong interest for full digital services compared to Northern Europe. But if they shift their attitudes, they might change their traditional bank for a foreign bank that is already fully digitized (Farine, 2017). In this sense, Swiss banks have to prepare to the technological change like its foreign peers to be ready when clients will want more digitized services.

Indeed, 45% of clients expect to increase their use of FinTech solutions in the next three years, compare to 38% today. This percentage even raise to 51% for the generation X (Ernst & Young, 2019)<sup>8</sup>. This trend presents a threat for traditional banks, which will need to clearly communicate on the value delivered and deliver it at critical life events. Technologies can help banks finding the best way to make clients save money through smart behavioral savings approach (King, 2019).

<sup>8</sup> Figure available under appendix 4

### 2.3.3 Client retention

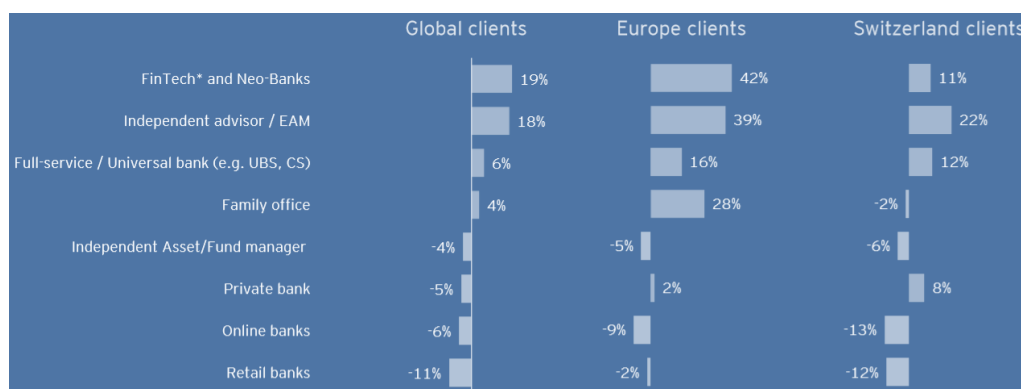
The greatest wealth transfer will happen by 2046. By then, about USD 30 trillion will be transferred from baby-boomers to their children (PwC US, 2017). Retaining and attracting the future high net worth individuals will be the next challenge for the banks.

The younger generation of clients, generations X, Y and Z, have habits to compare competitor's offer online (quality, service, price, easy to use, sustainability), love technology and embrace disruption. Furthermore, younger clients do not remain loyal to a single bank anymore and like to diversify their wealth through several banks. Millennials have at least three different bank relationships and 60% of them said they are ready to leave their bank in the noticeably short term as they are not satisfied with their traditional advisor (Simon Kucher & Partners, 2019). In 2019, 80% of millennials were considering to use or were using FinTech to manage their wealth (Simon Kucher & Partners, 2019).

What younger generations value most in banking are, among others, customized recommendations, exclusive offerings, transparency, and 24/7 access. Unlike their parents, millennials expect a customized service at low cost, if at no fees. They also value the brand reputation and the high quality of service. As the majority of the banks nowadays are offering fairly similar online services, the bank that will provide tailor-made offerings to clients will be chosen (Simon Kucher & Partners, 2019).

Globally, in the next three years, clients will follow the new trend of FinTech and Neo-Banks as financial providers: in Europe there will be a 42% increase of FinTech providers – only 11% in Switzerland –, while External Asset Managers (EAM) will have the largest increase in Switzerland with 22% more usage of independent advisors - figure 6 (Ernst & Young, 2019).

**Figure 6: Expected usage of the type of provider**



Source: Ernst & Young (2019, p.9)

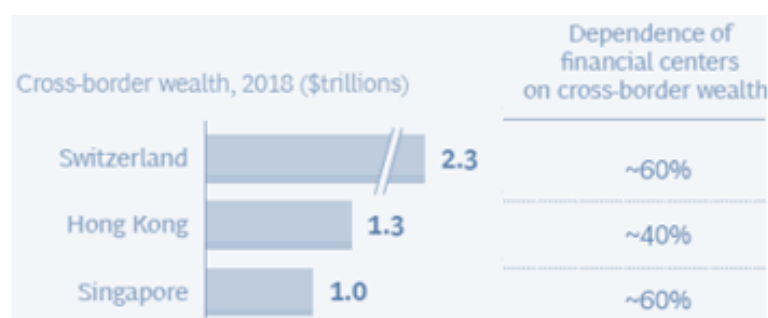
Clients tend to prefer mobile apps and website access channels over phone calls and face-to-face interaction. According to the EY 2019 Global Wealth Management Research, 8% of clients will prefer using digital assistant/chatbot in the future. A number higher than website access (6%) and e-mail/text (2%). The largest clients' preference to receive financial advice will remain smartphone apps (61%), followed by face-to-face interaction (18%)<sup>9</sup> (Ernst & Young, 2019). HNWI under 45 years old have an appetite for technology as 47% of them would consider using robo-services in the future (Strategy&PwC, 2016).

### 3. Analytical Framework

#### 3.1 Research Methodology

The Swiss banking market is the most important financial hub for cross-border wealth management with a market share of 27% (SwissBanking, 2018), and has to tackle the technological change in order to remain attractive in the future. Switzerland is the leader in managing offshore wealth, with an increase of CHF 300 billion from 2013 to 2018 of managed international private assets (SwissBanking, 2018). Its most important market is Western Europe, accounting for 42% of AuM, followed by Asia, the Middle East and Latin America (SwissBanking, 2019). In 2018, Singapore and Hong Kong financial hubs together have caught up Switzerland in terms of cross-border wealth, with combined asset wealth of \$2.3 trillion, and which might exceed \$3.3 trillion by 2023 (figure 7). Switzerland and Singapore depend for ~60% on cross border wealth, whereas the same ratio is ~40% for Hong Kong (BCG, 2019).

**Figure 7: Top 3 Cross-Border Financial Centers in 2018**



Source: adapted from Boston Consulting Group (2019, p.10)

<sup>9</sup> Figure available under appendix 5

The international market is not the only important asset market for Switzerland: with 7.5% of its population being millionaires, it has the highest density of millionaires in the world and is managing CHF 1.4 trillion of domestic assets (SwissBanking, 2018). Switzerland not only offers investment advice, but also many other wealth planning advices, such as tax advisory, philanthropy services and inheritance counseling. Total investments managed in Switzerland are exceeding CHF 3 trillion, representing about five times the Gross Domestic Product (GDP) of Switzerland (SwissBanking, 2019).

Since 1<sup>st</sup> January 2017, Switzerland is no longer a fiscal paradise for nonresident foreigners. Indeed, Switzerland, along with 107 other States<sup>10</sup> implemented the Automatic Exchange of financial account Information (AEI); an international norm set to prevent tax evasion. AEI does not apply to swiss resident tax payers and its bank secrecy is not affected for domestic bank clients (Swiss Confederation, 2020). The introduction of the regulation led to a significant outflow of CHF 95 billion of cross-border assets out of Switzerland to Western Europe between 2013 and 2018 (SwissBanking, 2019).

Swiss banks are now challenged by foreign banks and FinTech that grow fast and offer highly technological devices. Domestic banks will need to continue developing their offer in long-standing expertise and high-quality services to retain clients. In addition, they must develop their technological expertise to address a shift in demand in services in the future. Switzerland ranks average in the Global Fintech Ranking 2020, with Zürich that ranks 38<sup>th</sup>, Zug 73<sup>rd</sup>, Geneva 89<sup>th</sup> and Lausanne 98<sup>th</sup>. Zug however is a fast emerging hub with a climb of 321 ranks, which could makes it well positioned in the next years (Findexable, 2019). Most importantly, banks should train their workforce in order for them to gain knowledge and acquire new skills relevant to rising technologies.

The first part of this Research Paper has demonstrated the evolution of technology in the banking sector and the second part is to describe how skilled workforce can make the difference in the future next to new technologies. Technology develops fast. Yet, wealth management is “one of the least tech-literate sectors of financial services” (PwC US, 2017). Banks will still need relationship managers over the short to mid-term as the development of new technologies will take time and money. Nevertheless, banks and their workforce need to be prepared for disruption and have to be trained to get the required emerging skills in the future. This Research Paper aims at exploring which key emerging skills will arise in the future, when technologies will be part of bankers’ daily

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<sup>10</sup> Including UE members, EFTA members, OCDE members and most of the G20 members.

life. The paper is based on existing research and compared with field studies performed through interviews.

### **3.2 Analysis of general findings**

This section first explains the theoretical findings of the research, while the second part of the analysis makes room for personal findings. A further analysis of the results corresponding to the financial sector, where theoretical and personal findings will be interpreted and compared, can be found in chapter 4 - Discussion and Interpretation of the Findings - of this report. Recommendations will be suggested in chapter 5.

#### **3.2.1 Theoretical findings**

Various articles, conferences and research propose numerous skills one needs to succeed. In this section, recent important reports were used to help answer the problematic of this research paper. Sources come from renowned references such as The World Economic Forum, Boston Consulting Group and Ernst & Young.

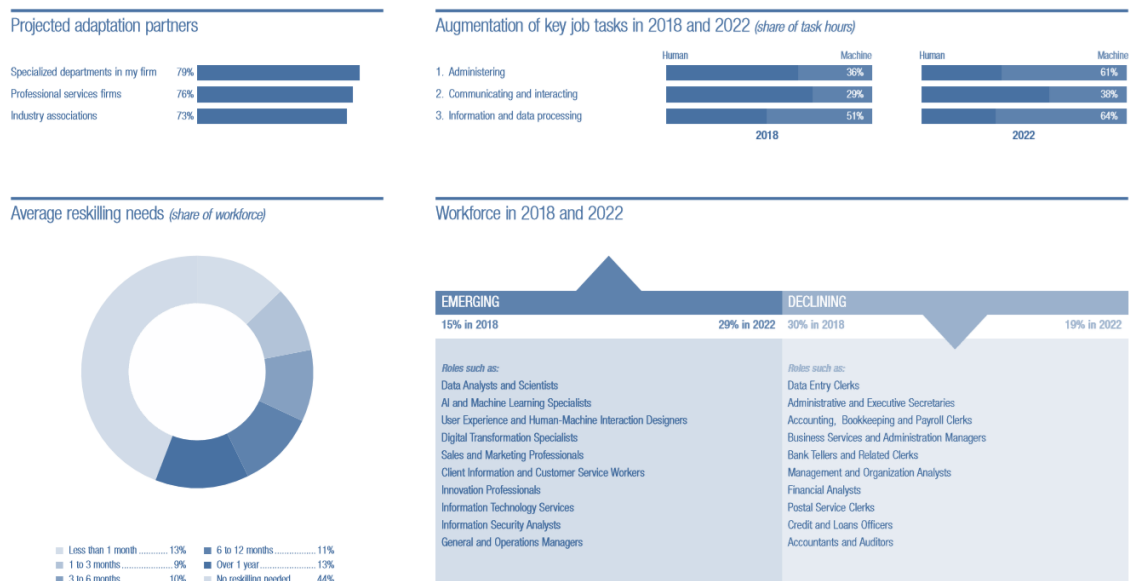
##### ***3.2.1.1 According to World Economic Forum (WEF)***

For its Future of Jobs Report 2018, the World Economic Forum (WEF) surveyed 313 companies from twelve different sectors representing more than 15 million employees around the world. 1'129'210 employees were represented by surveyed companies present in the Banking & Capital Markets, Insurance & Asset Management and Private Investors - Financial Services & Investors Industry (WEF, 2018). The Report illustrates the workforce trends for the fourth industrial revolution and the future of jobs across regions and industries. Part one of the WEF report is about "preparing the future workforce", while the second part presents detailed country and industry profiles.

In the first part, one can foresee the level of work that will shift from human to automation from 2018 to 2022. According to the Report, "the proportion of core skills required to perform a job that will remain the same is expected to be about 58%, meaning an average shift of 42% in required workforce skills." (WEF, 2018)

In the Financial Services & Investors Industry (FSII), 89% of firms are likely or very likely to adopt the App- and Web- enabled markets technology as part of their growth strategy by 2022 (WEF, 2018). The figure below shows the reskilling needs of the FSII workforce.

**Figure 8 : Financial Services & Investors Industry Profile**



Source: World Economic Forum (2018, p.53)

The upper left section represents the partner entities that FSII are likely or very likely ready to collaborate with. 79% of FSII firms will use internal specialized departments to develop reskilling strategies (WEF, 2018).

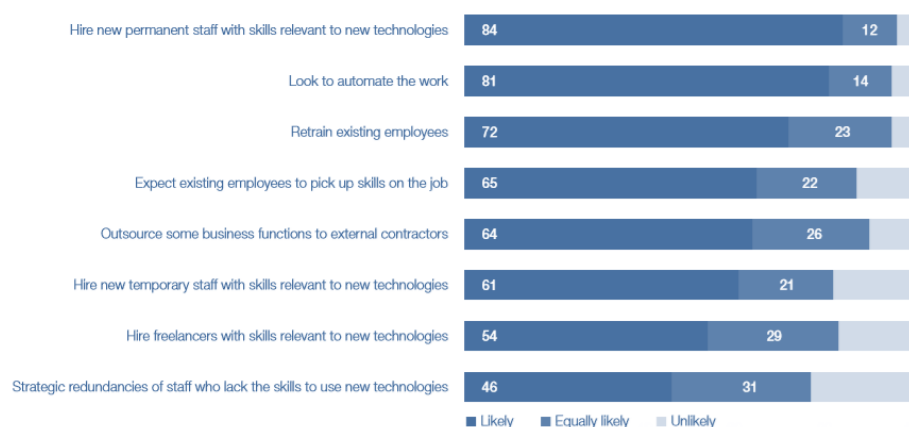
The upper right section shows the projected evolution of human-machine collaboration over five years. By 2022, the administering tasks are expected to increase by 25% to 61% of the total share of task hours contributed by machines – representing the largest shift in human-machine share of task hours. Information and Data Processing will remain the most common job tasks performed by machines. Despite communication and interacting remains a task mostly performed by humans, the share of machines in this section is expected to increase by almost 10% in four years (WEF, 2018).

The lower left section represents the average reskilling needs of the affected workforce and the average timeframe required to upskill or train the FSII workforce. FSII has 44% of its workforce that does not need any reskilling over the 2018-2022 period and 13% will require more than one year of reskilling to bridge the gap between the actual skillset and the future skills needed (WEF, 2018).

The lower right section represents the emerging and declining workforce jobs over the period 2018-2022. Unsurprisingly, the jobs performed by clerks and secretaries are declining. Analogously, jobs of scientists, analysts, and specialists, mostly in the digital and data roles in the FSII will see their total employment share increase (WEF, 2018).

Whereas training and development are ongoing steps that every employee needs to constantly perform to remain employable, an employer has the alternative to hire new employees with the required skillset rather than training existing employees for years. For both cases, the right strategy and associated costs will be needed to achieve the growth for the future. According to the WEF Report and proportionally across all surveyed industries, with 96%, the more likely strategy to tackle shifting skills needed by 2022 will be to hire new permanent staff with the relevant skills (figure 9). Only around 4% of the companies surveyed are unlikely to hire new permanent staff with relevant skills to new technologies. 95% likely or equally likely will businesses retrain existing employees. It is 65% likely that companies expect their workforce to pick up skills on the job. It is also 81% likely that companies project to automate the work. Interestingly, it is for businesses 20% unlikely to hire freelancers or temporary staff with skills relevant to new technologies but also to have dismissals of staff that lack the competences to use the new technologies (WEF, 2018).

**Figure 9: 2022 strategies to address shifting skills needs  
by proportion of companies (%)**



Source: Future of Jobs Survey 2018, World Economic Forum.

Note: The bars represent the proportion of responses by companies that stated that specific strategies were likely, equally likely or unlikely. Some companies abstained from answering the question. In such cases part of the bar remains blank (typically, 0–1% in the graph above).

Source: World Economic Forum (2018, p.13)

Interestingly, 74% of FSII companies surveyed perceive skills gaps in the local labor market as their biggest barrier to adoption of new technologies (figure 10). The third and fourth biggest barriers to adoption of new technologies are also linked to skills, with leadership skills gaps and skills gaps in global labor market (WEF, 2018). One can clearly see that relevant skills to new technologies are of paramount significance and must be taken into account in the company global strategy with high importance if it wants to keep its – leading – position and market share in the future.



**Figure 10: barriers to adoption of new technologies  
in the Financial Services & Investors Industry<sup>11</sup>**

Barriers to adoption of new technologies (share of companies surveyed)



Source: World Economic Forum (2018, p.52)

Regarding the countries profiles and the emerging skills needed to succeed in the future, each country identified 10 emerging skills and companies could choose between 69 skills choices in the survey (WEF, 2018)<sup>12</sup>. Surprisingly, only 11 of them were selected by all regions of the world. Eight regions are present in the report, representing 154 countries<sup>13</sup>.

The results have been sorted by regions: East Asia & the Pacific, Latin America & the Caribbean, North America, Western Europe, Eastern Europe & Central Asia, South Asia, Middle East & North Africa, Sub-Saharan Africa and compared with the countries results. In the next pages, a comparison of the findings will be given.

By looking at the regional groups on the figure below, the first four most important emerging skills are similar in all regions: Analytical Thinking & Innovation; Creativity, Originality & Initiative; Active Learning & Learning Strategies and Technology Design & Programming. The next six emerging skills are quite similar even though not designated with the same level of importance. Resilience, Stress Tolerance & Flexibility and Systems Analysis & Evaluation were the two emerging skills that were competing to be on the top then. While Western Europe, Eastern Europe, Middle East & North Asia, East Asia and the Pacific and North America selected Systems Analysis & Evaluation as one of their top 10 emerging skills, Central Asia, Sub-Saharan Africa and Latin America & the Caribbean selected Resilience, Stress Tolerance & Flexibility as one of their last choice of emerging skills.

<sup>11</sup> Computed by the share of respondents who selected the indicated obstacle as one of the highest barriers to successful new technology implementation

<sup>12</sup> Definition of each skill available under appendix 6

<sup>13</sup> Classification of regions available under appendix 7

**Table 1: Top ten emerging skills for the regional groups<sup>14</sup>**

Western Europe	Eastern Europe	Middle East & North Africa	East Asia and the Pacific
Creativity, originality & initiative	Creativity, originality & initiative	Analytical thinking & innovation	Analytical thinking & innovation
Analytical thinking & innovation	Analytical thinking & innovation	Active learning & learning strategies	Active learning & learning strategies
Active learning & learning strategies	Active learning & learning strategies	Creativity, originality & initiative	Creativity, originality & initiative
Technology design & programming	Technology design & programming	Technology design & programming	Technology design & programming
Complex problem-solving	Emotional Intelligence	Complex problem-solving	Critical thinking & analysis
Critical thinking & analysis	Critical thinking & analysis	Leadership & social influence	Complex problem-solving
Leadership & social influence	Leadership & social influence	Critical thinking & analysis	Systems analysis & evaluation
Emotional Intelligence	Complex problem-solving	Reasoning, problem solving & ideation	Leadership & social influence
Systems analysis & evaluation	Systems analysis & evaluation	Emotional Intelligence	Emotional Intelligence
Reasoning, problem solving & ideation	Reasoning, problem solving & ideation	Systems analysis & evaluation	Reasoning, problem solving & ideation
North America	Central Asia	Sub-Saharan Africa	Latin America & the Caribbean
Analytical thinking & innovation	Analytical thinking & innovation	Analytical thinking & innovation	Analytical thinking & innovation
Creativity, originality & initiative	Creativity, originality & initiative	Creativity, originality & initiative	Creativity, originality & initiative
Active learning & learning strategies	Active learning & learning strategies	Active learning & learning strategies	Active learning & learning strategies
Technology design & programming	Technology design & programming	Technology design & programming	Technology design & programming
Critical thinking & analysis	Critical thinking & analysis	Complex problem-solving	Reasoning, problem solving & ideation
Complex problem-solving	Emotional Intelligence	Critical thinking & analysis	Critical thinking & analysis
Leadership & social influence	Complex problem-solving	Leadership & social influence	Leadership & social influence
Reasoning, problem solving & ideation	Leadership & social influence	Reasoning, problem solving & ideation	Complex problem-solving
Emotional Intelligence	Reasoning, problem solving & ideation	Emotional Intelligence	Emotional Intelligence
Systems analysis & evaluation	Resilience, stress tolerance & flexibility	Resilience, stress tolerance & flexibility	Resilience, stress tolerance & flexibility

In Western Europe twenty countries were surveyed, in which France, Switzerland, Germany and the United Kingdom got their own country profile. The two first skills, Analytical Thinking & Innovation, and Creativity, Originality & Initiative were selected by all Western Europe countries as the most important emerging skills for the future; with three selection for Analytical Thinking & Innovation as first emerging skills over five. Surprisingly, Australian's skills selection is perfectly similar to the one of France. Switzerland selected Leadership in its top 5 skills, followed by Emotional Intelligence and Complex-Problem Solving. Unlike other Western countries, Switzerland and Germany did not select Reasoning, Problem Solving & Ideation skill.

In Eastern Europe & Central Asia, comprising twenty-seven countries, the Russian Federation, Eastern Europe and Central Asia had their own profile. As for its territory spread over Central Asia and Eastern Europe, the Russian Federation results are a mix of both profiles: the top four skills are closer to the results of Eastern Europe, while the next five skills are similar to Central Asia.

In East Asia & the Pacific, nine countries had a profile in the report, which provide more detailed information by country. Singapore has highly similar emerging skills with the Philippines, with only the last skill that changes between the two. Critical Thinking & Analysis skill comes before Technology Design & Programming for countries like the Republic of Korea and Vietnam.

<sup>14</sup> Own table. Data taken from the WEF Future of Jobs (WEF, 2018).

In South Asia, comprising seven countries, India got its own profile. India, as the other six countries, selected very similar emerging skills with only the eighth and ninth skills switching from India and the rest of South of Asia. India, as one of the biggest countries in the world, might have weighted more in the WEF survey. South Asia results are perfectly like the one of Singapore.

Middle East & North Africa includes nineteen countries. Complex Problem-Solving is a more important skill for this region, as it ranks fifth in the table. Only a few other countries selected this skill as the fifth most important emerging skill, such as China and Australia. In Sub-Saharan Africa, comprising 34 countries, the five first skills are similar to the region Middle East & North Africa.

On the other side of the world in South America, for the region Latin America & the Caribbean, the fifth most important skill for the future is Reasoning, Problem Solving & Ideation, a skill that is even not stipulated in countries like Switzerland and Germany and at the bottom in Asia and Europe. Systems Analysis & Evaluation is not specified in South America unlike Asia and Europe, where this skill is selected in almost all countries. In North America, the United States of America and Canada have equivalent bottom emerging skills.

As the technology advancement is different from one region to another, as well as the culture of the countries, this may explain the slight differences in terms of emerging skills choice and the ranking of them. Each country has its own priorities and will define its required skills accordingly.

### 3.2.1.2 According to PricewaterhouseCoopers (PwC)

The Fourth Industrial Revolution has led to new ways of working and nowadays the Wealth Management sector, as well as the entire financial services sector, need to rely on more than the human effort to respond to personalized advice to the young generations (Strategy& PwC, 2016). People now require new technical, soft and digital skills. It is thus of extreme importance for traditional banks not to miss the digital wave in order to survive in this digital world evolving at swift speed.

Traditional banks need to hasten their efforts to incorporate technology into their business. “By overestimating their current technology offering, firms are now critically vulnerable to FinTech (Strategy& PwC, 2016)” who offers to clients personalized ways to supervise and manage their assets. For sure AI and robotics will redesign work and enhance customer experience as well as productivity, so that staff will be able to focus on high value-added tasks (PwC, 2017). But financial institutions sometimes forget to focus on people issues that occur when developing new technologies. (PwC, 2017) People will need new skills to work alongside technologies, and job roles might be reconsidered.

In its report “Workforce of the Future: The competing forces shaping 2030”, PricewaterhouseCoopers (PwC) is clear: it is impossible to know exactly what skills would be needed in five years from now and finding the aptitudes workers need has turn out to be the greatest threat to a business<sup>15</sup>. Hence, organizations and workers must be ready to adapt. Even though organization will need to understand the skills it needs in the future and upskill its people accordingly, much of the duty will be on the employee itself. In its report of 2017, 74% of surveyed people<sup>16</sup> believe that it's their own responsibility to upskill themselves rather than rely on their employer and the same percentage of respondents answered they were ready to acquire new skills or even completely reskill themselves to remain employable in the future (PwC, 2017). In 2019, only one third<sup>17</sup> of workers around the globe feel they have been offered the opportunity to build digital skills outside their regular obligations (PwC Malaysia, 2019) (PwC, 2020), going up to 49% upskilling opportunities offered to United Kingdom workers and up to 91% in India (PwC UK, 2019).

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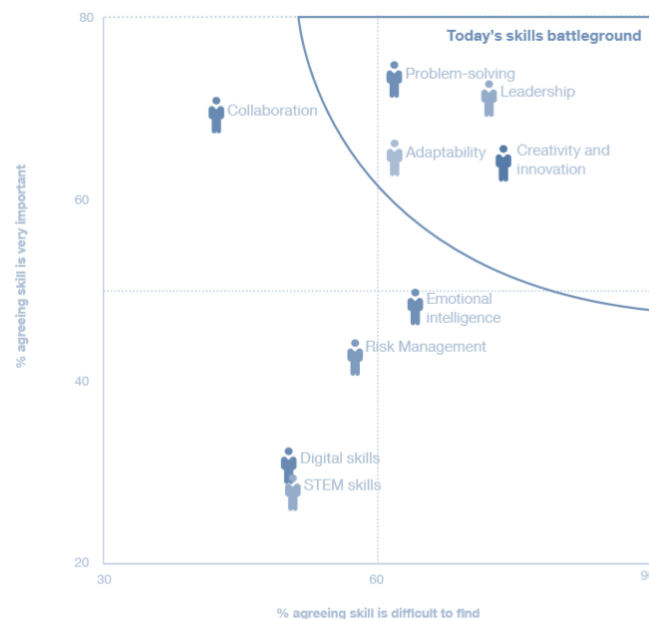
<sup>15</sup> 77% of CEOs in 2017 saw key skills availability as the largest threat to their business.

<sup>16</sup> 10'029 people surveyed from China, India, the US, Germany and the UK; of which 8'459 are not retired.

<sup>17</sup> 22'000 surveyed workers globally (PwC, 2020; Ross, & al., 2019)

Although technology and analytical skills will be of importance to work alongside robots, human skills will remain of utmost importance and even more valuable when combined with technological expertise. In PwC 20<sup>th</sup> CEO Survey in 2017, CEO were looking for soft skills, such as leadership, creativity & innovation, collaboration, problem-solving and adaptability skills. And they are difficult to find (PwC, 2017). In 2019, 80% of Financial Services leaders respondents said they are concerned about skills shortage as an obstacle to growth (PwC, 2019).

**Figure 11: Soft Skills in demand**



Source: PricewaterhouseCoopers (2017, p.11)

Despite those human skills are highly demanded, they cannot keep up with the demand. Indeed, while 78% of surveyed people<sup>18</sup> believe that Adaptability is important, only 52% Human Resources (HR) and Business leaders said that their methods were designed to foster this capability. The same risk can be found for the creativity skills. Although creativity and innovation is a very important skills according to CEOs, just 56% of HR and business leaders said they offer possibilities for employees to develop innovative ideas and support them in transforming these new concepts into action (PwC Global, 2018).

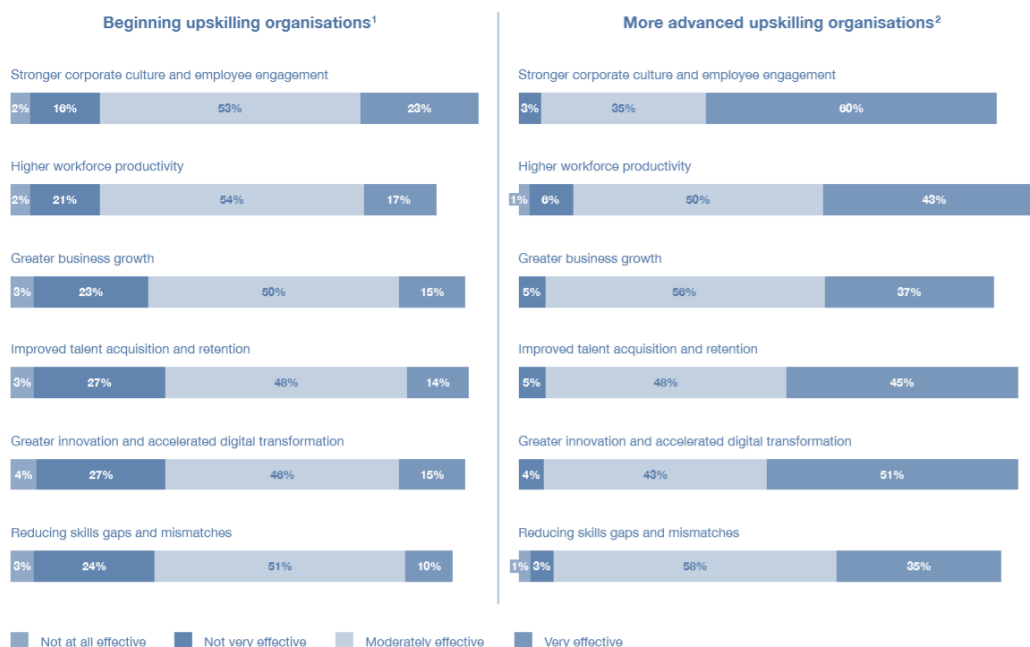
In the 23<sup>rd</sup> CEOs Survey in 2020 and regarding the financial services sector, less than 20% of Asset and Wealth Management CEOs (Alexander, 2020) and less than 25% of Banking and Capital Markets CEOs (Burns, 2020) reported substantial progress in

<sup>18</sup> 1'246 business and HR leaders surveyed, coming from 79 countries

defining the competences that will drive their upcoming growth strategy and improving leaders' and workers' familiarity of technology. But the majority of CEOs granted that upskilling their workforce was the most valuable way to close the skill gaps within their company (PwC, 2020).

The most difficult part of the upskilling strategy is to have motivated employees to apply the learning methods and learn new skills. A firm helps its people developing their skills and invest in them. In a more advanced part of the upskilling program, the challenge is then to retain the employees trained at new skills. Even if employees' retention is a challenge, companies must not avoid spending time and money on upskilling or reskilling their employees. Because if they do not do so, they are running the risk that their unskilled staff remains, which is dreadful for any company's growth strategy (PwC, 2020). Thank to advanced upskilling program, employees are more engaged towards the company, more productive and contributes to a greater business growth. The advanced program improves the acquisition and retention of talents and accelerates the digital transformation of a firm. Most importantly, it is effective at 93% to reduce mismatches and skills gaps, while at 1% not effective at all (PwC, 2020).

**Figure 12: Effectiveness of upskilling programs**



Source: PricewaterhouseCoopers (2020, p.34)

### 3.2.1.3 According to McKinsey & Company

Due to rapid development thanks to new technologies, companies need to constantly evolve and thus implement a strategy to grow their workforce skills for future needs. According to McKinsey & Company, in the next decade 375 million employees worldwide might have to change jobs to meet companies' needs. And companies' executive share that they already face skills gaps or believe gaps will develop within the next five years (McKinsey & Company, 2020). However, even though businesses expect gaps to develop in the near future and consider it as a priority, only one-third of the McKinsey Global Survey respondents<sup>19</sup> said they were prepared to "cope with the workforce disruptions resulting from technology and market trends" (McKinsey & Company, 2020).

As for the WEF 2018 Report, respondents think that their biggest fear is skill gaps. In March 2018, 26% of respondents<sup>20</sup> said employees would not upgrade their skills fast enough for the automation era. 24% said that workers will not adapt enough and that for 23% of the respondents, their employees will lack technical skills required in the automation era<sup>21</sup> (McKinsey & Company, 2018). In January 2020, almost 30% of the respondents<sup>19</sup> said that 26-100% of the organizations' current roles were at risk because of technology trends. Furthermore, 43% of them said they were already experiencing skill gaps, while 44% of them said they expect it to occur in the next five years. Which concludes that 87% of businesses say there are experiencing skill gaps or expect them to happen in the short term (figure 13). Only 6% of current roles should not be at risk in the next five years (McKinsey & Company, 2020).

**Figure 13: Skill gaps expectations**



<sup>1</sup>Figures may not sum to 100%, because of rounding; n = 1,216.

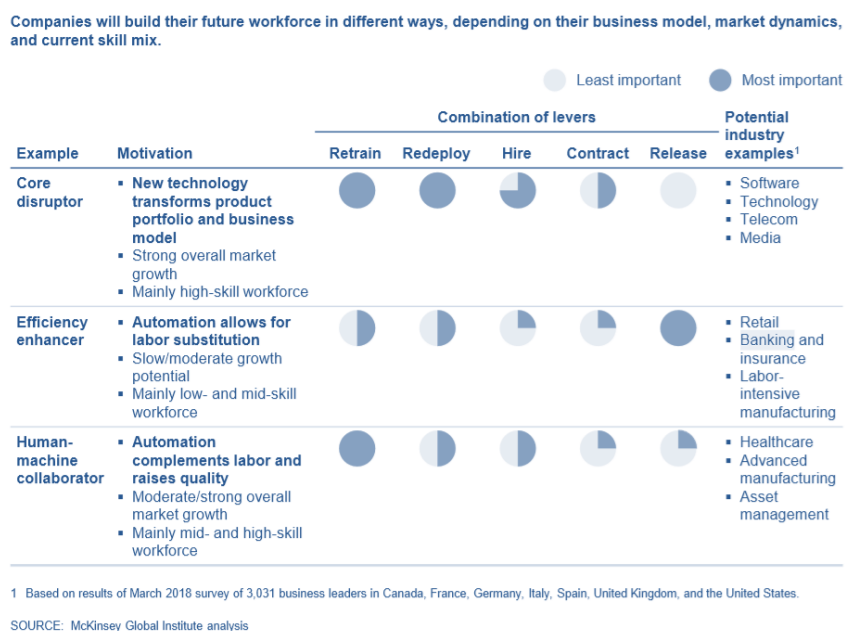
Source: McKinsey & Company (2020, p.2)

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- <sup>19</sup> 1'216 participants from different regions, industries, functions, and company sizes
- <sup>20</sup> 3'031 leaders from Canada, US, UK, Spain, France, Germany, and Italy.
- <sup>21</sup> Data available under appendix 8
-

Even though it is difficult for companies from all sectors to have a clear sense of what skillset will be needed in the future and how to bridge the gap between existing and emerging skills, most of them are taking action to address their talent needs. In two-third of the cases, they hire new workers with the required skills, and in more than 50% of the time, companies try to reskill existing employees through training programs or reorganize them into new roles that best fits their current skills (40%). Although measures to address skill needs vary by region, the hiring action is high in every part of the globe, from America, to Europe, and to Asia (McKinsey & Company, 2020)<sup>22</sup>.

In the banking sector, results are quite different: half of the companies would retrain or redeploy their workforce, which means that the companies will be willing to reskill their existing employees through training programs or reorganize them into roles that best fit their existing skills (figure 14). Automation might offer major opportunities through labor substitution to raise productivity and efficiency. Today and even more tomorrow, with low market growth and pressure on margin, cost reduction is a key strategic choice. To follow this trend, banks are more likely to release employees, which means that banks will wait for normal retirement or attrition by freezing new hiring or laying off workers (McKinsey & Company, 2018).

**Figure 14: Five combination for companies to build their future workforce**



Source: McKinsey & Company (2018, p.56)



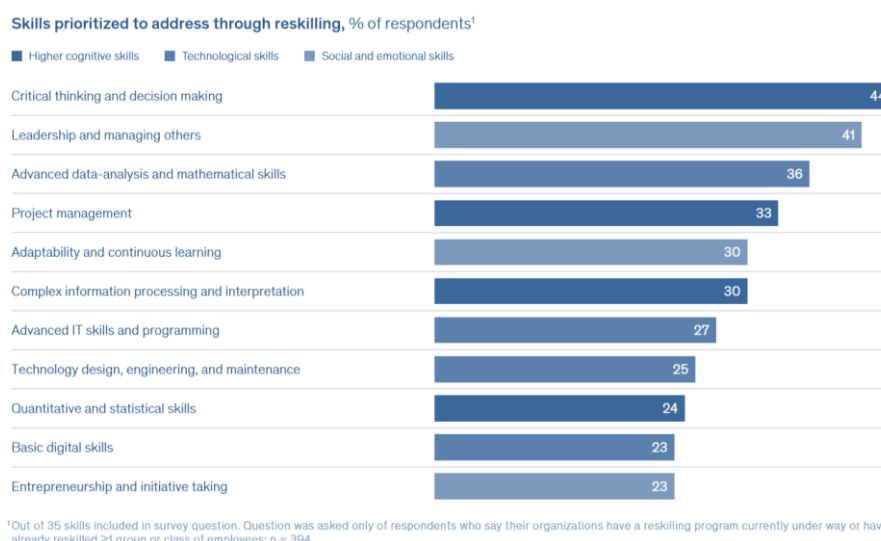
In the McKinsey Global Survey 2019, organizations have different programs to address talent needs. Some of them have a reskilling pilot project, while others have only planned to launch such effort or think of implementing such purpose in their business model or strategy (McKinsey & Company, 2020).

Companies already implementing reskilling programs appears to see positive results already: not only in skill knowledge, but also in employee satisfaction, customer experience and number of employees restructured in new roles. Most of employees surveyed say that strong skill-management and engagement of leaders help them succeed. Indeed, a company understanding well its challenges in the future and effectively estimating the skills needed in the next years are able to take the right actions to bridge the gap with emerging skills (McKinsey & Company, 2020).

The emphasis on Critical Thinking and Decision-Making skills, as well as Leadership and Managing other skills are the most often cited in the McKinsey Global Survey. Those skills are followed by advanced data analysis skills, which will much help with the rising of technology. Most interestingly, most organization tend to focus on building a skillset comprising numerous skills. On average, companies surveyed said they tend to concentrate their efforts on five significant skills.

Thus, one can on figure 15 below that the most important skill to develop through reskilling is a higher cognitive skill, while the second top priority skill is social and emotional. An ideal mix between higher cognitive skills (4), technological skills (4) and social & emotional skills (3) can be found in the top ten priority skills. (McKinsey & Company, 2020).

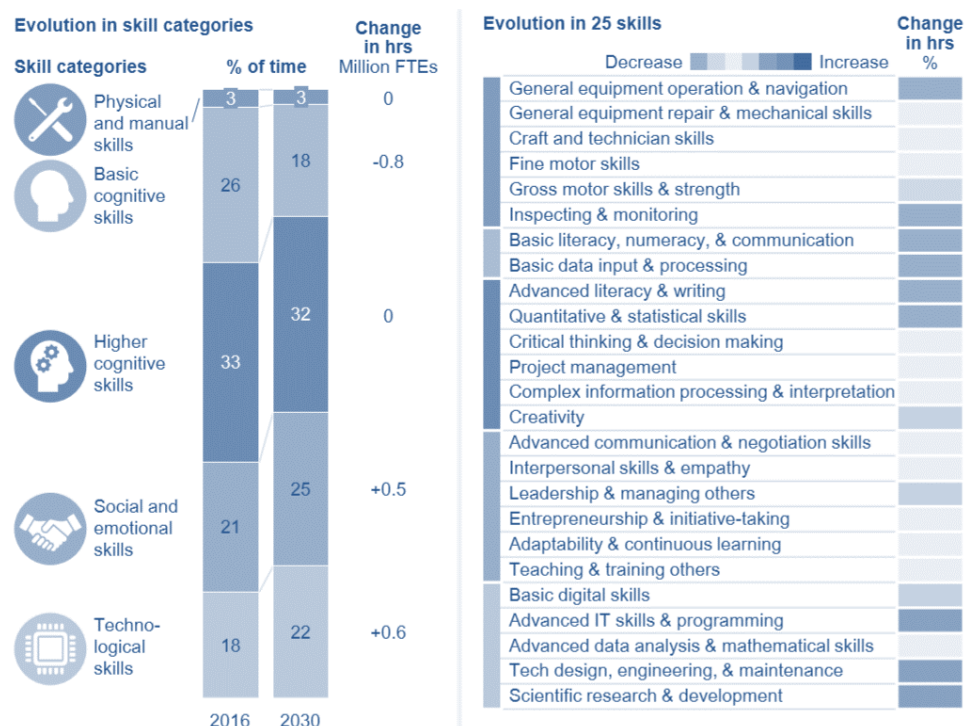
**Figure 15: Top skills focus in reskilling programs**



Source: McKinsey & Company (2020, p.6)

More precisely in the banking sector, the skills that are evolving and will increase in the next decade are mostly technological and social & emotional skills. Higher cognitive skills remain the most important skill category as it will still be used during 32% of a worker time by 2030. The second skill category that will be widely used at work by 2030 will be social and emotional skills, with an increase of 0.5 hour compared to 2016. Technological skills will take 0.6 hour more of a worker time. In contrary, basic cognitive skills will decline. (McKinsey & Company, 2018).

**Figure 16: Skill shifts by 2030 in the banking & insurance sector<sup>23</sup>**



Source: McKinsey & Company (2018, p.27)

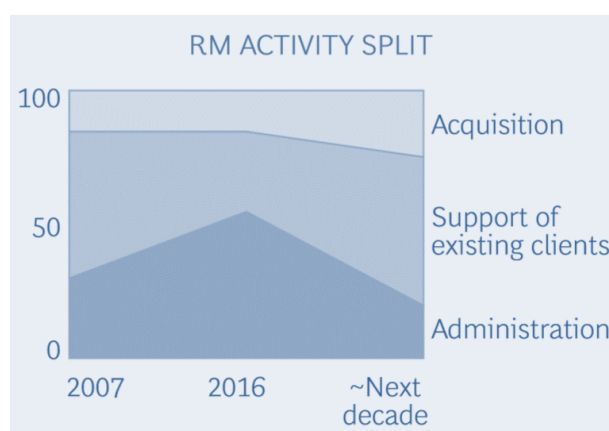
By looking deeper into the evolution of skills required in the future, Scientific Research & Development; Tech Design, Engineering & Maintenance and Advanced IT skills & Programming will have the highest increase. There is also an increase in Leadership & Managing Others, and Creativity. The greatest decrease in skills needed in the future are the two basic cognitive skills, some physical & manual skill, as well as some higher cognitive skills such as Advanced Literacy & Writing and Quantitative & Statistical Skills. (McKinsey & Company, 2018).

<sup>23</sup> Note: Numbers may not sum due to rounding

### 3.2.1.4 According to Boston Consulting Group (BCG)

After the 2008 financial crisis, until up to 2016, regulations and controlling promptly increased. Which increased the Relationship Manager (RM) administrative tasks up to 50% of its time. Because of such increase in administration activity, the client activities declined. Thanks to new technologies, we might see a decrease in administration activities – such as automation of transactions and account openings –, in the next decade to make place for client activities (BCG, 2017). Eventually, RMs will also have slightly more time to acquire new clients rather than only supporting existing clients.

**Figure 17: RM Activity Split over the decades**



Source: Boston Consulting Group (2017, p.21)

Wealth managers will need to prioritize clients' needs and serve them well to gain their trust. Everybody knows how important trust is. In this ever-evolving world, with numerous different technologies, it is particularly important to keep contact with clients. Traditional banks – i.e. not FinTech – have a large advantage here: clients still need to trust their client facing employees to bring them wealth. For that, human advisors will need to be Service Oriented and actively looking for ways to help clients. Another skill needed to gain clients trust is Active Listening, to understand current and future clients' information, needs and wants (BCG, 2019).

The BCG Global Wealth Report 2019 is more focused on the individual wealth and the increase of the latter. However, into the report, some capabilities and skills were found, which will be of importance in the future. Leadership Commitment will be of significant importance to analyze the firm's offering and lead the company all the way down to wealth managers to properly understand priorities and opportunities of the wealth growth around the world (BCG, 2019).

Banks can no longer fall back on conventional practices and need now to use technology to increase its service and a 24/7 anywhere access across different channels. Through intensive trainings, and a change in their way of working, employees will be able to tackle change and increase their performance. The role of managers as leaders will also play an important role to generate higher revenues in the future (Bailey & al, 2015)

According to the BCG Global Wealth Report 2019, the right skills to succeed in this new technology era are a mix of business, data science and technology skills (BCG, 2019). Furthermore, to create the winning Digital-Customer culture, one will need agility, collaboration, continuous innovation, customer centricity and experimentation (Bailey & al, 2015)<sup>24</sup>.

*“To excel in the future, people believe they should master a mix of cognitive and interpersonal skills so that they can think analytically as well as communicate and collaborate with supervisors and coworkers. When they need training on new skills, they prefer to learn on the job, on their own, and through online classes and mobile apps to other, more traditional options”* (Kovács-Ondrejko & al., 2019)

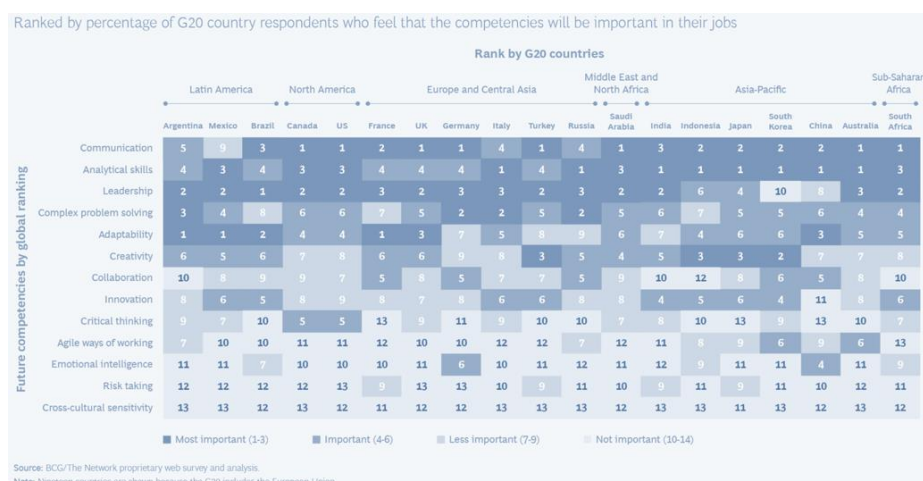
Regarding the importance of future skills, even though the survey is global and comprises people from different sectors – only 8% of respondents coming from the financial industry –, the most important skills stated on the figure below can be easily related to the Financial Services sector. Indeed, either with clients or internally with peers, superiors and people from other department, communication is key in the banking sector. Leadership is also an important skill that is needed at all levels of the hierarchy. Complex problem-solving and adaptability are key in the ever-changing environment one live in today. Tasks and demands are becoming more complex and we need to adapt to new ways of working, as well as new technologies arising. Instead of analytical skills in the top five, emotional intelligence might have been selected for the banking sector. Indeed, machines will undoubtedly analyze items better than a human does, while a human must have emotional intelligence to prosper by being sensitive to others' needs, understanding clients and being social oriented in this people business (Kovács-Ondrejko & al., 2019).

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See appendix 10

**Figure 18: The importance of Future Skills according to G20 countries**



Source: adapted from Kovács-Ondrejko & al. (2019)

Not only people need to be upskilled to remain up to date with their knowledge, but they need to change their way of working with new technologies. Around 60% of surveyed people<sup>25</sup> think that their present role will be considerably affected by a technology shift or by globalization, with more than 75% of respondents coming from countries such as Brazil, Japan, Portugal, and Kenya. Developed countries such as Australia, Germany and Singapore stated at more than 65% that those trends will affect their jobs, while countries such as Finland, UK and China felt the least affected by these megatrends (Kovács-Ondrejko & al., 2019)<sup>26</sup>. More than two-thirds of respondents are willing to retrain in any situation, while only one-third would do so if they see they have difficulties in finding a new job (BCG Global, 2019).

Hence, organizations should be aware of these trends of willingness to train to keep up with their workforce and make it more attractive for future external candidates. Companies shall launch upskilling and reskilling programs, adopt the latest education technologies, and build an endless learning culture – by inspiring employees to adopt a constant-growth mindset – to be successful in filling the skill gaps (BCG Global, 2019). Governments shall also take them into consideration to provide adapted programs and prepare the young citizens for the future workforce. One must not forget that upskilling is a career-long commitment and that an individual must keep his skills up to date with job-related trainings or through self-study. One should make it a habit to learn continuously (Kovács-Ondrejko & al., 2019).

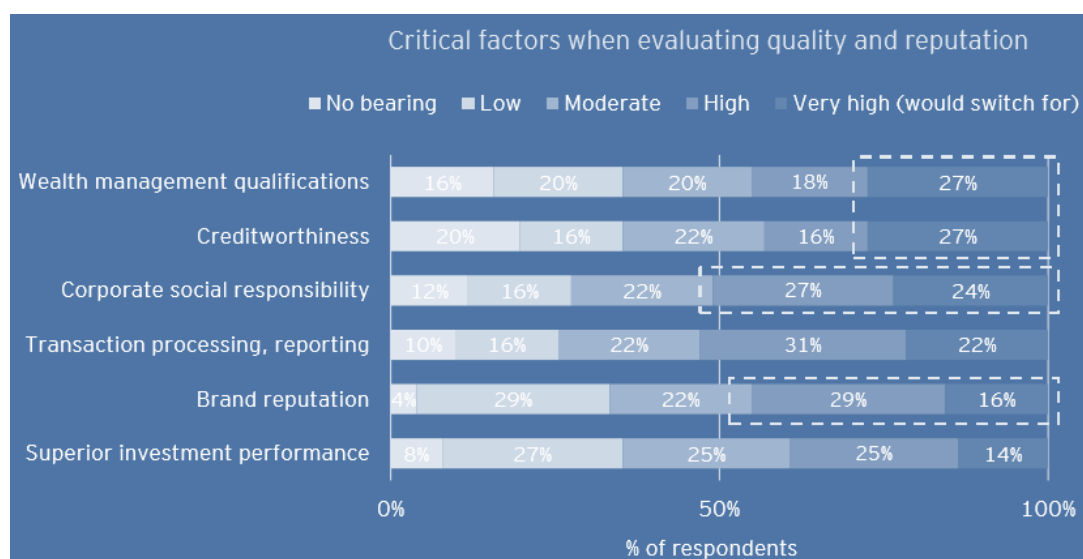
<sup>25</sup> 366'000 respondents from 197 countries.

<sup>26</sup> See appendix 11

### 3.2.1.5 According to Ernst & Young (EY)

In the EY 2019 Global Management Research Switzerland Key Findings, despite clients constant willingness to use digital tools – 53% of Swiss users<sup>27</sup> prefer using smartphone applications –, 16% of clients nevertheless continue to prefer face-to-face interactions as their primary method of contact with the bank in 2019. A positive news is that WM qualifications remain of importance for 45% of clients. In 27% of cases, Swiss clients would even switch banks to move to a good qualified advisor (Ernst & Young, 2019).

**Figure 19: Importance of critical factors**



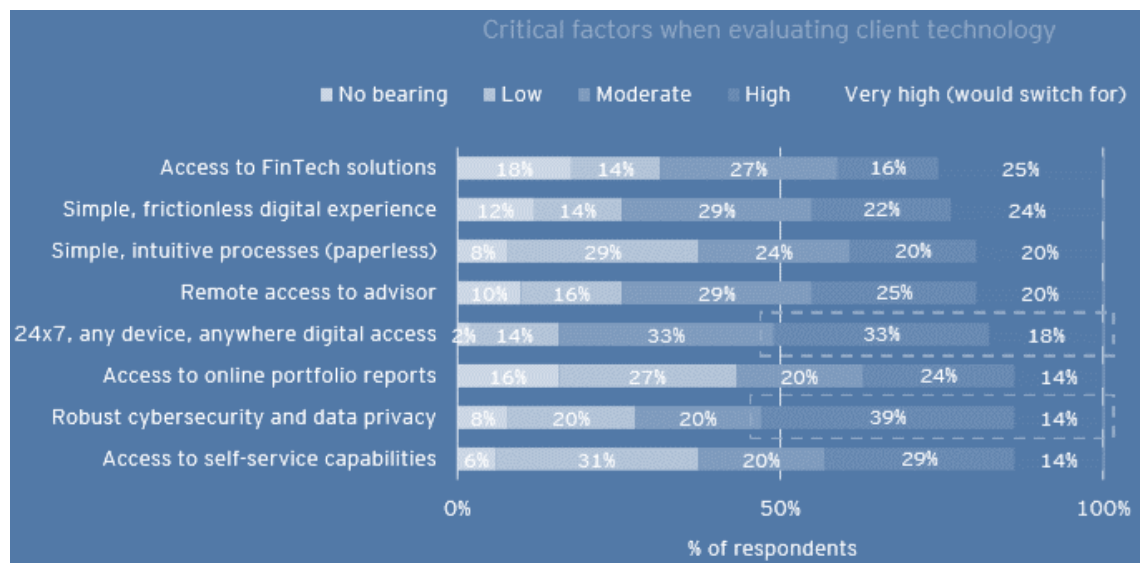
Source: Ernst & Young (2019, p.7)

In the future, more than sixty percent of the respondents consider using more tax planning (67%) and holistic advice (65%), even for non-investments financial services (61%). As clients want their wealth to be managed holistically and place “a critical value on a firm’s ability to provide life coaching and holistic goal planning (Ernst & Young, 2019)”, the wealth management industry will greatly need holistic wealth managers that will have an advisory approach powered by life events – such as estate planning, wealth transfer to new generation and retirement – to deliver added value (Ernst & Young, 2019). The holistic advice goal is to deliver a better approach for “after-tax wealth preservation and performance (Ernst & Young, 2018)”, even more so with the actual low interest rate environment that makes clients more price-sensitive (Ernst & Young, 2018).

<sup>27</sup> 51 wealthy individuals’ respondents in Switzerland

Importantly, 53% of Swiss clients highly value data privacy and robust cybersecurity when evaluating both. The second most valuable factor when evaluating a firm is its anywhere digital access, available in any device and 24/7. However, traditional banks might be at risk, as 25% of respondents would switch to FinTech to access their solutions, and an additional 16% of respondents highly value the access to FinTech solutions.

**Figure 20: Importance of technological criteria for Swiss clients**



Source: Ernst & Young (2019, p.14)

To attend to clients' needs and to remain attractive as a traditional bank, the latter needs to have the required workforce to offer a higher level of services to clients. To attract and retain talents is a challenge for financial institutions, as young talents have other ambitions and expectations than previous generations – such as job meaningfulness, work-life balance and sustainability (Ernst & Young, 2020) –, and that competition is becoming more intense. The attractiveness of banks on the labor market has decreased in past years, which makes it difficult for banks to recruit talents (Ernst & Young, 2020). Traditional banks should find ways to become an employer of choice to attract outstanding talents: be more customer-centric, open to new ideas and more tech-savvy. But most importantly, to be able to retain them (Ernst & Young, 2017).

According to EY, “finding, hiring and retaining staff with the right skills and mindset makes up the first battle of the talent war (Ernst & Young, 2016).” Nowadays, 85% of the banks estimates that talent recruitment will become difficult in the future (Ernst & Young, 2020). Thus, banks should reinforce their culture to become the employer of choice. They need to implement programs that inspire collaborative behavior, reinforce entrepreneurial value and drive new ideas. By inspiring its employees, a bank might have more chance



to attract the talents needed (Ernst & Young, 2016). By developing their HR approach – succession planning, recruiting and performance & reward management – HR departments need to be more connected to the business to understand the competencies needed and the skills gaps to succeed in recruiting. Regarding existing staff, 67% of business leaders have the intention to reskill their current employees (Ernst & Young, 2017). In the EY Banking Barometer 2020, the “investments in further education and training” ranked 6<sup>th</sup> over 21 subjects, which makes it an important topic to take into consideration in the strategy (Ernst & Young, 2020).

Digitalization and new technologies bring up professional profiles with a new skill set. The staff also needs the right skills and mindset to succeed in the ever-changing world. They will need to develop interpersonal skills to be able to treat complex tasks, and to be innovative to find ideas to create new products for customers. Traditional skills in operational efficiency will become less valuable than technical skills around the design of customer experience (Ernst & Young, 2017).

The future skills for the digital age will include strong social skills. Strategic thinking skills, like relationship management, the willingness to innovate and problem-solving will be essential. Leadership & decision-making, entrepreneurial skills, emotional intelligence, and creative thinking will be in high demand. Collaboration across all divisions will be fundamental (Ernst & Young, 2017).

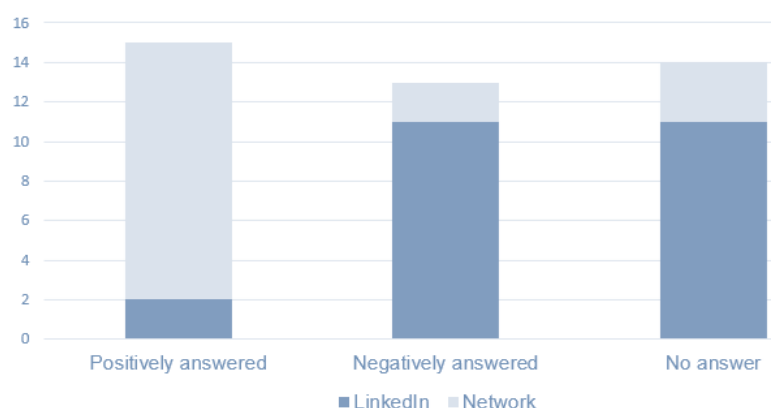
Technological skills will be less valuable for client facing employees, but still important as new technologies will highly transform banking. Digital IQ – digital skills and experience with the cloud - will be asked to finance talents (Ernst & Young, 2017).



### 3.2.2 Personal findings

42 demands of interviews were sent to develop the personal findings. 15 positive answers were received and led to successful qualitative interviews<sup>28</sup>. These interviews have been performed with managers handling between 5 to 1'800 employees<sup>29</sup> of different banks and diverse client segmentations. Interviewing people from various background and level of hierarchy helped gather more accurate data and information. The more wide-ranging the research method is, more precise yet broaden findings can be obtained. Quotes from the interviews are included throughout the findings in the next pages. Due to COVID-19, one interview was conducted face to face, while others were conducted by telephone or videoconference.

**Figure 21: Number of people contacted for an interview**

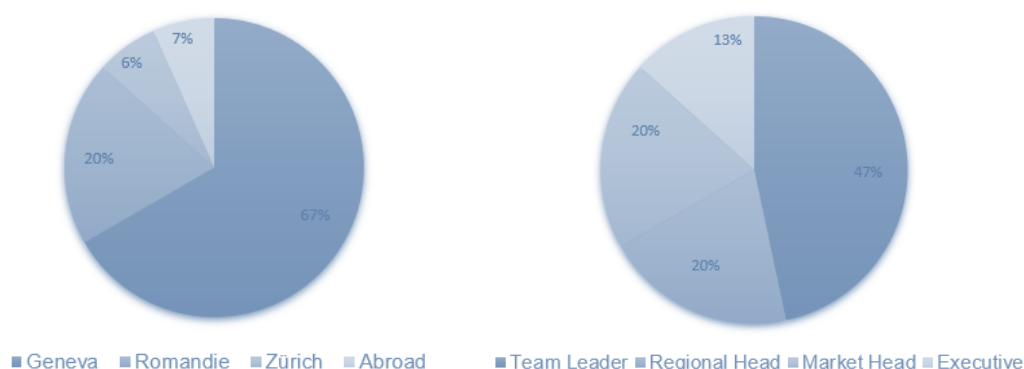


The interviews were conducted mostly in Switzerland (93%), with people based in Geneva, followed by the rest of Romandie, Zürich, and one person from overseas. Closed to half of the interviewees were Team Leaders, and the other half comprises Market Heads, Regional Heads and Executives.

<sup>28</sup> Where needed, translations were made by the author from French/German to English.

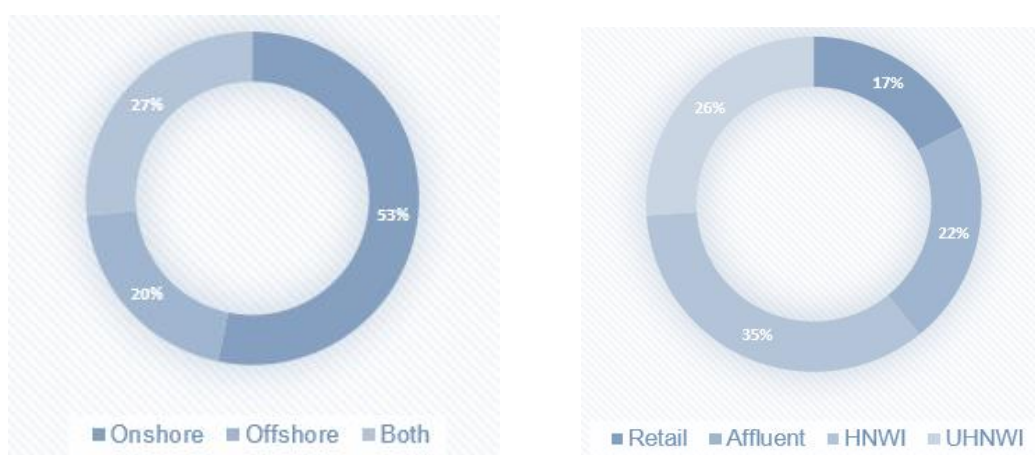
<sup>29</sup> Interview Guide available under appendix 12, data available under appendixes 13-17

**Figure 22: Location and job roles of interviewees**



These managers are taking care exclusively of onshore clients for 53%, offshore clients for 20%<sup>30</sup> and both onshore and offshore clients for 27%. Their clientele varies from retail to UHNWI, with a highest proportion of HNWI. Some banks do not have such segmentations and some managers interviewed, such as Region Heads and Executives, manage several types of segmentation. Thus, more than one client segmentation per person was sometimes given.

**Figure 23: Type of clientele and client segmentations**



Answers to the questionnaire will be divided into three sub-chapters: Stock Exchange Banks – including ex-Private Banks –, Other Banks – including Cantonal and Raiffeisen Banks –, and Universal Banks.

<sup>30</sup> Onshore = clients based in Switzerland, Offshore = clients based outside of Switzerland

### 3.2.2.1 According to Stock Exchange Banks (SEB)

For the four interviewed people in this section, banking in the future will face strong competition and a high regulatory pressure, leading to a pressure on margin, which is in contradiction with the services offered to clients. For a Romandie Desk Team Leader (TL) based in Geneva, “the capacity to give meaning to events occurring will make the difference”. Another SEB manager based in Geneva shares the same point of view:

*“Bankers will need to filter data for clients. Too much data exists, and we will need to know what data will drive the movement over the long term and share it with our clients.”*  
(TL France, 2020)

For a former France & Cross-Border TL also based in Geneva, banking will not change much in the next five years as it is a “people business”, but there will be much less banks. The Chief Executive Officer (CEO) of a SEB is asking herself how banking will evolve in the future. She believes that banks will be highly exposed to technologies and need to remain highly attractive to the new generation.

*“We have to be adaptive and tech-oriented, but at the same time keep security means. I believe that the key thing will be the proximity. We have to stay close to the people, whatever the means are.”*  
(CEO Israel, 2020)

For the question “are employees’ skill gaps a barrier to new technologies”, different answers arose. In addition to employees, barriers can also come from costs and clients. Banks should invest in such technologies in the right way: by being agile and highly secure. Employees and clients are not always keen on novelties and the bank should show them how to use them as people are not always familiar with and do not know how to integrate these emerging technologies. Half of the respondents noticed that even though banks must invest in new technologies, not all institutions can afford such costs. “If the bank has the capability to invest and develop tools that are expensive, it will need to train its employees”, says the France TL.

Regarding upskilling employees, 100% of respondents stated that employees receive trainings: lectures, workshops, internal trainings. Some of them are mandatory, and other courses are free of choice for staff so they can learn new topics. If an employee wants to develop, support will be given and highly encouraged to do so. Training should remain within specific fields related to the job. The time needed to reskill employees vary on the people but is quite fast. Some are keen on IT and learn faster, others need more time to get used to new technologies. Usually the reskilling is done on the job.

*“When you love something, you learn it faster than other people. Everybody has a path and that is something that must be respected. For that I am highly in favor of mentoring both ways.”*  
(CEO Israel, 2020)

Most of the interviewees of SEB believe in balance in their teams with both existing employees and new joiners. The former France & Cross-Border TL however, would choose to reskill existing employees if they are open to change because they already know the internal processes and are less costly than hiring new people.

Retaining the new generations is a challenge for every bank. Most of SEB organize events for the next generations to get to know them and to make them acquainted with the bank. Even though SEB managers take care of UHNWI clientele that have several bank relationships, proximity is particularly important. One needs to remain close to the client and all members of the family.

*“If at the time your client passes away you do not know the children, you have extremely high chances to lose the relation. Because as people inherit much later, they already did their life and have relationships in other banks. It is key to know the family to keep the client relationship at the bank.” (TL Romandie, 2020)*

The top skills a client facing employee should have in the future to succeed in collaborating with new technologies and to retain existing and attract new clients are human skills. TL Romandie and TL France made two similar choices: Emotional Intelligence (EI) and complex information processing and resolving. Their other choices are networking, team spirit, open for change and negotiation skills for TL Romandie, and integrity, trust and stress tolerance & self-control for TL France. The former France & Cross-Border TL awaits his employees to have more interpersonal competences & empathy, cooperation & collaboration and be service oriented. People should also be flexible & adaptive, and open-minded. Two skills that the overseas CEO shares. In addition, she awaits employees to be self-driven and creative. But most importantly her employees must be positive in such a “super hard” market environment.

**Figure 24: Emerging Skills for Stock Exchange Bank Managers**

Emotional Intelligence	Complex information processing and resolving	Flexibility and Adaptability	Creative	Positive	Self-Driven
			Interpersonal competences & empathy	Service Orientation	Stress Tolerance & Self-control
			Cooperation & Collaboration	Team Spirit	Open for Change
Active Listening	Integrity	Open-Minded			Negotiation skills

### 3.2.2.2 According to Other Banks (OB)

The three interviewees working at OB see banking evolving in the future: a Market Head from Geneva sees it more automated, with smaller offices but more efficient, and with dynamic teams and high skilled people. A Regional Head in Wallis believes that banks will develop technologies for client, as they developed technologies in the past 20 years for internal processes; and that client segmentation will change. A member of the Executive Board (ExB), which is also the Head of the Private Banking of an OB estimates that banking will change even more rapidly than before and that non-financial players such as technological services and FinTech will increase the competition on the financial market.

*“Digitalization will have a huge impact with the value proposition of the bank, the cost of banking services and how we will contact clients. It will also depend on the client behavior. Advisors that will be able to explain complex information to clients will still have an important role to play by bringing added value.” (ExB, 2020)*

For two OB managers, clients will dictate the pace of the implementation of new technologies. Clients need to be reassured and are not ready to deal with a robot yet. There is not one type of client or one type of employee and everybody reacts differently and has some difficulties to adapt. For the manager in Wallis, employees are indeed a barrier to new technologies. As clients, they are open for new technologies, but only when they know how to use it.

*“When it starts to be more complex, people do not necessary master. And people like to use technology they master. The most important for a bank is to train its people, teach them the techniques to use online channels”.*

*(Regional Head Wallis, 2020)*

When discussing about education, the three managers believe education is important and should be both done internally and by the employee itself. They also try to improve the level of awareness of employees about digitalization. If no trainings are available internally, they will look for external trainings through partnerships.

*“For me education is key. Continuous learning should be done, and the employees should demonstrate they want to learn. It is all about the employee and his/her motivation.”*

*(Market Head Geneva, 2020)*

In any case, the three OB managers will support their employees if they want to get further education. “If we have people of good quality, we should not stop them to get educated. That is the worst thing to do.”, stated the Wallis Regional Head. Still, for the ExB, the new education should be linked to the job.

While the Geneva Market Head believes that education is a lifelong learning and that there is no such time needed to be reskilled, the ExB does not exactly know how long the reskilling phase might take, but it could take several months or even years to adapt to new technologies. Finally, the Regional Head thinks it takes between 6 to 12 months to really master a new technology. This duration can shift depending on people, their motivation, as well as their capacity and ability to learn.

At the questions of hiring new employee or train existing ones, the trio would favor having both external and internal employees. New joiners would accelerate the change, with a new mentality and new skills and can help develop the team with feedback, while existing employees know the bank and the systems. In Wallis diversity is important and it is key to work with “people in all areas of experience.” For the Geneva Market Head, it is important to give the chance to new generations, even though more highly skilled people might remain longer.

*“Sometimes you ask yourself if you want to hire someone younger internally that can be trained, but leaves after 4 years to discover something else; or hire someone external that already knows the job, is highly skilled, and will stay longer.”*

*(Market Head Geneva, 2020)*

OB managers have different views on how to tackle the new generation challenge. For the Geneva Market Head, active referencing is incredibly important to acquire new clients as well as providing high value-added advice or wealth transfer possibilities to the children and gain their trust. For the Wallis Regional Head, clients will make the choice by whom they want to be managed, and if the bank treats them well and in a respectful manner, clients will stay. Client facing employees will not be able to succeed if the bank does not provide the right channels.

*“The bank will have to adapt to the clients’ choices and follow them. It is not the client that will adapt. Either the bank is ready to adapt to all generations and follow clients with the right canal, the right knowledge and the right offer, or the client will go somewhere else.”*

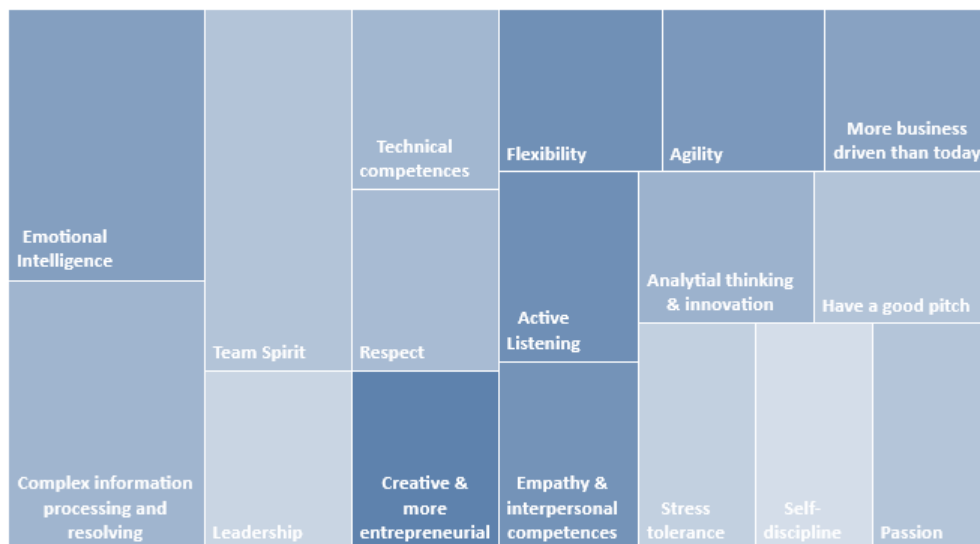
*(Regional Head Wallis, 2020)*

For the ExB, one should not underestimate the client’s needs. People still need human intervention for important steps in life such as buying a house. The bank and the client facing employees should get in touch immediately with the new generation to understand their present and future needs. However, such step is difficult as clients themselves do not know yet what their future desires will be.

Regarding the top skills required to succeed in collaborating with new technologies and to retain existing and attract new clients, the trio have different expectations. While the

Market Head and the Regional Head have both selected emotional intelligence and team spirit, the ExB has one skill in common with the Market Head: complex information processing & resolving. The four other skills selected by the ExB are creativity & being more entrepreneurial, flexibility, agility and more business driven than today. The Regional Head is more focused on respect, technical competences, such as basic digital skills, and leadership. “Everything is condensed within Emotional Intelligence: feel what the client needs, having a real interest in the client.” According to the Geneva Market Head, there are many more than five skills an employee should have. He should be an active listener, be empathic and having interpersonal skills, being self-disciplined and highly passionate by his work. Being stress tolerant, an analytical thinker & innovator, and have a good pitch are additional skills important for the Market Head in Geneva.

**Figure 25: Emerging Skills for Other Banks' Managers**



### 3.2.2.3 According to Universal Banks (UB)

Eight interviewees are part of universal banks and see the banking sector evolving differently in the future. While a former France/Monaco TL believes there will be no big difference in the next five years, with more multichannel but no evolution of the fundamentals; an Affluent TL1 believes that the bank will become more specialized and that “human interactions will clearly make the difference”. A Geneva Market Head (MH) believes that there will be lots of change in terms of competences, where people will need to “focus more on their skills and the relationship with clients.” The Romandie Regional Head (RH) estimates digital changes, change in clients’ habits and the emergence of new actors.

*“Digital offers will be needed, and the skills of employees will change. But most importantly is that the pace of change will be dictated by the clients and not by banks. Sometimes banks go too fast and it does not work”*

*(Regional Head Romandie, 2020)*

The four other interviewees see diverse changes: a bank independent to an office; a huge change in terms of usage of banking and personalization; new tools thanks to new technologies to support and complement advisors; a potential new kind of segmentation might arise; and a change in the bank-client interaction, with standardized services and a “supermarket of the financial sector” says the Zürich MH.

*“Interactions will be very much digital, which will drive pricing down, especially for commoditization of services. But for higher services and people with more than CHF 3mio, the banking industry will change very much into more personalized interactions.”*

*(UHNWI Regional Head, 2020)*

Regarding the question about employees’ skills gap, while the former France/Monaco TL, the UHNWI RH and the Geneva MH think that it is more about client skills gap, an Affluent TL view is that IT costs are enormous but that banks have no choice than to develop. For three of them, the issue comes from IT that creates new applications that are not user-friendly, and information on how to use them is not always explained well enough.

*“I do not think that it is about people not skilled enough. Because when you show employees the utility of new programs, they adapt and use them. What needs to be improved is how the information goes down from the IT to the advisor.”*

*(Affluent Team Leader 1, 2020)*



The former France/Monaco TL supports this statement: “I do not think it is an employee skills gap but more the fact that IT creates apps which are not user-friendly.” The Romandie RH’s thoughts go in a similar direction: “the key is to function, as a bank, as a facilitator and provide people in need with trainings and platforms to permit them to integrate new technologies step by step.”

For another manager, the answer to this question has two sides:

*“We have to distinguish between ability and willingness. Some employees are struggling to learn new technologies quickly (ability); and there is also a certain resistance to the introduction of new apps, which delays the whole process (willingness). But with every new technology, this resistance disappears, as one becomes more and more accustomed to the new world.”*

*(Market Head Zürich, 2020)*

For the Affluent TL2, the demand for digitalization is growing and banks need to work on it. The skills gap depends on the employee, the generation and how staff adopts the new technologies in the execution of the daily work. A former Executive & Entrepreneur (E&E) TL believes that the challenge of the future is to be able to analyze the information and take the right decision, or help clients to take the right decision.

The majority of the interviewees believes that both the bank and the employees should be responsible for training. While banks make available a vast online training offer, as well as internal workshops, staff should take the initiative to develop themselves. People need to be passionate and motivated to constantly learn and stay up to date. “The thing is that you need time to do that on top of the mandatory learnings” declares a former France/Monaco TL. A former E&E TL believes that education is personal and that “the role of the employer is to give access to trainings for the one who wants to be trained.”

Most managers would support employees to develop themselves if there is a business need or the budget for it. “When the interest is on both sides, there is no intention not to do it”, affirms the Affluent TL1.

*“The promotion and support of employees in their development is one of the key topics in leadership, which are regularly discussed. And corresponding measures are defined.”*

*(Market Head Zürich, 2020)*

For the Romandie RH, the goal is to train his staff internally with the functionalities developed in the past years and is open to look, case by case, for external trainings if needed. The UHNWI RH will clearly support younger people but believes that when someone reaches a certain level in his carrier “it is his duty to keep himself up to date.”

The time to reskill people differ from managers to managers. While two of them believes it is an ongoing process, one thinks it takes more than 12 months to get adapted to new technologies. The five others are in between the two.

*“For me it takes a few days to understand it and less than 6 months to figure out the whole picture. But you need to practice to understand these tools. Then between 6-12 months to know it well and being full up to speed.”*

*(TL France/Monaco, 2020)*

For the Affluent TL1, people use new technologies better when they learn by themselves and find it useful. In the contrary it takes more time. For the UHNWI RH, it might take up to 8-12 months to really know the entire process when focusing on the technological part.

*“The more we move forward, the easier it is for people to adapt as it becomes part of what people know. For some, it takes one day to test and adopt the new apps and for others it is more complex. But it does not take more than a few months to get adapted.”*

*(Regional Head Romandie, 2020)*

Regarding questions eight and nine of the questionnaire on hiring versus reskilling, two interviewees believe that if one hires externally and switches people too often, one will lose the clients' trust. Those two managers would rather train existing employees than hiring new joiners. Three additional managers would rather train existing employees because they know the bank, the processes and have the culture on how to do business. “I prefer hiring employees from other departments and offer them the possibility to acquire new skills in the new function”, declares Affluent TL1. Two other managers believe that a mix of both internal and external employees is the recipe of success. Diversity is important by having different people profiles and perspectives. For the Geneva MH, skills do not make her choose to hire internally or externally:

*“For me, it is not about skills because you can acquire them. It is more a matter of attitude. If you have employees with skills that fit the new environment but do not have the right mindset to adapt to change, I do not think it is the right employee. Thus, I would rather hire an external employee with the right mindset.”*

*(Market Head Geneva, 2020)*

The first opinion about the challenge of the next generation (NextGen), comes from a Regional Head.

*“The client wants to see which platform is the most user-friendly, what are the products performing the best and what is the cheapest way to get there. If the bank has difficulties to identify future needs, it is true that it can be a challenge. People will come to banks for bespoke type of solutions. For commodity utility services, they will go to FinTech. The advisor should master the utility type of technology to support the client and solve any type of technological issue related to that.”*

*(UHNWI Regional Head, 2020)*

On that subject, the Affluent TL1 and the Geneva MH have both the same point of view: knowing the new generation and the client's family are key. The Geneva MH adds that the reputation of the bank will be important as well. The E&E TL believes in a less frequent but of best quality advice:

*“For basic tasks, FinTech are perfect. However, if I make a larger step in my life (i.e. divorce, acquiring a house, etc.), I need to see someone who understands my needs and who will be able to help me. It is not about FinTech or Universal Banks, it is about FinTech and Universal Banks. You need both.”* *(E&E TL, 2020)*

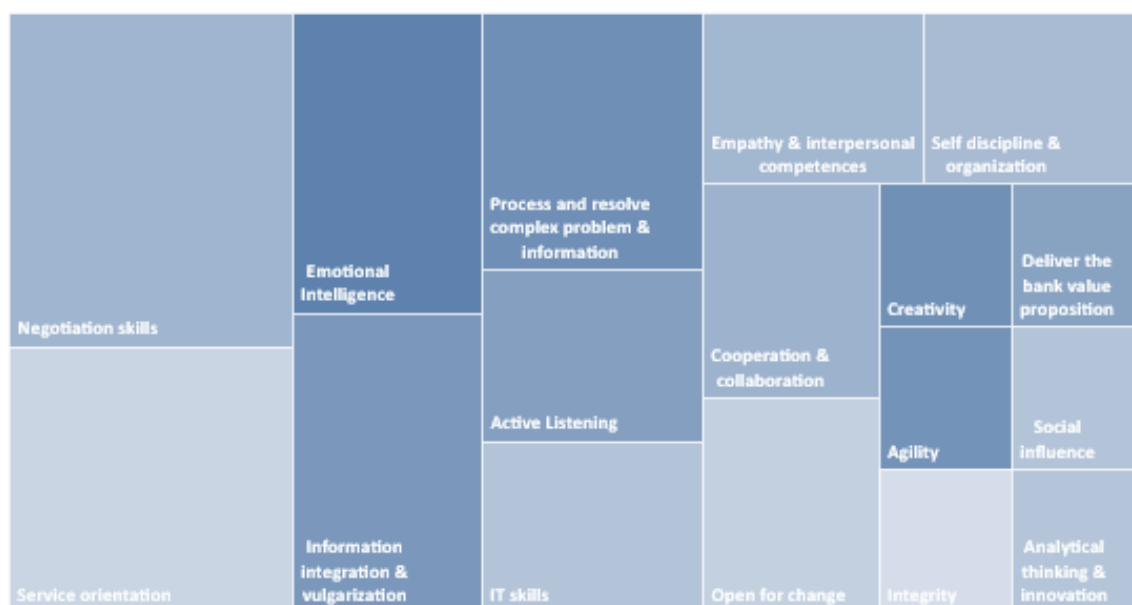
According to the Zürich MH, “millennials do not have a high level of loyalty to banks.” Thus, the bank offering will be decisive. The marketing budget should also need to be larger for this segment. Zürich MH to add: “by now we are still advertising for traditional HNWI, but this picture has already changed.” The Affluent TL2 says that “the client thinks of maximizing his benefits. So, a bank who listen to customers' needs will have the advantage.” The France/Monaco TL asserts that some issues are against his control.

*“Sometimes, you are not able to keep them (i.e. NextGen) because they live in places that your market cannot cover, they have different needs that you cannot cover, or they have pricing expectations that are well below the cost of being served by your bank.”* *(TL France/Monaco, 2020)*

In the contrary, the Romandie RH does not have the challenge to “offer a nice value proposition and to find the required workforce. But of course, there is competition.”

The top skills a client facing employee should have to succeed in collaborating with new technologies can be found on the figure below.

**Figure 26: Emerging Skills for Universal Bank Managers**



Unlike Stock Exchange Banks and Other Banks managers, universal banks managers did not select Emotional Intelligence as their most important skills - but is still in the top skills. For them, negotiation skills are the key of success.

*The rapidity to negotiate with a client is key and an advisor should have the autonomy to do it. The advisor must be able to take responsibilities. It is also a matter of trust from the top to the bottom, and vice-versa."*

*(Regional Head Romandie, 2020)*

Being service oriented, able to integrate a lot of information and then provide advice to the client in a simple and comprehensive way are of utmost importance in Universal Banks. Resolving and processing complex problems and information is more and more demanded for the future as the new environment is becoming more complex.

## 4. Discussion and Interpretation of the Findings

### 4.1 Summary of important findings

Clients are evolving with emerging technologies and are more hybrid than in the past. Clients behavior and needs change as well. They save much later and have different expectations regarding their life than previous generations. Clients also await banking applications to work as easy as other services they use daily, such as ordering food or make shopping online. Following this change of behavior, client segmentation must be adapted for clients to be served adequately.

With cheaper products and services, FinTech and Techfin will certainly offer more interesting basic products than traditional banks. Clients are indeed interested in putting part of their wealth in lower fees services. For bespoke strategies and advanced advice for key life-events, findings have shown that traditional banks, with trusted bankers, will remain of paramount importance. Clients need to have trust in someone and get in touch with him for important steps in life, such as estate planning, real estate, and tax advisory.

With continuous evolution of digitalization and the appearance of emerging technologies, the workforce needs to adapt. Employees will need to adapt using new technologies and get accustomed to them, as well as changing their way of working and getting in touch with clients. Employees need to be upskilled to succeed in a more digitized world.

Upskilling is a challenge for all banks. Despite some banks do not have implemented upskilling programs yet, the one that have found remarkable result in terms of retention, performance, and closing skills gap. Managers around the world share their concern about finding the talents needed for tomorrow, if upskilling or reskilling programs are not put in place on time or sufficient. They also share their fear about a probable workforce shortage.

Despite the difficulties to know at present what required skills would be needed in the future, the findings throughout this report helped gather specific skills that would be required for client facing employees to succeed in this ever-changing world. Those specific skills are summarized in the next chapter.

## 4.2 Summary of the future important skill set

The most important skills found in Chapter 3.2.1.1 about the WEF Report are the following:

**Table 2: Most important skill sets for CFE for WEF, in bold**

<b>Creativity, Originality &amp; Initiative</b>	<b>Leadership &amp; Social Influence</b>
<b>Analytical Thinking &amp; Innovation</b>	<b>Emotional Intelligence</b>
Active Learning & Learning Strategies	Systems Analysis & Evaluation
Technology Design & Programming	Reasoning, Problem Solving & Ideation
<b>Complex Problem-solving</b>	<b>Resilience, Stress Tolerance &amp; Flexibility</b>
<b>Critical Thinking &amp; Analysis</b>	

The results of the WEF Report are a mix of skills from twelve sectors, and not especially selected for FSII. Although the eleven skills are of importance in financial services, not all of them are related to client facing employees (CFE). Whereas Complex Problem-Solving, Stress Tolerance & Flexibility, Emotional Intelligence and Leadership & Social Influence would be of importance for these employees; Technology Design & Programming as well as Systems Analysis & Evaluation would be essential for IT roles, such as software and application developers or database professionals.

Creativity, Originality & Initiative are an important set of skills as one needs to take initiatives with clients, be autonomous and also to be original and creative in new ways of working or finding new applications that might be used by the bank and by the clients later on. Reasoning, Problem Solving and Ideation is also important as one needs to be aware of what new technologies provide and filter right and wrong information. Both set of skills might be found in the Analytical Thinking & Innovation skillset, where people are required to analyze information and be creative to develop new ideas to address work-related issues. Critical Thinking & Analysis joins the same group of skills. It is also important for client facing employees to have such skills as they need to use logic and identify positive and negative solutions. They also need to assess their own performance, the one of their peers and their company to make improvements.

The main skills appearing in *Chapter 3.2.1.2* about PwC Reports were:

**Table 3: Most important skills for CFE for PricewaterhouseCoopers**

Problem Solving	Leadership
Adaptability	Creativity and Innovation
Collaboration	Emotional Intelligence

The six skills enumerated above are of paramount importance for human advisors. Adaptability in an ever-changing environment is key, as well as critically interpreting new technologies decisions. The complex world people are growing in forces advisors to process and interpret clients' complex requests.

McKinsey & Company – Chapter 3.2.1.3 – defines the most important skills in the banking sector to be:

**Table 4: Most important skills for CFE for McKinsey & Company, in bold**

Tech design, engineering & maintenance	<b>Leadership &amp; managing others</b>
Scientific research & development	<b>Creativity</b>
<b>Complex information processing &amp; interpretation</b>	<b>Adaptability &amp; continuous learning</b>
Advanced IT skills & programming	<b>Critical thinking &amp; decision making</b>

As for the WEF skills, more advanced skills in IT and Technology design, engineering & maintenance are not required for client facing employees. Scientific research and development are important for the bank but not a prerequisite for an advisor. The skill set required by CFE in the future will be a mix of Creativity, Leadership, adaptability & continuous learning, added to critical thinking & decision making plus complex information processing & interpretation. Reasons for creativity, leadership and were already explained at the beginning of the chapter. Continuous learning will be key to remain up to date and get educated throughout one's life.

According to the Boston Consulting Group – Chapter 3.2.1.4 –, future needed skills will be:

**Table 5: Most important skills for CFE for Boston Consulting Group**

Analytics and digital capabilities	Leadership
Agility & adaptability	Service orientation
Collaboration	Active Listening
Continuous innovation & creativity	Interpersonal skills
Communication	Complex problem solving

Each of the above-mentioned skills is of importance in a daily CFE work. Basic analytics and digital capabilities will allow advisors to treat complex information and technologies more rapidly and would be able to explain the use of application to clients. Being adaptive and agile in the ever-evolving tech-world makes one positively open to change. Collaboration is key in complex banking organization. Being able to collaborate with different departments will provide advisors a swifter service to clients. Effective communication, self-confidence and respect are some of the interpersonal skills required to succeed as a CFE in the future.

Ernst & Young – Chapter 3.2.1.5 – future skills for the digital age include:

**Table 6: Most important skills for CFE for Ernst & Young**

Interpersonal skills	Innovation
Strategic thinking skills	Complex problem solving
Leadership & decision making	Entrepreneurial skills
Emotional intelligence	Creative thinking
Collaboration	Digital skills

Many skills come out to be similar to other findings in this report. Basic digital skills as for BCG are important to successfully deal with new technologies and be a fast adopter. People need to be familiar with technology to be efficient, grasp opportunities and become accustomed to new challenges. The entrepreneurial skill set includes teamwork,



communication, critical thinking, and networking skills (Indeed Guide, 2020). These stated skills are of importance for an advisor. Working in teams and not alone allows one to be more efficient. To work in teams, one needs to have strong communication skills to be successful. Networking is also essential for a CFE if the latter wants to make business and be performant.

In the personal findings – Chapter 3.2.2 –, the most important upcoming skills appear to be:

**Table 7: Most important skills for CFE for interviewees**

Complex problem solving	Emotional Intelligence
Active listening	Negotiation skills
Interpersonal skills & empathy	Cooperation & collaboration
Service orientation	Flexibility & adaptability
Creativity	

Nine skills were selected several times during the interviews. The most important skill turns out to be complex problem solving; followed by emotional intelligence, active listening, and negotiation skills. Emotional Intelligence (EI) is key in numerous findings and comprises concerns for others, social orientation, cooperation and social perceptiveness (WEF, 2018). EI regroups many different skills, from respect for others to empathy, by being aware of one's emotions and to manage interpersonal relationships. This skill is of paramount importance when dealing with clients.

Assembling the skills of each finding together, the two skills coming out the most are: Complex-Problem Solving and Creativity – selected by all of them (6); followed by Leadership – selected five times –; and Emotional intelligence, Collaboration, Innovation, and Adaptability – selected four times. Interpersonal skills and empathy were selected three times. It is interesting to note that the two most selected skills are higher cognitive skills, followed by social and emotional skills.

## 5. Recommendations

To survive in this new digital environment and to be successful, traditional banks must be aware of disruption. Roles will disappear, other will change, and new ones will emerge. In order to remain competitive, traditional banks need the appropriate workforce to deal with new technologies and clients. Not only by hiring new employees, banks should put in place appropriate programs to start upskilling and reskilling their staff. In this ever-changing environment, it is important for staff to have the appropriate skills at the needed time. Furthermore, with the ever-increasing number of technologies, it will be important to develop human and social skills for the human advisor when dealing with clients.

Upskilling programs lead to a stronger employee engagement and to a solid culture to sustain change, which will lead to higher performance and growth. A bank that has good development programs for its workforce will improve talent acquisition and retention as staff may favor these advantages over salary. Banks need a good corporate culture and values that fit the new generation of employees: sustainability, work-life balance, and a meaningful job. Traditional banks should find ways to become an employer of choice to attract outstanding talents by being more customer focused and opened to innovation and new ideas. Despite higher job rotation going forward, it is absolutely necessary for banks to prepare their staff for the future and have upskilling programs in place.

It also remains the duty of the client facing employee to carry on his ongoing development in order to remain employable over the long term. It is a lifelong learning duty. And they have everything at hand: internal trainings, online courses, specialized institutions for banking and finance such as CYP or ISFB<sup>31</sup>, and broader programs offered by universities around the world. Banks support the development of employees and are ready to participate in the training, by financing all or part of it and giving time to the employees.

Banks and client facing employees should:

- **Identify** which skills will be needed in the future. The main needed skills identified in this paper are available under chapter 4.2.
- Include initiatives in the **strategy** to close skill gaps. It will take several strategy cycles to close them all.

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<sup>31</sup> Center for Young Professionals and Institute for Students in Finance & Banking

- Take a **mixed approach** of hiring and reskilling. The most important is to get the right skills at the right time in the workplace.
- **Prioritize.** This will be essential as it will not be possible to close all the gaps at the same time. Which employee need reskilling first, how, with which option?
- **Develop** training programs internally or in partnerships with others. It will support employees to learn new skills and apply them in their daily job. Employees can train each other as well: long standing employees mentoring younger talents, and younger employees mentoring older ones.

Human Resources, in its recruitment process, should consider the new skill set required. It might be more important going forward to rely on the future employee's human and social capabilities rather than on education and high experience only.

Another idea more focusing on the client side would be to rethink the traditional client segmentation. A broad online offering exists for basic services. FinTech and Tech-Fin are newcomers penetrating the market and increase their market share as they are able to offer the same services even better and cheaper. For clients that require no particular support and have no special demands, robo-advisors and other technologies will be the perfect fit, while human advisors will remain available in case of emerging demands a machine cannot answer. Traditional banks should focus on specific offerings for particular needs, such as real estate, estate planning, specific finance and tax advisory services.

Either clients could be segmented by channels they want to use - online, face-to-face, e-mail, chat - or by needs. Even clients with low wealth might be willing to pay for advice if it responds to their demand. Wealthier clients expect high-quality services level, including excellent personnel advisors that are available any time. This type of change in segmentation could be implemented first to retail and affluent clients. In case of success, the model could be implemented further throughout the bank.

This research paper is limited to the current knowledge recognizing understanding that this subject will be undergoing significant changes going forward. Finding more recent data focusing on the banking sector, in particular on client facing employees, would have allowed to respond to the question more accurately. In addition, interviewing managers coming from FinTech as well as smaller banks would have been an asset to compare to the present results. Unfortunately, the finance industry is very reserved to disclose information, which has restricted the number of people who have accepted to be interviewed.

To further develop the topic, interviews of client facing employees would have allowed to obtain their direct insight. They have the best view to understand if clients are ready for the digital change, how their behavior has changed over time and how they may still change in the future. And to get their feedback on how they believe their work will evolve in the future. It would have been furthermore of interest to interview clients, to know what they are expecting from their banks and advisors; and understand if they would be ready to deal with FinTech, Techfin or robots to manage part or total of their wealth. Or if they would rather prefer being managed by a human, as well as their motivations for these changes. Do they care about the human contact or is it all about lower fees? To know client expectations is key for the bank now and in the future.

## 6. Conclusion

Since the beginning of the banking industry jobs have always changed. New technologies have enabled to create tools to do jobs better and faster and therefore cheaper. Robotics and artificial intelligence will change how we work, what we do and define which jobs will still be around in the future. Some people will see their jobs change more than others, depending on the tasks they perform. Certain jobs will disappear completely, and new jobs will emerge. Technological progress of these advanced technologies and the change they drive will go at different pace in each part of the world (OECD, 2020).

Clients, influenced by technologies in their daily lives, will somehow dictate the pace of the implementation of new technologies in the banking sector. Some will head to fully digitized and cheaper basic banking services whether provided by FinTech or traditional banks and still remain with human advisors for important steps in life, such as a company transfer, estate planning or buying a property. Others will want to remain with traditional banking services, ready to pay higher fees. When it comes to personal financial matters, people are not yet ready to let technology deal with their wealth, gained during their career thanks to hard work, without knowing who manages and how.

Banks need to adapt and remain agile in any situation. They need to have infrastructures that can adapt rapidly to new circumstances. It has been realized with the COVID-19 pandemic that firms and the workforce must be more tech-enabled to communicate with clients. Not only for those who had to work from home, but also for offshore relationship managers that were unable to travel. There was a strong need to keep communication with clients going, thanks to technology.

To remain competitive, banks will need to reinvent the customer experience, as younger generations are less loyal. They are also impatient and want banking to work like shopping: easy and fast. Offering a customized experience to a customer is key and banks will need to put the right content in front of the right client at the right time of his life-cycle based on his needs and preferences (Simon Kucher & Partners, 2019). It is also of paramount importance to get close to the client's family at an early stage to allow for a smooth transition and to retain clients successfully from one generation to the other.

Most importantly, banks will need to upskill their workforce. As clients' behavior is changing and banking is changing, employees must change too. The way of contacting the client, the way of doing business and the way of behaving with clients will change. Client facing employees need to be ready for this change by developing and learning new skills to remain up to date. Throughout this research paper, the skill set required to succeed as a human advisor in the new tech-world was defined. Human advisors will need human competencies to deal with clients and alongside machines. A human advisor develops a feel for the client by talking and listening to him, which greatly supports to maintain and develop an outstanding client-bank relationship. In addition to social and emotional skills such as Leadership and Emotional Intelligence, higher cognitive skills like Complex Problem-Solving and Creativity & Initiative will be key.

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## 8. Appendixes

### Appendix 1: Definitions

**Artificial Intelligence & Machine Learning:** Both jointly work towards “helping humans automate and optimize tasks performed manually (KPMG, 2019)”. AI is characterized as “a computer performing tasks associated with requiring human intelligence, while ML is the process of allowing computing systems to teach themselves to improve through repetition (KPMG, 2019)”.

**Biometrics:** “Biometrics and behavioral technologies, combined with real-time AI security profiling will be used to provide constant, real-time user identity validation, and advances behavioral profiling (KPMG, 2019)”. It will operate to deliver secure experiences to customers.

**Blockchain:** data structured into blocks, linked with each other, and then encrypted for security. It only allows to add data (no editing and removal of data) (KPMG, 2019).

**Cloud Computing:** it eliminates the problem of carrying hardware to execute tasks such as processing and managing data, as well as storing, because servers will be able to accomplish similar tasks over the internet. “This allows for users to perform highly complex and demanding tasks from almost any internet-enabled device (KPMG, 2019)”.

**Quantum Computing:** is the “ability to process and analyze vast amounts of data quickly and efficiently. It enables multiple computations to occur simultaneously (KPMG, 2019)”. It might be used to accelerate transaction speed and increase data security.

**FinTech:** or Financial Technologies, “refers to new technologically-enabled services that enable investors to handle investments activities without the need of human interaction (Ernst & Young, 2019)”.

**Neo-Bank:** fully digital structure that uses online platforms and applications to support their customers (Dobson, 2020).

**Techfin:** technology firm delivering financial products “as part of a broader offering of services (Marous, 2018)”.

## Appendix 2 : Article in Le Temps

# Credit Suisse fait des réserves pour affronter la crise

**PANDEMIC** La banque s'est engagée à ne pas licencier pendant la crise. Elle a constitué des provisions et pourrait en faire d'autres tant l'impact économique de la pandémie est difficile à évaluer

MATHILDE FARINE, ZÜRICH  
@MathildeFarine

Un peu plus d'un milliard de francs. C'est la réserve constituée par Credit Suisse pour faire face aux dégâts économiques de la pandémie. De ce montant, une provision de 585 millions devra couvrir d'éventuelles pertes de crédit et une autre de

444 millions est consacrée aux activités de banque d'affaires. La banque en fera peut-être d'autres au cours des prochains mois tant l'ampleur de la crise économique est difficile à évaluer, reconnaît-elle dans un communiqué publié jeudi et détaillant ses résultats de janvier à mars. Pour l'instant, elle s'est félicitée d'une performance «robuste» au cours d'un premier trimestre «très difficile» par rapport à la même période l'an dernier et marqué par la «dislocation du marché». La deuxième banque suisse a enregistré un bénéfice net en hausse de 75% à 1,3 milliard pour le premier tri-

mestre, une performance gonflée par la vente de la plateforme de fonds InvestLab à l'espagnol Allfunds Group et un impôt «négatif». Deux facteurs qui ont permis à l'établissement de faire mieux que ce que prédisaient les analystes. La gestion de fortune, la banque suisse et les activités sur les marchés financiers ont tiré les résultats, contrairement à la banque d'affaires.

La crise a déjà laissé quelques traces sur l'établissement, qui a changé de patron en urgence en février dernier. Thomas Gottstein remplaçant Tidiane Thiam. Si l'afflux de capitaux s'est monté à

5,8 milliards, les actifs sous gestion ont diminué de 100 milliards, à 1400 milliards, la faute à la chute des bourses et à l'évolution des devises. Les responsables de la

banque ont également décidé de renoncer à 20% de leur salaire pendant six mois. Des montants qui nourriront un programme d'aide auxquels les employés sont également invités à participer.

Credit Suisse n'exclut pas des mesures d'économies, mais son patron s'est engagé à ne pas licencier pendant la crise. Question de «principe», a affirmé Thomas Gottstein, tout en admettant qu'il ne sait pas combien de temps cette ligne pourra être tenue, a rapporté l'agence de nouvelles économiques AWP.

Pour Maria Rivas, analyste spécialisée dans les institutions finan-

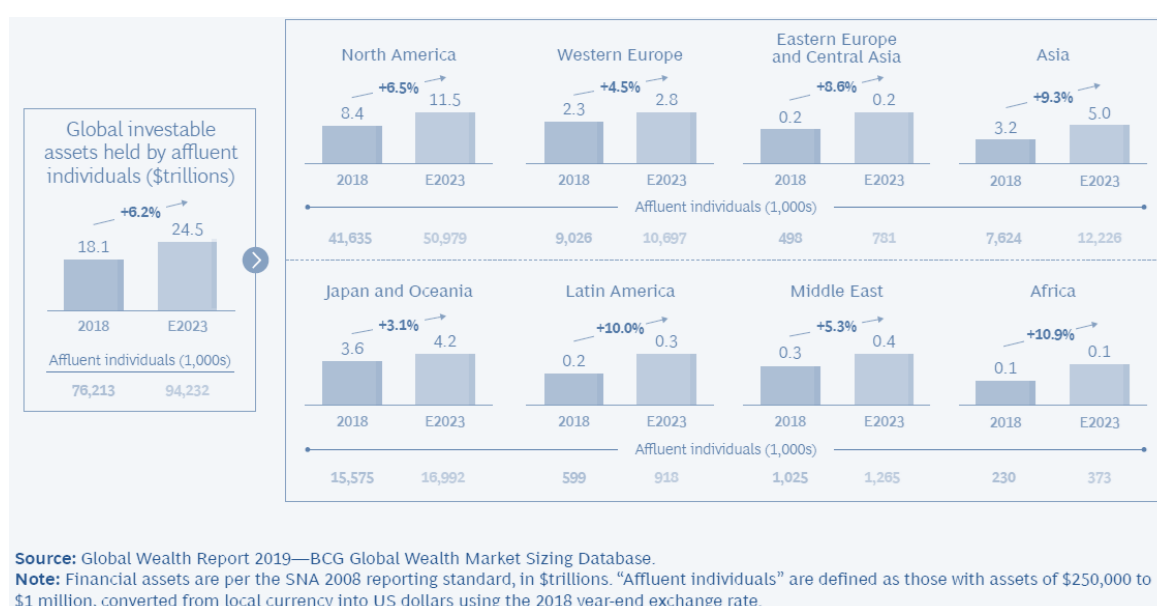
cières à l'agence de notation DBRS Morningstar, l'importance de la gestion de fortune, de même que la position financière et de liquidité solide de la banque, la met en bonne position, même si, «clairement, elle va être affectée par un plus important taux de défaut des crédits».

La banque, dont 90% des effectifs (près de 50 000 employés) travaillent à domicile, a également donné des informations sur les prêts-réels qu'elle octroie, conformément au plan d'urgence décidé par le Conseil fédéral. Elle en a fourni 14 000 pour un montant total de 2,4 milliards. ■

### -100

Au premier trimestre, les actifs sous gestion ont diminué de 100 milliards, à 1400 milliards, la faute à la chute des bourses et à l'évolution des devises.

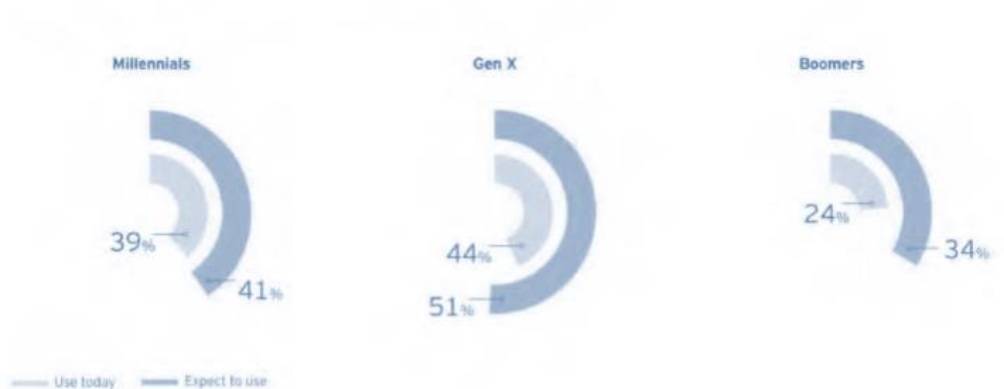
## Appendix 3: The Affluent growth between 2018 and 2023 by region (BCG, 2019, p.11)



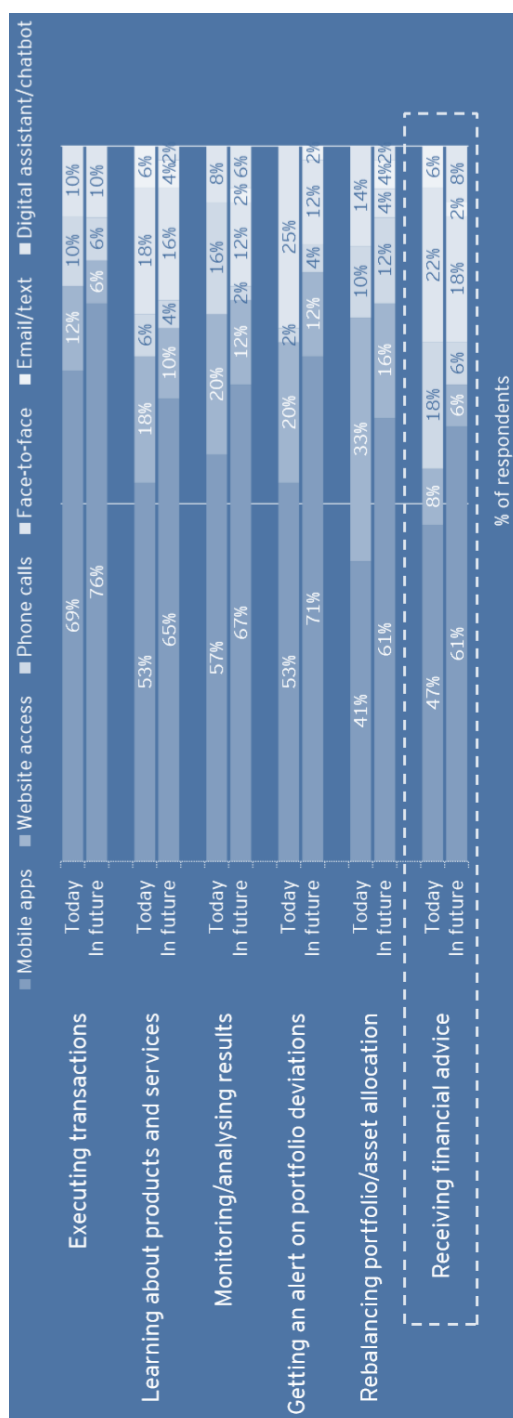


## Appendix 4: Use of FinTech by Generations (EY, 2019, p.10)

Clients using FinTech providers today and in the next three years



## Appendix 5: Client channel preferences for wealth management activities (EY, 2019, p.21)



## Appendix 6: The 69 WEF Skills (WEF, 2018, p.29-30)

Competency bundle	Competencies, O*NET	Description
Active learning and learning strategies	Active Learning	Understanding the Implications of new information for both current and future problem-solving and decision-making.
	Learning Strategies	Selecting and using training/Instructional methods and procedures appropriate for the situation when learning or teaching new things.
Reading, writing, math, active listening	Active Listening	Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
	Mathematics	Using mathematics to solve problems.
	Reading Comprehension	Understanding written sentences and paragraphs in work related documents.
	Science	Using scientific rules and methods to solve problems.
	Speaking	Talking to others to convey information effectively.
	Writing	Communicating effectively in writing as appropriate for the needs of the audience.
Analytical thinking and innovation	Analytical Thinking	Job requires analyzing information and using logic to address work-related issues and problems.
	Innovation	Job requires creativity and alternative thinking to develop new ideas for and answers to work-related problems.
Attention to detail, trustworthiness	Attention to Detail	Job requires being careful about detail and thorough in completing work tasks.
	Dependability	Job requires being reliable, responsible, and dependable, and fulfilling obligations.
	Integrity	Job requires being honest and ethical.
Complex problem-solving	Complex Problem-Solving	Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.
Coordination and time management	Time Management	Managing one's own time and the time of others.
	Coordination	Adjusting actions in relation to others' actions.
Creativity, originality and initiative	Initiative	Job requires a willingness to take on responsibilities and challenges.
	Creativity	Workers on this job try out their own ideas.
	Responsibility	Workers on this job make decisions on their own.
	Autonomy	Workers on this job plan their work with little supervision.
	Originality	The ability to come up with unusual or clever ideas about a given topic or situation, or to develop creative ways to solve a problem.
Critical thinking and analysis	Critical Thinking	Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.
	Monitoring	Monitoring/assessing performance of yourself, other individuals, or organizations to make improvements or take corrective action.
Emotional intelligence	Concern for Others	Job requires being sensitive to others' needs and feelings and being understanding and helpful on the job.
	Cooperation	Job requires being pleasant with others on the job and displaying a good-natured, cooperative attitude.
	Social Orientation	Job requires preferring to work with others rather than alone, and being personally connected with others on the job.
	Social Perceptiveness	Being aware of others' reactions and understanding why they react as they do.
Instruction, mentoring and teaching	Instructing	Teaching others how to do something.
	Training and Teaching Others	Identifying the educational needs of others, developing formal educational or training programs or classes, and teaching or instructing others.
Leadership and social influence	Leadership	Job requires a willingness to lead, take charge, and offer opinions and direction.
	Social Influence	Job requires having an impact on others in the organization, and displaying energy and leadership.
Management of financial, material resources	Management of Financial Resources	Determining how money will be spent to get the work done, and accounting for these expenditures.
	Management of Material Resources	Obtaining and seeing to the appropriate use of equipment, facilities, and materials needed to do certain work.
Management of personnel	Management of Personnel Resources	Motivating, developing, and directing people as they work, identifying the best people for the job.

(Continued on next page)

Competency bundle	Competencies, O*NET	Description
Manual dexterity, endurance and precision	Endurance	The ability to exert oneself physically over long periods without getting out of breath.
	Flexibility, Balance, and Coordination	Abilities related to the control of gross body movements.
	Physical Strength Abilities	Abilities related to the capacity to exert force.
	Control Movement Abilities	Abilities related to the control and manipulation of objects in time and space.
	Fine Manipulative Abilities	Abilities related to the manipulation of objects.
	Reaction Time and Speed Abilities	Abilities related to speed of manipulation of objects.
Memory, verbal, auditory and spatial abilities	Attentiveness	Abilities related to application of attention.
	Memory	Abilities related to the recall of available information.
	Perceptual Abilities	Abilities related to the acquisition and organization of visual information.
	Spatial Abilities	Abilities related to the manipulation and organization of spatial information.
	Verbal Abilities	Abilities that influence the acquisition and application of verbal information in problem-solving.
Persuasion and negotiation	Negotiation	Bringing others together and trying to reconcile differences.
	Persuasion	Persuading others to change their minds or behavior.
Quality control and safety awareness	Quality Control Analysis	Conducting tests and inspections of products, services, or processes to evaluate quality or performance.
Reasoning, problem solving and ideation	Idea Generation and Reasoning Abilities	Abilities that influence the application and manipulation of information in problem-solving.
	Quantitative Abilities	Abilities that influence the solution of problems involving mathematical relationships.
Resilience, stress tolerance and flexibility	Adaptability/Flexibility	Job requires being open to change (positive or negative) and to considerable variety in the workplace.
	Self Control	Job requires maintaining composure, keeping emotions in check, controlling anger, and avoiding aggressive behavior, even in very difficult situations.
	Stress Tolerance	Job requires accepting criticism and dealing calmly and effectively with high stress situations.
Service orientation	Service Orientation	Actively looking for ways to help people.
Systems analysis and evaluation	Judgment and Decision Making	Considering the relative costs and benefits of potential actions to choose the most appropriate one.
	Systems Analysis	Determining how a system should work and how changes in conditions, operations, and the environment will affect outcomes.
	Systems Evaluation	Identifying measures or indicators of system performance and the actions needed to improve or correct performance, relative to the goals of the system.
Technology design and programming	Programming	Writing computer programs for various purposes.
	Technology Design	Generating or adapting equipment and technology to serve user needs.
Technology installation and maintenance	Equipment Maintenance	Performing routine maintenance on equipment and determining when and what kind of maintenance is needed.
	Installation	Installing equipment, machines, wiring, or programs to meet specifications.
	Repairing	Repairing machines or systems using the needed tools.
Technology selection, monitoring and control	Equipment Selection	Determining the kind of tools and equipment needed to do a job.
	Operation and Control	Controlling operations of equipment or systems.
	Operation Monitoring	Watching gauges, dials, or other indicators to make sure a machine is working properly.
	Operations Analysis	Analyzing needs and product requirements to create a design.
Troubleshooting and user experience	Troubleshooting	Determining causes of operating errors and deciding what to do about them.
Visual, auditory and speech abilities	Auditory and Speech Abilities	Abilities related to auditory and oral input.
	Visual Abilities	Abilities related to visual sensory input.

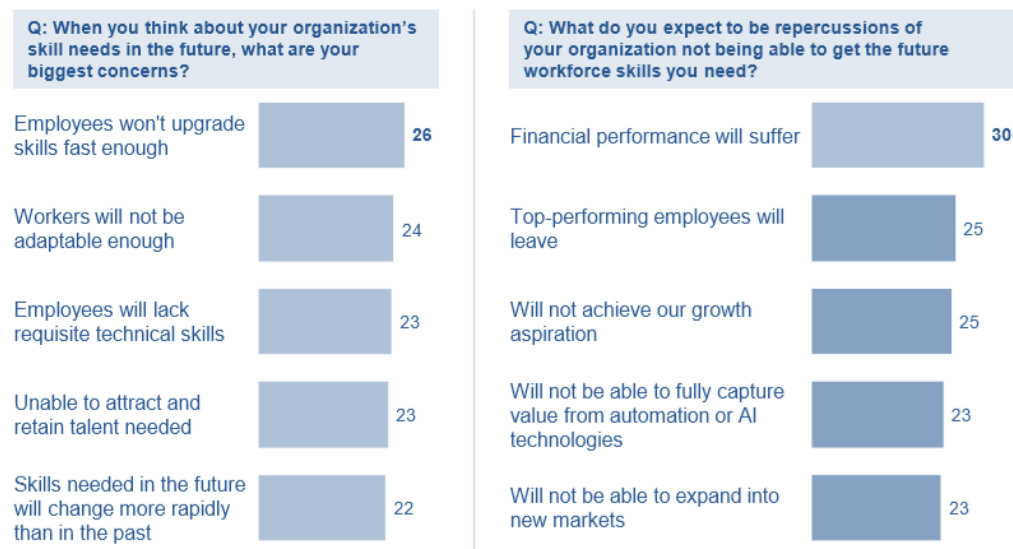
## Appendix 7: Classification of regions (WEF, 2018, p.32)

EAST ASIA AND THE PACIFIC	EASTERN EUROPE AND CENTRAL ASIA	LATIN AMERICA AND THE CARIBBEAN	MIDDLE EAST AND NORTH AFRICA	NORTH AMERICA	SOUTH ASIA	SUB-SAHARAN AFRICA	WESTERN EUROPE
Australia	Albania	Argentina	Algeria	Canada	Bangladesh	Angola	Austria
Brunei	Armenia	Bahamas	Bahrain	United States	Bhutan	Benin	Belgium
Darussalam	Azerbaijan	Barbados	Egypt		India	Botswana	Cyprus
Cambodia	Belarus	Belize	Iran, Islamic Rep.		Maldives	Burkina Faso	Denmark
China	Bosnia and Herzegovina	Bolivia	Iraq		Nepal	Burundi	Finland
Fiji	Bulgaria	Brazil	Israel		Pakistan	Cameroon	France
Indonesia	Croatia	Chile	Jordan		Sri Lanka	Cape Verde	Germany
Japan	Czech Republic	Colombia	Kuwait			Chad	Greece
Korea, Rep.	Estonia	Costa Rica	Lebanon			Côte d'Ivoire	Iceland
Lao PDR	Georgia	Cuba	Mauritania			Eritrea	Ireland
Malaysia	Hungary	Dominican Republic	Morocco			Ethiopia	Italy
Mongolia	Kazakhstan	Ecuador	Oman			Gabon	Luxembourg
Myanmar	Kyrgyz Republic	El Salvador	Qatar			Gambia, The	Malta
New Zealand	Latvia	Guatemala	Saudi Arabia			Ghana	Netherlands
Philippines	Lithuania	Guyana	Syria			Guinea	Norway
Singapore	Macedonia	Haiti	Tunisia			Kenya	Portugal
Thailand	Moldova	Honduras	Turkey			Lesotho	Spain
Timor-Leste	Montenegro	Jamaica	United Arab Emirates			Liberia	Sweden
Vietnam	Poland	Mexico	Yemen			Madagascar	Switzerland
	Romania	Nicaragua				Malawi	United Kingdom
	Russian Federation	Panama				Mali	
	Serbia	Paraguay				Mauritius	
	Slovak Republic	Peru				Mozambique	
	Slovenia	Suriname				Namibia	
	Tajikistan	Trinidad and Tobago				Nigeria	
	Ukraine	Uruguay				Rwanda	
	Uzbekistan	Venezuela				Senegal	
						Sierra Leone	
						South Africa	
						Swaziland	
						Tanzania	
						Uganda	
						Zambia	
						Zimbabwe	

## Appendix 8: Firms' concerns about their workforce future skill needs (McKinsey & Company, 2018, p.50)

Companies fear that their financial performance will suffer if their workforce does not acquire the skills needed for the automation era.

Based on McKinsey Global Institute workforce skills executive survey, March 2018  
% of respondents, up to 3 responses



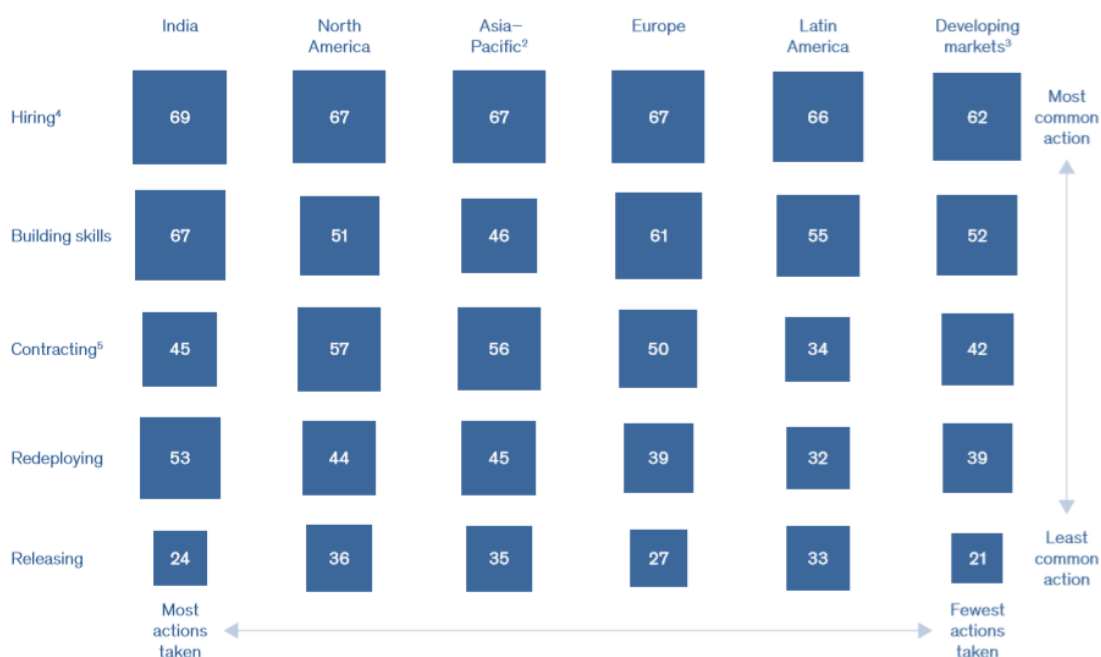
NOTE: Based on results of March 2018 survey of 3,031 business leaders in Canada, France, Germany, Italy, Spain, United Kingdom, and the United States.

SOURCE: McKinsey Global Institute workforce skills executive survey, March 2018; McKinsey Global Institute analysis

## Appendix 9: Measures taken to address skills needs (McKinsey & Company, 2020)

The measures that organizations have taken to address their skill needs vary by region.

Actions taken to close potential skill gaps in past 5 years, % of respondents<sup>1</sup>



<sup>1</sup>Respondents who said "not applicable; we have not taken any of these actions" and "don't know" are not shown. In India, n = 83; in North America, n = 325; in Asia-Pacific, n = 119; in Europe, n = 434; in Latin America, n = 114; and in developing markets, n = 141.

<sup>2</sup>Includes Australia, Hong Kong, Japan, New Zealand, Philippines, Singapore, South Korea, and Taiwan.

<sup>3</sup>Includes China, Middle East, and North Africa.

<sup>4</sup>Acquiring external talent through hiring and/or acquisition of other companies.

<sup>5</sup>Engaging freelance and/or contract workers.

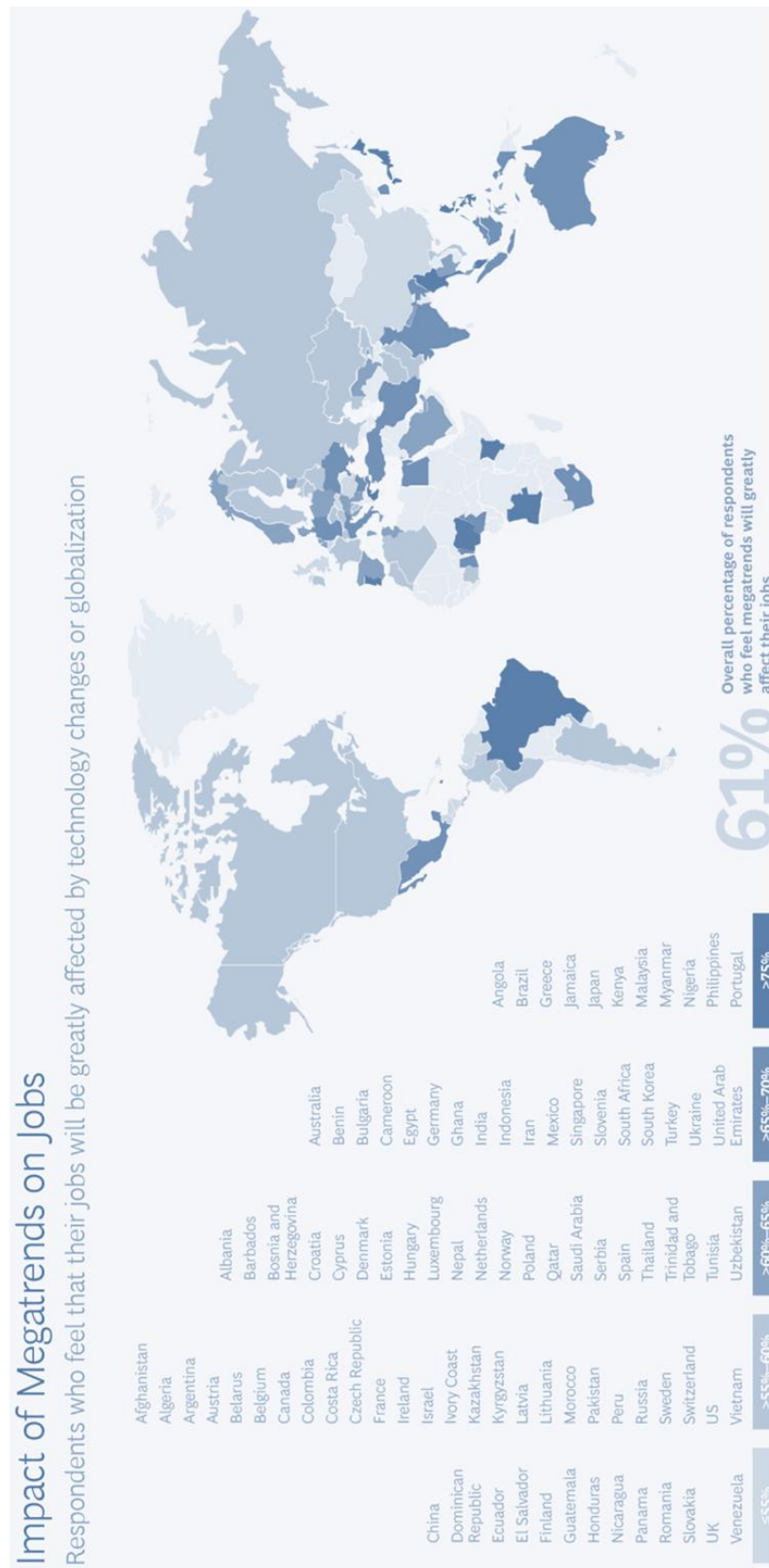
## Appendix 10: Willing Client-Digital Culture, BCG (Boston Consulting Group, 2015)

EXHIBIT 4   Examples of How to Create a Winning Digital Culture			
CUSTOMER CENTRICITY	Hire talent who are similar to future customers in terms of age, skills, and lifestyle	Locate developers close to customers, such as in branches, to encourage interaction	Start new employees on the front line in all departments
EXPERIMENTATION	Hold quarterly innovation forums, presenting industry trends and new projects	Assign dedicated budgets for experimentation	Hold innovation open houses, encouraging everyone to bring ideas
AGILITY	Run all updates as stand-up meetings	Downsize traditionally structured teams to signal change	Explicitly increase individual accountability of junior staff for project decisions and approvals
COLLABORATION	Build collaborative, informal workspaces	Revise bonus structures with a bias toward team performance	Fire consistently noncollaborative employees
CONTINUOUS INNOVATION	Hold regular internal competitions for innovation, such as "hack days"	Allow dedicated time for innovative side projects	Hold open hours for senior executives and quarterly all-hands calls

Source: BCG analysis.



## Appendix 11: Impact of Megatrends on Jobs, BCG (Kovács-Ondrejko & al., 2019)



## Appendix 12: Interview Guide

### Interview Guide

« What skill set will be required for human advisors to succeed in a more digitalized industry? »

First of all, I would like to thank you again for your time.

The purpose of this interview is to learn about the changing skills of bank employees, and what future skills they will need when working with robo-advisors or other technology. I am convinced that in a few years, machines will be the first line of contact for the bank and will deal with the basic issues of customers. Wealth Managers (WM) and Relationship Managers (RM) will therefore be contacted for more complex tasks and will need to demonstrate specific qualifications and stress resistance to best serve clients.

1. What is your job title, in what market and for what segmentation do you work for?  
Onshore / Offshore                      Retail / Affluent / HNWI / UHNWI / Others
2. How many employees work under you?
3. How do you imagine banking & its activities in 5 years from now?
4. Clients are awaiting more and more online services offers from their bank(s). However, many studies demonstrated that employees' skills gap towards new technologies is a barrier to the integration of such technologies in a company. What do you think about that?
5. Do your employees follow trainings online, workshops, on-the-job, organized by the bank or via other partnerships (i.e. ISFB); or must they train themselves if they want to stay in the game?
6. Do you support your employees that want to develop professionally in various area of finance?
7. According to you and if necessary, how long will it take to reskill your employees to work next to Robo-Advisor or other technologies such as Artificial Intelligence or automation (< 6 months, 6-12 months, >12months, no reskilling needed)?
8. In general, would it be easier to hire new employees that already have the new required skills?
9. And you, would you prefer hiring new joiners or training existing employees?
10. Many roles are vanishing with digitalization, but new roles are emerging too. According to you, what are the jobs that will emerge and the one that tend to disappear in the banking sector?
11. Some RM/WM have assistants, others must deal with administrative tasks alone. Thank to the automation of certain tasks, the latter will have more time dedicated to clients. According to you, what are the skills a RM/WM should develop to succeed in retaining existing clients and acquire new clients in the future?
12. By 2046, about \$ 30 trillion will be transferred from baby boomers to their children. Retaining and attracting the future HNWI will be a challenge as millennials often have many banking relationships in several banks. Here the RM/WM will play a crucial role to retain clients at best. What are you awaiting from them?
13. Sometimes, the employer has difficulties to identify its future needs and therefore to define the skills required by their RM/WM. According to you, what would be the top 5 skills you expect a RM/WM will need in the future to collaborate with emerging technologies and why?

On page 2: a non-exhaustive list of skills.

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>- Service Orientation</li> <li>- Active Listening</li> <li>- Analytical thinking and innovation</li> <li>- Creativity, originality and initiative</li> <li>- Integrity</li> <li>- Complex problem-solving</li> <li>- Concerns for others</li> <li>- Emotional Intelligence</li> <li>- Cooperation, collaboration</li> <li>- Leadership</li> <li>- Interpersonal competences and empathy</li> <li>- Social Influence</li> </ul> | <ul style="list-style-type: none"> <li>- Flexibility and adaptability</li> <li>- Stress tolerance &amp; self-control</li> <li>- Team Spirit</li> <li>- Open for change</li> <li>- Negotiation skills</li> <li>- Teaching and training others</li> <li>- Basic digital skills</li> <li>- Advanced IT skills</li> <li>- Complex information processing and resolving</li> <li>- Hospitality</li> <li>- Self-Discipline</li> <li>- Other</li> </ul> |
|---|--|

## Appendix 13: Interview with Zürich MH<sup>32</sup>

### Interview Guide

« What skill set will be required for human advisors to succeed in a more digitalized industry? »

First of all, I would like to thank you again for your time.

The purpose of this interview is to learn about the changing skills of bank employees, and what future skills they will need when working with robo-advisors or other technology. I am convinced that in a few years, machines will be the first line of contact for the bank and will deal with the basic issues of customers. Wealth Managers (WM) and Relationship Managers (RM) will therefore be contacted for more complex tasks and will need to demonstrate specific qualifications and stress resistance to best serve clients.

- What is your job title, in what market and for what segmentation do you work for?  
Onshore / Offshore                      Retail / Affluent / HNWI / UHNWI / Others  
Market Head, Onshore, Affluent
- How many employees work under you? 10 (7 RM's, 1 ARM, 1 Career Starter, 1 YT)
- How do you imagine banking & its activities in 5 years from now?  
Digitaler (High Tech) -> die Interaktion zwischen Kunden und Bank wird digitaler, weniger bis gar keine persönliche Beratungen mehr. Kunde wird aber auch selbständiger und vielen ohne den Banker online abwickeln wollen. Im Prinzip könnten Banken in einem gewissen Mass zu Supermärkten der Finanzbranche werden, in welchem sich der Kunde diejenigen Dienstleistungen «kauft», die er noch benötigt und den Rest selbständig (online) erledigt. Dazu werden einige Dienstleistungen weitere standardisiert werden (DB).  
  
Ein wesentlicher Aspekt stellt die Schnittstelle zum Kunden. Bleibt diese bei den Banken, sollten diese vielmehr daraus machen (Big Data). Verlieren die Banken die Schnittstelle
- Clients are awaiting more and more online services offers from their bank(s). However, many studies demonstrated that employees' skills gap towards new technologies is a barrier to the integration of such technologies in a company. What do you think about that?  
Da muss man unterscheiden zwischen Können und Wollen. Fakt ist, dass einige MA – nicht nur aber v.a. ältere Generation - Mühe bekunden neue Technologien schnell zu erlernen und sie von Beginn weg einzusetzen (Können). Es gibt aber auch immer wieder v.a. bei der Einführung einen gewissen Widerstand, welcher das ganze verzögert (Wollen). Aber mit jeder neuen Technologie schwindet dieser Widerstand, da man sich mehr und mehr an die «neue Welt» gewöhnt. Fakt ist, der RM wird darum bemüht sein müssen, den Anschluss nicht zu verpassen und die neuen Technologien von Beginn weg einzusetzen.
- Do your employees follow trainings online, workshops, on-the-job, organized by the bank or via other partnerships (i.e. ISFB); or must they train themselves if they want to stay in the game?  
In den vergangenen 2-3 Jahren hat eine Verschiebung von Classroom Trainings zu Online Trainings stattgefunden. Dies bietet dem MA die Möglichkeit vom Arbeitsplatz aus an verschiedenen Trainings teilzunehmen. Darüber hinaus werden mit EDU's einige Ausbildungsvideos angeboten, mit welchen sich der MA selbständig weiter entwickeln kann. Das Interesse an diesen Trainings ist hoch, da auf diese Weise viele Alltagsprobleme gelöst werden.
- Do you support your employees that want to develop professionally in various area of finance?

Die Förderung und Unterstützung der MA in ihrer Entwicklung ist einer der Kernthemen in der Führung, welche regelmässig besprochen und entsprechende Massnahmen definiert werden. [REDACTED] legt auch grossen Wert auf die Mitarbeiterförderung, entsprechend sind viele Prozesse vorhanden.

- According to you and if necessary, how long will it take to reskill your employees to work next to Robo-Advisor or other technologies such as Artificial Intelligence or automation (< 6 months, 6-12 months, >12months, no reskilling needed)?

>12 Monate

- In general, would it be easier to hire new employees that already have the new required skills?

Die Anstellung neuer MA darf nicht nur unter diesem Aspekt erfolgen und birgt neben vielen Chancen auch Risiken. Des Weiteren verliert man mit jedem MA viel Know-How und Beziehungen/Vertrauensverhältnisse zu Kunden. Ich bevorzuge es, die bestehenden MA in diese Richtung zu entwickeln, statt diese zu ersetzen. Die künftigen Anstellungen müssen jedoch den Aspekt der Digitalisierung sowie Anwendung neuer Technologien zwingend berücksichtigen, ja sogar voraussetzen.

- And you, would you prefer hiring new joiners or training existing employees?

Siehe Antwort oben

- Many roles are vanishing with digitalization, but new roles are emerging too. According to you, what are the jobs that will emerge and the one that tend to disappear in the banking sector?

Ich gehe davon aus, dass die Konsolidierung in der Bankenbranche weitergehen wird unabhängig von der Digitalisierung. Mit der Digitalisierung werden viele Geschäftsstellen schliessen und der Cash Service wird wohl ganz verschwinden. Ebenfalls wird eine klare Reduzierung von RM's geben, da der Kunde mit der Digitalisierung wie oben beschrieben zunehmend seine Angelegenheiten selbständig erledigen wird. Vor allem im Bereich L&C wird weiter ausgebaut werden. Ich denke nicht, dass es grundsätzlich neue Rollen geben wird. Die Anforderungen werden sich grundsätzlich ändern. Der Kundenverantwortliche wird sich mit anderen Arten von Meetings vertraut machen müssen, da er wohl künftig mehr Video-Meetings halten wird.

- Some RM/WM have assistants, others must deal with administrative tasks alone. Thank to the automation of certain tasks, the latter will have more time dedicated to clients. According to you, what are the skills a RM/WM should develop to succeed in retaining existing clients and acquire new clients in the future?

Meiner Meinung nach wird die Admin im Kundengeschäft zu- und nicht abnehmen, was v.a. neuen Regulatoren (FIDLEG, MIFID II) zu verdanken ist. Unabhängig davon, muss der RM meiner Ansicht nach folgende Skills mitbringen:

- Verkaufsflair und daher kommunikative Skills
- Breites Know-How im Anlagebereich
- Betriebsökonomisches Bewusstsein
- Analytische Stärken

- By 2046, about \$ 30 trillion will be transferred from baby boomers to their children. Retaining and attracting the future HNWI will be a challenge as millennials often have many banking relationships in several banks. Here the RM/WM will play a crucial role to retain clients at best. What are you awaiting from them?

Die Schwierigkeit liegt v.a. darin, dass die Millennials keine hohe Loyalität zu Banken aufweisen. Daher ist es umso wichtiger diese früh abzuholen. Da wird aber auch das Angebot der Bank für diese Generation entscheidend sein. Neben das Angebot wird das Marketingbudget auch stärker in dieses Segment fließen müssen. Im Moment werben wir noch für den «traditionellen HNWI und dieses Bild hat sich aber bereits geändert.

- Sometimes, the employer has difficulties to identify its future needs and therefore to define the skills required by their RM/WM. According to you, what would be the top 5 skills you expect a RM/WM will need in the future to collaborate with emerging technologies and why?

- Service Orientation

- Active Listening

- Analytical thinking and innovation

- Creativity, originality and initiative

- Integrity

- Complex problem-solving
- Concerns for others
- Emotional Intelligence
- Cooperation, collaboration
- Leadership
- Interpersonal competences and empathy
- Social Influence
- Flexibility and adaptability

- Stress tolerance & self-control

- Team Spirit

- Open for change

- Negotiation skills

- Teaching and training others
- Basic digital skills
- Advanced IT skills
- Complex information processing and resolving
- Hospitality
- Self-Discipline
- Other

Thank you.

## Appendix 14: Interview with Affluent TL 2

### Interview Guide

« What skill set will be required for human advisors to succeed in a more digitalized industry? »

First of all, I would like to thank you again for your time.

The purpose of this interview is to learn about the changing skills of bank employees, and what future skills they will need when working with robo-advisors or other technology. I am convinced that in a few years, machines will be the first line of contact for the bank and will deal with the basic issues of customers. Wealth Managers (WM) and Relationship Managers (RM) will therefore be contacted for more complex tasks and will need to demonstrate specific qualifications and stress resistance to best serve clients.

- What is your job title, in what market and for what segmentation do you work for?

Onshore / Offshore

Retail / Affluent / HNWI / UHNWI / Others

Team Leader

- How many employees work under you? 15
- How do you imagine banking & its activities in 5 years from now?

*I think that new technologies will be our daily life in 5 years although this is already more and more the case today.*

*We are indeed turning to a service that will be provided using new tools. These are an excellent complement and support to the advice we offer.*

*It is not excluded either that we make this aspect a full segmentation.*

- Clients are awaiting more and more online services offers from their bank(s). However, many studies demonstrated that employees' skills gap towards new technologies is a barrier to the integration of such technologies in a company. What do you think about that?

*It generally depends on the generation we are talking about and the style that our employees adopt in the execution of our work. We know that the demand for digitalization is still growing and we are working in this direction. Our Direct Banking department illustrates this.*

- Do your employees follow trainings online, workshops, on-the-job, organized by the bank or via other partnerships (i.e. ISFB); or must they train themselves if they want to stay in the game?

*Obviously, it is necessary to have a minimum of mastery on the functioning of IT tools and applications to be able to make optimal use of them. However, the bank regularly offers training in order to explore all the options offered by our applications. We also have a team specializing in training which regularly offers courses with questions and answers in order to keep abreast of new developments.*

- Do you support your employees that want to develop professionally in various area of finance?

*If we have the budget, we are happy to support talented employees.*



- According to you and if necessary, how long will it take to reskill your employees to work next to Robo-Advisor or other technologies such as Artificial Intelligence or automation (< 6 months, 6-12 months, >12months, no reskilling needed)?

< 6 months

- In general, would it be easier to hire new employees that already have the new required skills?

*I think that mastering technologies will be a prerequisite for hiring. However, our job requires specific knowledge and the difference will be on these.*

- And you, would you prefer hiring new joiners or training existing employees?

*Our company has a strong anchorage with regard to its formative corporate culture. We invest a lot in training apprentices and graduates both in financial terms and in time.*

*In this sense, we therefore favor internal commitment, however, timing and needs, and the type of position may require external commitment.*

- Many roles are vanishing with digitalization, but new roles are emerging too. According to you, what are the jobs that will emerge and the one that tend to disappear in the banking sector?

*I think that the trades where the human aspect is paramount will always be present. Tasks related to creative intelligence, requiring to find original solutions, tasks requiring a so-called social intelligence, such as understanding in the face of human reactions, negotiation, the ability to convince, or any type of assistance including strong affective dimension, cannot be fully automated. However, these will be associated with technology in order to optimize the service provided.*

- Some RM/WM have assistants, others must deal with administrative tasks alone. Thank to the automation of certain tasks, the latter will have more time dedicated to clients. According to you, what are the skills a RM/WM should develop to succeed in retaining existing clients and acquire new clients in the future?

The RM network is essential. As well social skills, like empathy, charisma, patience and the listening to the client. I would add that the RM also need to know how to organize, which will remain even with robots.

- By 2046, about \$ 30 trillion will be transferred from baby boomers to their children. Retaining and attracting the future HNWI will be a challenge as millennials often have many banking relationships in several banks. Here the RM/WM will play a crucial role to retain clients at best. What are you awaiting from them?

The client think of maximizing their benefits, so an RM/banque who listens to the needs of customer will have the advantage.



- Sometimes, the employer has difficulties to identify its future needs and therefore to define the skills required by their RM/WM. According to you, what would be the top 5 skills you expect a RM/WM will need in the future to collaborate with emerging technologies and why?

- |  |  |
|--|--|
| - Service Orientation                    | - Stress tolerance & self-control              |
| - Active Listening                       | - Team Spirit                                  |
| - Analytical thinking and innovation     | - Open for change                              |
| - Creativity, originality and initiative | - Negotiation skills                           |
| - Integrity                              | - Teaching and training others                 |
| - Complex problem-solving                | - Basic digital skills                         |
| - Concerns for others                    | - Advanced IT skills                           |
| - Emotional Intelligence                 | - Complex information processing and resolving |
| - Cooperation, collaboration             | - Hospitality                                  |
| - Leadership                             | - Self-Discipline                              |
| - Interpersonal competences and empathy  | - Other  |
| - Social Influence                       |  |
| - Flexibility and adaptability           |  |

Thank you.

## Appendix 15: Universal Banks - Interviews' Overview

IW	Based in	Bank Type	Q1A - Role	Q1B - Type of client	Q1C - Client segmentation	Q2 -Nr of people in their team/organization
Iw1	Geneva	UB	Former Executive & Entrepreneur Team Leader	Onshore	HNWI	12
Iw2	Geneva	UB	Affluent Team Leader 1	Onshore	Affluent	12
Iw3	Geneva	UB	UHNWI Regional Head - Geneva & Romandie	Onshore	UHNWI	27
Iw4	Geneva	UB	Geneva Market Head	Onshore	HNWI	15
Iw5	Romandie	UB	Regional Head Romandie	Onshore / Offshore	Retail to UHNWI	1100
Iw6	Geneva	UB	Former France/Monaco Team Leader	Offshore	Upper & UHNWI	8
Iw7	Zürich	UB	Market Head Zürich	Onshore	Affluent	10
Iw8	Geneva	UB	Affluent Team Leader 2	Onshore	Affluent	15

Q3 – How do you see banking in the future?	Q4 – Employees' skills gap, a barrier?	Q5 – Education by the bank or by the employee himself?
<b>independent from an office</b> (due to Covid-19) and manager mentality will change. Acceleration of all banks, even the small one.	client not homogenous public, some still want to see people and confront their meanings, others are more independent and can use online banking or other information canals. Information is available everywhere now and not only to a banker. <b>Challenge of the future: skilled people able to analyze the information and take the right decision from it or help the client to take the right decision.</b>	<b>Education is private. The role of the employer is to give access to training for the one who wants to be trained.</b> People should train themselves. You cannot force them to be educated. You have to find the people that want to get an ongoing training.
now we are seller specialists. People have preferences either for financing or investing. <b>More and more we will focus on specialization and the relationship with clients. Human relations will clearly make the difference</b> because the products will be quite similar in all banks.	I believe that there are many factors. We will have no choice to develop technologies. Second, the <b>IT costs enormous amounts</b> , need to be adapted, etc. The advisor needs to see the advantage to use it and must have an interest in it. <b>"I don't think it's about people not skilled enough. Because when you show your employees the utility of the new program, they will adapt and use it. What needs to be improved is how the information goes down from IT to the advisor."</b> People should be upskilled at the very beginning instead of trying to learn by themselves and take more time.	We have <b>lots of online trainings</b> . Physical workshops bring no additional value. We have <b>virtual classrooms</b> instead. We also have employees that want to go further and differentiate themselves by increasing their knowledge with <b>external trainings</b> (i.e. CFA). <b>But people need to be passionate.</b> When you're passionate you do it on your own and do not need to be trained. Others just learn because they have to do it.
<b>Huge change in terms of usage of banking.</b> Interactions are very much digital, especially with younger generation. This will <b>drive pricing down, especially for commoditisation of services</b> . But for higher trend and people with more than around 3 million, banking industry will change very much in a <b>more personalized interactions</b> . People are still willing to pay for advices, fiscality, complex problems.	<b>There is a gap towards clients in terms of new technologies. But it's also true for employees.</b> We need to know how to sell the new technologies implemented by the company. <b>Digitalization is here to help people and will be mass driven.</b> If they can't use it they will contact the technical support. <b>At this stage, our own employees are creating as much barriers as clients to support those technological movements. There is also a price barrier</b> , if the client is ready to use full-tech services or not.	A lot will be in the trainings of the people. We have workshops, shared techniques, adaptation of the support we provide. <b>It's also the duty of the employee to be up-to-date. For us, the bank, it's our duty to support our employees. So I would say it's a mix of both.</b>
<b>Lots of changes in terms of competences.</b> Today people need to be much more focused on their skills and the relationship with clients because information is evolving a lot and is available to everyone. <b>People really need to add skills such as capacity to deliver a holistic advice to the client and take all the dimension of the service.</b> Integrate all the situations the client has. Strengthening of RM competences	As a bank, we need to have all services available and the client has to choose. <b>The client chooses on the situation &amp; in what life-cycle. We deliver and the client chooses what kind of channel he wants to use.</b>	Both, <b>the company offers online trainings and the employee also needs to try out for himself.</b> For example the new online services need to be tested by employees to be able to explained to clients later on how it works
Covid-19 will clearly accelerate the changes. <b>A digital change but also a change in clients' habits.</b> Emerging of new actors. We have regulations that are more and more demanding. Digital offer will be needed, also regarding the skills of the employees that will change. But <b>the most important is that the pace of the changes will be dictated by the clients themselves and not by the bank.</b> Sometimes banks want to go to fast and it does not work. We have 300 employees that try new apps and according to the feedback of clients, we implement them or not	I believe that it's <b>not simple for employees to work on novelties</b> . "For some of them it's easy to adapt to changes and to new technologies and for others it's much harder to adapt because it implies changes and some are resistant to that, but it's human. <b>The key is to function, as a bank, as facilitator and to offer those people in need with trainings and platforms to permit staff to integrate new technologies step by step.</b> "	Both. <b>We offer a vast proposition of online trainings</b> from app trainings to strategic modules on blockchain for example. <b>Our employees can validate the modules in our own "Business University" digitally.</b> Then they can go to another level until they master the subject. We offer all possibilities and a platform for employees that want to be educated. Of course <b>it's about motivation.</b> It is a great opportunity for some to have web based trainings, and for some it's not enough to know the principal functionalities because it's not as interesting as a client interaction
<b>No big difference in the next five years.</b> People need advice and a supporting partner. We will still have regulations that won't disappear. <b>Maybe we will see more multichannels. Tools will evolve but not the fundamentals.</b>	<b>Sure sometimes we have employee skills gap, but also client skills gap.</b> Some don't trade if they need to use digital platforms, the older ones especially. With the next generation it will maybe change a bit, but not that much. I have clients of 20 y.o. and 80 y.o. and both need advice and a supporting partner. People are not rational investors. They need to discuss and figure out if it's the good decision. <b>I don't think it's the employee skills gaps but more the fact that IT creates apps that are not userfriendly.</b>	We have <b>inhouse trainings but of course one can go outside if needed.</b> We have very good inhouse trainings, <b>from normal ones, workshops, Web Based Trainings to more advanced kind of MBA &amp; international programs.</b> The thing is that you need time to do that on top of the mandatory ones.
More Digital (High Tech) -> <b>the interaction between customer and bank becomes more digital, less or no more personal consultations.</b> But customers will also want to process online more independently and many without the banker. In principle, <b>banks could become, to a certain extent, supermarkets of the financial sector, in which the customer «buys» those services that he still needs and does the rest independently (online).</b> In addition, some services will be further standardized. An essential aspect is the interface to the customer. If this remains within the banks, they should rather make it (big data) otherwise, the banks lose the interface	Here we have to distinguish between ability and willingness. The fact is that some employees – and not only older generations – are struggling to learn new technologies quickly and don't use them from the beginning (ability). But there is also always a certain resistance in their introduction, which delays the whole process (wanting). But <b>with every new technology, this resistance disappears, as one becomes more and more accustomed to the «new world».</b> The fact is that the advisor will have to make an effort not to miss out the wave and use the new technologies from the beginning.	In the past 2-3 years there has been a shift from classroom training to online training. This offers to employees the opportunity to participate in various trainings from their workplace. In addition, some training videos are offered, with which the employee can develop independently. The interest in these trainings is high, because on this platform, many everyday problems can be solved.
I think that <b>new technologies will be our daily life</b> in 5 years, although this is already more and more the case today. We are indeed turning to a service that will be provided using new tools. These are an excellent complement and support to the advice we offer. It is not excluded either that we make this aspect a full segmentation.	It generally <b>depends on the generation we are talking about and the style that our employees adopt in the execution of the work.</b> We know that the demand for digitalization is still growing and we are working in this direction. Our Direct Banking department illustrates this.	Obviously, it is <b>necessary to have a minimum of mastery on the functioning of IT tools</b> and applications to be able to make optimal use of them. The bank regularly <b>offers training</b> in order to explore the options available on our applications. We also have a <b>team specialized in training which regularly offers courses</b> with questions and answers in order to keep abreast of new developments.

Q6 - Support in the development of employee	Q7 - How much time to be reskilled?	Q8 - Easier to hire externally ?
The role of the employer is to give access to training for the one who wants to be trained.	<b>No time to be reskilled.</b> Ongoing learning. At one point if you don't do anything you won't be in the race anymore	<b>Always positive to have people coming from outside</b> (younger people to be skilled on the job or a senior coming from other banks that brings something to the bank) <b>to bring another view, another dynamism, another culture</b> . Nothing more dangerous than a team that remains the same for 20 years without any external interactions. You need to be challenges in a regular basis.
yes of course. <b>When the interest in on both sides (employee and employer) there is no intention not to do it.</b> The bank supports the training, either by giving some time to the employee or by financing part or all of the trainings fees. We limit trainings to 1-2 per year per employees so that everyone is able to train.	the experience shows that <b>people will use new technologies better when they learn to do it by themselves</b> and see what the advantages are. <b>But of course this takes more time.</b> What should not be done is to force people to do things, just to check a box and say they did it. To be more precise, we should not force people, demonstrate an interest, and the acquisition of the training is better when you do it by yourself	No, for me it's <b>clearly training existing employees</b> . New employees will maybe have the new competence but will need to acquire a new competence: the one of the company and that can take time. External people surely bring new experience that can be useful within the company and we should remain open by hiring external employees.
<b>For younger people I mean, I will clearly support them. Then I believe that when you reach a certain level in your carrier, it's your duty to keep you up to date.</b>	If we focus on the technological part, <b>I think it will take up to 8 - 12 month to really know the entire process.</b>	I don't think that the competition is taking it much more seriously as we are so <b>I think it should be supported internally.</b>
<b>Yes I'm very open and supportive if my employees want to develop themselves and get new trainings, as long as it serves the business needs.</b> It's also important because as an individual, it's a source of satisfaction to learn new things.	<b>it's a matter of mindset and an ongoing process.</b> The employees need to be agile enough to adapt to new technologies and trends.	"For me it's not about skills because you can acquire them. <b>It's more a matter of attitude. If you have employees that have skills</b> that fits to the new environment <b>but do not have the right mindset</b> to adapt to change, <b>I think it's not the right employee and thus I would rather hire an external employee with the right mindset.</b> "
We develop a lot of internal competences with the digital factory. We also have contacts with a few FinTech that help us train our employees with new competences. <b>We support employees that want to be trained outside the bank but we will look at it case by case. The goal is that our staff develop themselves with all the functionalities we developed in the past years</b>	The more we move forward, the easier it is for people to adapt as it's part of what people know. At the beginning it was more difficult to adapt but now a large part is already integrated by the people. I believe that people were already moved by the change for some time now and they are used to change. For some, <b>it takes them 1 day to test and adopt the new app, and for others it is more complex. But it does not take more than a few months to get adapted.</b>	I believe that <b>it's a complementarity. That's what make the company stronger.</b> Sometimes you go outside to look at new competences, different backgrounds and particular affinities of new systems. And for the rest you look internally, with people that have the bank's DNA, the knowledge of the infrastructure and the processes.
<b>Yes, if it's needed you always find a solution.</b> If employees want to learn and go beyond what we ask them to know, we are always willing to participate, but it depends on how long, how much, how many hours you need to perform it online, on the job, offsite etc.	I don't really know but "for me it takes a few days to understand it and less than 6 months figure out the whole picture. But you need to <b>practice</b> to understand these tools. And between 6-12 months to know it well and being full speed". And it also depends on the tools	<b>a mix between the two alternatives. We need to keep a level on confidence within the bank. If you switch people too often, clients will lose confidence within the bank.</b> Sometimes it's needed for different reasons but we have to mix. We need fresh blood.
The promotion and support of employees in their development is one of the key topics in leadership, which are regularly discussed and corresponding measures are defined. Our bank also attaches great importance to the promotion of employees, thus many processes are available	>12 months	<b>Hiring new employees</b> must not only be done from this point of view. <b>not only it can bring opportunities but also risks.</b> Furthermore, you lose a lot of knowhow and relationships/trust with customers with every new employee. <b>I prefer developing existing employees in this direction instead of replacing them.</b> However, future employment must necessarily take into account, and even presuppose, the digitalisation aspect and the application of new technologies.
If we have the budget, we are happy to <b>support talented employees.</b>	Less than 6 months	I think that <b>mastering technologies will be a prerequisite for hiring</b> . However, our job requires specific knowledge and the difference will be on these.

Q9 – I would rather hire or reskill?	Q10 – What are the roles vanishing and emerging ?	Q11 – Key skills to retain existing and attract new clients
<b>Mix from both.</b> Everybody will learn from the others. The receipt of success it a mixture of all ingredients (people from inside and outside)	<b>Roles vanishing:</b> back office, administrative jobs. They will be checked automatically  <b>Roles emerging:</b> Front job will not disappear. Less jobs but jobs that need more education and human qualities.	<b>most important: social and human skills.</b> You're in the bank to have a human exchange and experience. Part of the job will be done by a robot: administrative task. The rest and most interesting part: personal connexion with clients. There will always have a need for a human contact
existing employees know the company and it also gives an opportunity to people to evolve within the company, instead of offering this opportunity to an external person. That's why I <b>prefer hiring internal employees and offer them the possibility to acquire these new skills in another function</b>	<b>Roles vanishing:</b> mortgage center documents. Clients would be able to provide documents online. What we still be needed is mortgage specialists for a service. Everything that can be automated will be automated for sure.  <b>Roles emerging:</b> structured products specialists, or new products specialists, even for products that do not exist now. People will be more skilled	We still come back to the same issue. In my team we need to do everything alone. In the future we should reverse the tendency 33% client time & 66% administrative tasks into <b>66% client time and 33% administrative tasks</b> . We ask more investment on the client side so he can do more things individually (payments, mortgage interest, etc) and the <b>RM will then have more time to help clients for other topics and bring an added value</b> . Our role now is to advise the client mostly in the beginning, but we don't have time to take care of the client family and know the clients by heart. In addition, the RM will have <b>more satisfaction to deal with clients</b> if he has more time for them
<b>Training existing employees</b> , that already understand our own systems and way to do business	<b>Roles vanishing:</b> all that has to do with utility banking with no added value or sectors that are fully regulated with regulators, will be certainly at risk. As soon as you go into the commoditized business, robo-advisors will do that (client profile, regulations, financing for retail sector, payments, even maybe basic wealth planning). Also I don't believe in branches anymore. I think they will disappear. <b>Roles emerging:</b> Jobs will appear to support machines as those things (i.e new tech) cannot work alone. But whenever you go to the ultra-space, clients will want to reach out with people to talk to. Clients are willing to pay for that.	<b>RMs should master the utility type of technology to support the client. The role of the Ultra would be to solve any type of technological issues related to that.</b>
I look for people that have the right attitude. Someone who wants to bring something to the company, to the client and to learn.	<b>I will not talk about roles but more about tasks.</b> Roles and tasks that will <b>vanish are the one without added value</b> . (buying a stock, make a payment, etc.) You can do it online. Assistants in the HNWl and UHNWl bring lots of added value so they will remain. I think that we can be inspired by the Apple genius bar, where people will advice clients with the digital world. Adapt to the device and learn the tools.	<b>The major skills are the service delivered to the client and the holistic advice. Be close to the client and Emotional intelligence.</b> Actually all things that the robot cannot do. Be close to the client and accompany him for life events (buying ahouse, children, succession, etc).
<b>A mix makes the success.</b> Diversity, with people that don't have the same profile, with different perspectives (also in the digital) are as important as people we reskill internally. It's really important to have both.	<b>Roles vanishing:</b> I believe that all repetitive jobs without added value are in danger. In the long term, robots and self-services will replace them (client will do things by himself through self-service). <b>The big challenge will be to train people in those roles so that they can develop in new roles and be ready for new challenges. That's why we created the Digital Factory.</b> <b>Roles Emerging:</b> What would appear are the IT roles of course, and the roles with added value, such as Wealth Planning and Helfare (prévoyance) from retail to wealthy people). Compensate what people can do alone with competences with added value.	<b>More time for clients and less administrative tasks.</b> We could have more automated controlling, also the one of the FINMA. The systems have evolved to accompany the client in the onboarding phase, the KYC, etc. So some controlling might be deputized to a pool of people that manage the admin. More and more, RMs that will acquire new customers will have smaller client books (hunters) and the one that will retain clients will have bigger books (farmers). But it has always missed hunter people. Only 20% of RMs are hunters and 80% are farmers. <b>We need people that want to go outside and that can shine by bringing new clients to the bank.</b>
<b>I would rather go for training existing ones</b> and if we can't go where we want to go, then we have to make some decisions. But I would stick with the one I have because they know the clients, their reactions.	<b>Roles emerging:</b> IT guys will play a major role, especially in our day to day work (marketing, people responsible for the Artificial Intelligence, etc.) We will be on the top front. <b>Roles vanishing:</b> Maybe you need less assistants because the process will be smoother, but I'm not even sure because our clients pay for service and sometimes speed is a service. If we do not have the right people and the right assistant, we're not going to be there, but probably less "secretariat" and more added value assistants (i.e. account managers or daily bankers that can perform operations and not only payments). You will have the boutique banks and big banks but not the mid-size banks, which will probably disappear	<b>You have to be curious and open. Also open-minded.</b> Clients need a sparing partner, that give idead and challenge them. Also <b>offer the best service to the client</b> . Even the service that is not into the client's mind at that time. You need to <b>go beyond clients' needs</b> .
<b>I prefer developing existing employees</b> in this direction instead of replacing them. However, future employment must necessarily take into account, and even presuppose, the digitalisation aspect and the application of new technologies.	I assume that the consolidation in the banking industry will continue regardless of digitalization. <b>Roles vanishing:</b> With digitalization, many offices will close and the cash service will probably disappear altogether. There will also be a clear reduction in RMs, as the customer will increasingly be doing his own business with digitalization as described above. <b>roles emerging:</b> Especially in the area of L&C, we will continue to expand. I don't think there will be any new roles. The requirements will change in principle. The RM will have to familiarize himself with other types of meetings, as he will probably hold more video meetings in the future.	In my opinion, <b>the admin in the customer business will increase and not decrease, which is mainly due to new regulators (FIDLEG, MIFID II)</b> . Regardless of this, I believe the RM must have the following skills: <b>Sales flair and therefore communicative skills, Broad know-how in the investment sector, Economic awareness, Analytical strengths</b>
Our company has a strong anchorage with regard to its formative corporate culture. We invest a lot in training apprentices and graduates both in financial terms and in time. In this sense, we therefore <b>favor internal commitment</b> , however, <b>timing and needs, and the type of position may require external commitment</b> .	I think that the <b>roles where the human aspect is paramount will always be present</b> . Tasks related to creative intelligence, requiring to find original solutions; tasks requiring a so-called social intelligence, such as understanding in the face of human reactions, negotiation, the ability to convince, or any type of assistance including strong affective dimension, cannot be fully automated. However, these will be associated with technology in order to optimize the service provided.	<b>The RM network is essential.</b> As well social skills, like <b>empathy, charisma, patience and the listening to the client</b> . I would add that the RM also need to know how to organize, which will remain even with robots.



Q12 - Challenge to retain/acquire the new generation	Q13 - Top five emerging skills for the future to work next to robots
Broad knowledge about financing, investing, etc. That's the challenging part of the job. Less contact with the client, people will do more things alone to let place for <b>less frequent interaction but of best quality</b> . "For basic tasks, FinTech are perfect. If I do a larger step in my life (divorce, acquiring a house, etc) I need to see someone who understands my needs and who will be able to help me. It's not about FinTech or Universal Banks, its FinTech & UB. You need both. Have generalists and highly specialists behind you that help you do your job"	<b>Social skills</b> : because we need someone that don't think like a robot. <b>Active Listening</b> : robot don't listen to client correctly and analyze it. RM can do that and actively see the needs and offer what the client needs. <b>Large network</b> : to find internal people rapidly to help you in the process with your clients. Especially in large banks as there are so many things that can be offered. Sometimes you don't even know ever available service. <b>IT skills</b> : to have time with clients, you need them to be rapid and efficient.
It's the knowledge I have of the client. <b>I need to know everything about him and his family. Anticipate all client's problems in his life cycle and not wait that the client passes away to contact the children.</b> We have all the possibility to do it. Know the client very well, anticipate the client's needs, even create him some needs, and provide him with what he needs. Using all the competences I have to resolve the client's problems. <b>The most important is the knowledge and the human contact.</b>	<b>Active listening and service orientation</b> are both linked. Then also <b>interpersonal competences and empathy. Negotiation skills</b> because we shouldn't forget we need to gain money. The last one would be <b>self discipline and organisation</b> .
All comes from the strategy. <b>If the bank has difficulties to identifies future needs, it's true that it can be a challenge. But you need to focus on some points:</b> This change of generation for me is the biggest change of the banking industry. Young people don't want to spend 3 hours dealing with a banker. They want information quickly and don't focus on the topic that long. It's also about fees: people compare them very aggressively on the market. <b>"Clients want to see which platform is the most userfriendly, what are the products performing the best and what is the cheapest way to get there"</b> . That's a key challenge because older people liked to have physical interaction with a good relationship based on trust. And this is over. People are much more aware of what's happening in the world and tend to act very fast. "People with 2 million or less will change radically their way to manage their finance, potentially without any interaction". People will come to the bank for bespoke type of solutions. And for commodity utility services, they will go to FinTechs.	They need to be fintech type of oriented, to understand the market very well. They need to be technologically superior, really understand it and master it. Social skills, technical skills, financial skills, such as <b>Complex problem-solving, Emotional Intelligence, Cooperation/Collaboration, basic digital skills highly important</b> .
<b>I think that the knowledge of the new generation is key.</b> It's our role now to get to know the new generation. We also need to know the children's needs to manage well our client's wealth management. <b>The reputation of the bank is also key</b> as the Next Gen will also need to have trust in the bank that manages its wealth. HNWI clients will not put all their money into Neo Banks. Maybe a small part but that's it. <b>We need to have a holistic advice and bring an added value at the right time.</b> If done so, the client will stay in your bank forever.	I think <b>Emotional Intelligence, the capacity to integrate all the information the client gives. Also to make it simple.</b> To give advice in a simple a comprehensive way. Social skills are key. Also <b>Empathy</b> is important. <b>The capacity of the RM to deliver the bank value proposition to the client.</b> What makes the difference is the ability to give the right advice and right service at the right moment. <b>Human Skills are key</b>
Regarding transfer of wealth and intergeneration challenges, we have already 10 years of value proposition and we have an important market share. We also developed the Executive & Entrepreneur Desk for entrepreneurship, we work a lot for the 2nd and 3rd generations and we develop an offer for Family Offices and UHNWI (+50mio). On that, <b>we don't have the problem to offer a nice value proposition and to find the workforce. But of course there are competition. All the banks understood that it was an extremely interesting part.</b>	the most important for me is to <b>love the clients</b> . Then it's important to be able to <b>process and resolve complex information</b> . The third important skills for the future is the <b>Agility</b> . Fourth the <b>capacity of assimilation and integration of newness</b> . It's kind of the same as agility but still a bit different. Last one is <b>taking responsibility</b> . By that I mean that the <b>rapidity to negotiate is key</b> , and as an RM you need to have the autonomy to do it. It's also a matter of trust from the top to the bottom and vice-versa.
When you inherit something, the first thing you do is to fire the old advisor unless you have already a relation with him. <b>"Sometimes you're not able to keep the children because they live in different places that you can't cover, they have different needs that you can't cover, or they have pricing expectations that are well below the cost of being served by your bank."</b> but you should try to know them and <b>put the right price on the added value</b> . I don't believe in robo-advisor for wealthy people, that's for retail people. If you have 2 million to invest, be sure you want to talk to someone. <b>When you have a problem, you will identify yourself to the person you have in front of you.</b> Maybe a robot advice will be more relevant but you will need someone in front of you to be able to identify yourself on what he is telling you, the experiences the human advisor can share, etc. Robo-advisors don't have this	<b>Service orientation, Emotional Intelligence, Complex information processing &amp; resolving, cooperation/collaboration, vulgarization</b> (being able to explain information easily to clients. Explain things with simple words as we will have more complex products. we need to explain it well)
The difficulty is that <b>millennials do not have a high level of loyalty to banks</b> , so the most important is to pick them up early. However, <b>the bank's offer will also be decisive for this generation.</b> In addition to the offer, <b>the marketing budget will also need to be bigger for this segment.</b> By now, we are still advertising for the "traditional HNWI" but this picture has already changed.	<b>Service Orientation</b> <b>Analytical Thinking and Innovation</b> <b>Integrity</b> <b>Open for Change</b> <b>Negotiation skills</b>
The client think of maximizing their benefits, so <b>an RM/bank who listens to the needs of customer will have the advantage</b>	<b>Service Orientation, Creativity-originality-initiative, social influence, open for change, negotiation skills, self discipline</b>

## Appendix 16: Other Banks - Interviews' Overview

IW	Based in	Bank Type	Q1A - Role	Q1B - Type of clients	Q1C - Client segmentation	Q2	Q3
Iw9	Geneva	OB	Market Head Geneva	Onshore	all segmentation, because we want clients to go where they feel good	12	<b>Automated back office</b> (centralized mortgages and payments processes), only job with added value remains, <b>Banks will be smaller in size but more dynamic &amp; efficient, with high skilled people</b>
Iw10	Romandie	OB	Regional Head Wallis	Onshore	Retail, Affluent, HNWl	60	Between back 20 years ago and now we had seen a huge <b>internal</b> technology evolution: an evolution for the bank itself. Now and in the future, <b>the bank will develop technology for clients (external)</b> , so they can communicate more easily with the bank. I also believe that the <b>client segmentation will change</b> . We will not have clients segmented by wealth but more by the canals they would like to use (i.e. Skype, Chat, Phone, face-to-face) and the willingness for them to be contacted
Iw11	Romandie	OB	Executive Board & Head of Private Banking Romandie	Onshore / Offshore	Retail to UHNWl	1800	<b>It will change a lot and even more rapidly than before.</b> Mainly because of technologies and regulations, especially cross-border ones. <b>Digitalization will have a huge impact on the value proposition of the bank, the cost of banking services and how we will contact clients.</b> It will also depend on the client behavior. We will also see <b>new players (non-financial ones) such as technological services, neo-banks, fintechs, that will increase competition</b> . Advisors that will be able to explain complex information to clients and to sum up the various information available, will still have an important role to play. By bringing added value

Q4	Q5	Q6	Q7
<p>New generation do not come to the branches anymore. Only older people come. But people need a contact. They need trust and they don't trust robots. You can invest with a robo advisor until 50k (or max 10% of your wealth in risky assets). For the rest, the client needs to be reassured. <b>Not because of unskilled people, it's more about clients being reticent of dealing with a robot than with a human advisor.</b> No FinTech for wealth management because there are lots of emotional feelings.</p>	<p>For me <b>education is key! But it is a question of motivation. Continuous learning should be done and employees should show they want to learn.</b> Formation <b>online</b> will be developed but not everything can be done online (less interaction and some things have to be done together by looking at documents). Employees need to have a broad knowledge: wealth planning, financing, investing; <b>ISFB partner</b> also. <b>But it's all about the employee and his/her motivation.</b></p>	<p>Yes, I will pay the education <b>if the employee is motivated because it is important to be educated</b></p>	<p><b>Lifelong learning.</b> robo-advisor: nice to have but not the solution now. Maybe for a certain type of clients but not for everything. Ex: small wealth, you provide standard investment (i.e. ETF). But be careful, some retail have sometimes wealth somewhere else or might receive a large inheritance. You should not forget them. Always offer a personalized service.</p>
<p>I believe that yes, clients want more technologies, but only until they know you to use it. Because when it starts to be more complex, they don't necessarily master it. It's the same for employees. They like to use technology until they don't master it anymore. <b>So the most important to do for a bank is to train its people, and to teach them the techniques to use online channels."</b></p>	<p><b>Some employees are curious and train themselves.</b> But otherwise, we clearly train our people. First <b>internally if we can, otherwise we look at partnerships.</b> The last trainings we did were on: how to manage/lead teams via skype and how to negotiate on the phone.</p>	<p>Yes of course. <b>Actually we have many people in training in our banks</b>, from HES, maturity trainees, finance specialists, masters, etc. <b>"If we have people of good quality, we should not stop them to get educated. That's the worst thing to do."</b></p>	<p><b>It depends on the people and their motivation, capacity and ability to learn.</b> Usually, when we launch a new application, we ask our employees to use it for 3-4 months (pilot project) to receive feedbacks and improve the system if needed. Then the application is launched. But for me <b>it takes 6 to 12 months to really master a new technology.</b></p>
<p><b>The client behavior will tell the pace</b> (and also the one of the company), if they want to use the same channels and do banking the same way, or if they want to change their way to do banking. That will dictate the pace of new technologies. <b>Also you don't have one type of client or employee. They will react differently and some have difficulties using new technologies. Moreover, technologies cost a lot a money.</b></p>	<p><b>Both. We help them train and they should train themselves.</b> We try to improve the level of awareness of employees and clients about digitalization. And we offer them trainings.</p>	<p>I depends if the learning is linked to the job. <b>But of course we help them develop themselves within the company</b></p>	<p>I don't exactly know but you need to <b>integrate those new technologies.</b> The day we will have robo-advisors, we will need to know how we want to use them and make people keen on working with them. <b>I think it will take more months or even years to adapt.</b></p>



Q8	Q9	Q10	Q11
<p>I'm a high believer of <b>giving a chance to the new generation. But the most important is to find someone passionate and motivated.</b> Sometimes, you ask yourself if you want to hire someone younger internally that you can train but leaves after 4 years to discover something else, or hire someone externally that knows the job already, is highly skilled and will remain maybe longer.</p>	<p><b>Mix from both.</b> Here I have a quite new team and a new department so I hired more external people, but we train internal people for the future as well.</p>	<p><b>Roles vanishing:</b> back office, Human Resources (payrolls done abroad, etc)</p> <p><b>Roles emerging:</b> jobs with added value. For key life moments (home ownership, wealth transfer, business creation), it will be of utmost importance to have an advisor</p>	<p>passion, be interested in the clients (personal life and why he wants to do it), <b>emotional intelligence, empathy. That are skills that they absolutely need to develop</b></p>
<p><b>The most important for me is to have people of all experience and to develop ourselves with new employees.</b> That's actually why we offer trainings and internships to young people, so that they can give us feedback and we can improve.</p>	<p>ones train the others. People wants to go forward. <b>Diversity is important</b></p>	<p><b>Roles vanishing:</b> back office &amp; the processing of documents will disappear, as well as the controlling and the incoming/outgoing postal services that will become digitalized.</p> <p><b>Roles emerging:</b> we will need different competences at the front level (client): to be able to explain the technological changes to clients so that they can understand it. Because robots cannot understand the real clients' needs, wishes, family, etc. by now.</p>	<p>in our bank we do not have assistants, but we have backoffice in each bank. <b>"The thing here is to make a reflective work on how many clients I have in my portfolio, how many clients I can manage to be able to develop all of them, and even acquire new ones."</b> Because in some places, you just have too many clients and you are not able to manage them correctly. Then they leave.</p>
<p><b>Both. You need fresh blood to accelerate the change. New mentality and new skills. But also internal people.</b></p>	<p><b>Both.</b> You need people who knows the bank and the systems. In traditional banks it's good to have old and new type of skills. And that's a good mixture of existing employees and new joiners.</p>	<p>I don't have an answer to that. <b>But many jobs will transform themselves. You will maintain and add new jobs.</b> You will need people with larger diversity of skills to do one job.</p> <p><b>Roles vanishing:</b> People with poor added value will maybe disappear and some machine could take their place. But machines can't replace everything. They will not go to meet clients and try to develop the relationship with them</p>	<p>The RM must have <b>skills and knowhow to perceive the value of clients. He must be able to sum up/explain the complex environment to clients.</b> Machines are good at resolving programs' problems, But clients have all different problems/questions. That's where the RM can make the difference. He needs a set of skills to give him advantage to treat clients' problems, and human skills with high added value</p>

Q12	Q13
<p>Do a global check up with the client before thinking about investing.</p> <p><b>Active referencing is highly important to acquire new clients.</b> But not always easy and people don't always dare to do so. <b>Baby boomers are a generation we need to offer great advice because they have a large wealth and they will transmit it to other generations. We need to provide advice with high added value or wealth transfer possibilities to keep wealth within the bank</b> (and gain children's trust). That's a challenge for all banks</p>	<p>There are so many: <b>Emotional Intelligence, Active listening, Empathy &amp; interpersonal competences, team spirit &amp; collaboration (internal), Analytical thinking &amp; innovation, "soif d'apprendre", have a good pitch, stress tolerance, complex information processing and resolving, self-discipline, passion</b></p>
<p><b>"I believe that it's the client that will make the choice of where he wants to be managed. If we treat him well and in a respectful manner, he will stay.</b> If we have the good channel, he will stay. The bank will need to find the details that the client will like." The bank will still need to be highly secured, even though young clients now are less picky on data security. <b>The bank will have to adapt to the clients' choices and follow them. It's not the client that will adapt. Either the bank is ready to adapt to all generations and follow clients with the right canal, the right knowledge and the right offer, or clients will go somewhere else.</b> The RM is a pawn that will permit the success of the bank. if the rest is not here, it won't work. New generations are attentive to details (i.e. card color you can chose -&gt; revolut -&gt; young people love it)</p>	<p>For me, everything is focused on one skill mentioned: <b>Emotional Intelligence.</b> Everything is concentrated within this competence. Feel what the client needs, having a real interest in the client. And it's natural, you can't really learn it. <b>Respect</b> also. People needs to respect people in general: employer, colleagues, clients.</p> <p><b>technical competences</b> are also important (digital and banking knowledge) but that can be learned. <b>Team Spirit and Leadership</b> are also important if you want to succeed but for me one that clearly stands out is Emotional Intelligence.</p>
<p><b>We will still need human intervention for important steps in life</b> (buy a house, complex investments, etc). Bankers will still have an important role to play. <b>We shouldn't underestimate the needs of clients, especially the financial needs. Get in touch with the new generation very soon and know already now their needs and what could be their needs in the future.</b> You don't have the same needs at 20 y.o. and 40 y.o. We need to show the value that we can provide them. But it's difficult because we don't know, and the clients themselves don't know, what will be their future needs. I'm convinced that young people not paying any fees now will be ready to pay in the future, except for added value services.</p>	<p><b>Creativity and be more entrepreneurial</b>  <b>Complex information processing &amp; Resolving</b>  <b>Flexibility</b>  <b>Agility</b></p> <p><b>More business driven than today.</b> Because people now come to you when they have needs. It could be different in the future.</p>

## Appendix 17: Stock Exchange Banks – Interviews' Overview

IW	Based in	Bank Type	Q1A - Role	Q1B - Type of clients	Q1C - Client segmentation	Q2
Iw12	Geneva	SEB	Team Leader Romandie	Onshore / Offshore	HNWI & UHNWI	13
			Team Leader France	Offshore	mostly UHNWI also HNWI	5
			Former Team Leader France & Cross-Border	Offshore / Onshore	HNWI & UHNWI	10
Iw14	Abroad	SEB	CEO Israel	Offshore (Israeli onshore clients)	UHNWI	7
Iw15						

Q3	Q4	Q5
<p><b>the bank will face a strong competition and a high regulatory pressure</b>, which will lead to a pressure on margins, which can be in contradiction with the service offered. Before, bankers were the only one having the information. Today, clients get all the information, sometimes quicker than us. There are way too much information today and the goal of a banker is to provide clients with a meaning of all that. That will make the difference. <b>The capacity to give a meaning to events occurring.</b></p>	<p>I believe that many things will be learned on the job. Technology is only a mean, what will make the difference are human qualities. To give a meaning, to have empathy skills. <b>What will be useful and costly would be to know how to integrate those technologies with human skills</b></p>	<p><b>We have lots of trainings.</b> We have a specialized HR department, where <b>internal trainings</b> are available, as well as <b>lectures</b> and <b>external speakers</b>.</p>
<p>For me, <b>private banking will be needed more than ever</b>, especially for UHNWI. <b>Bankers will need to filter the data from and for clients.</b> Too much data exist and we will need to know what data will drive the movement on the Long Term and share it with our clients.</p>	<p><b>Technology drives costs up and not all institutions can afford it.</b> If the bank has the capability to invest &amp; develop tools that are expensive, it will need to train its employees. If the bank doesn't train its employees to use these new tools, it won't be reached. But it's also "because of" clients. Clients accumulate wealth in their 2nd time of life and they may have difficulties in using technology at that age. <b>All in all, the barriers are: employees and they need to be upskilled, and clients (mostly older clients that can have difficulties)</b></p>	<p>The <b>bank offers lots of lectures and courses. Some are mandatory, others are offered to employees.</b> We also have a <b>learning academy</b>.</p>
<p><b>it won't change much</b> in the next 5 years <b>but there will be much less banks.</b> I'm convinced that <b>it's a people business.</b> You need to have contact with people you trust. Compared to 30 years ago, the bank is now more complex: you have much more documents to sign for tax purposes, if the client is a professional or not... it's becoming worse. In the past we had too much freedom but now it went too far. Too much regulations and cross-border.</p>	<p><b>People skills are not a barrier. It's about being aware of the technology. It's more the client that doesn't want too much technologies.</b> The change needs to be smooth from old clients to young clients. I still have clients that don't even have an e-mail! But of course we need to invest in new technologies.</p>	<p>We have an <b>academy</b> that <b>offers compulsory trainings</b> (regulations ask for it) and <b>also internal workshops</b>. When we have new applications, we need to follow trainings.</p>
<p>Good question that we are asking to ourself on a regular basis, to know how we need to adjust. Highly exposed to <b>new technologies</b>. We know that they <b>are highly attractive to the new generation</b>. We have to find a combination between the two. <b>We have to be adaptive and tech oriented, but at the same time keep security means.</b> The key thing will be the proximity. <b>"We have to stay close to the people, whatever the means are"</b>. Take care of the human kind by keeping a human touch. If we can't keep that, AI will manage clients better than we can do</p>	<p>in the past, banks had to invest a lot of money in compliance &amp; compliance people and that's why it was a trouble for some banks because they had to invest in it &amp; couldn't afford it. So some banks disappeared. Same here, <b>banks have to invest in those online segments and they have to make it the right way: agile and highly secure. Banks can't afford not to do it.</b> Things are always complicated as long as you don't do them. But when you use them you realize that it's not that complicated. <b>First the bank should show people that they can do it and then just do it. Also employees have to understand that we have no choice. I didn't see anyone that didn't want to do it.</b> Same now with the Coronavirus, we had to adapt, change our habits, use other technologies. We had to do it and now it's fine.</p>	<p>our bank is <b>very open for learnings</b> so we have <b>many e-learning options</b>, &amp; courses available for us. <b>We are actually highly encouraged to train ourselves.</b> They sometimes test our agility to see if we stay vigilant. Especially in those time of coronavirus. If we fail the test, we are not blamed but we need to follow a training (ex. phishing).</p>

Q6	Q7	Q8	Q9
there are prerequisite that we'll ask in terms of university diplomas. We will also require that they follow specialized certifications (CFA, CIWM, etc). <b>If employees want to do more, we need to look at it goes along with the job and the potential of the person.</b>	I doubt that robots will take a huge part of the wealth management segment because what will lack is the human contact. In the technology domain I see two things: blockchain for the backoffice to gain security and rapidity. Artificial Intelligence and big data, with the analyse of data, will help better understand things such as analysing what is meant behind a result announcement, the capacity to analyse the client behavior, its spendings, etc. Technology can also help you combat fraud.	it's not binary. In wealth management teams, <b>we need to have an equilibrium in age, experience, background. We will also hire younger people knowing technologies better</b>	<b>We shouldn't generalize, younger people can also have difficulties in using new technologies, while older people can use them very well.</b> But if someone internal needs a training for the systems used, they will learn. I don't believe it is too hard to learn new things. But <b>what is important is a mix of age, sex, experience, etc</b> that will be enriching. To share also difficulties faced with clients.
Yes I support them, <b>but actually employees have to develop. It's not an option.</b> And again, 95% of trainings are available at the academy	robo-advisors are not yet needed in our banks but some will be maybe used for asset management	I don't know.	sometimes you need specialists from outside
If someone wants to develop, he needs to look with the Human Resources (HR). We have more than 100 HR specialists for 4000 employees.	<b>it's very fast to be reskilled.</b> Usually done on the job. If we have a new application release, we follow a workshop to be able to work on it quickly. Then you take a bit more time to adapt at 100%	<b>If internal employees are open to change and want to be reskilled, I would do so.</b> Otherwise, I would chose to hire new employees	<b>if people are open, I will hire existing employees</b> because they already know the bank and its internal processes. Also it costs less to reskill existing employees than to hire new external people.
<b>If I find an interesting course and I want to do it, usually they accept. I never heard someone in the bank refusing such development process of an employee.</b> Maybe not the specific training but something similar was offered. And I work in this bank since 1998. I myself always encouraged my teams to do it and I have no problem if they do it over the working hours.	<b>It depends on the people.</b> Some people are keen on IT products and some are not. When you love something you learn it faster than others. Everybody has a path and that is something that must be respected. I'm in favor of mentoring (young generation mentored by older ones, but also the inverse, so that older people can also know new ways of working and to be trained). Younger people can show the benefits of such new technologies to the others.	<b>I strongly believe in balance.</b> We need to be a bank online, adapt to new technologies; but we should keep our core values. Here it's the same. <b>We need some fresh blood but also experienced internal employees.</b>	<b>You are more challenged with new joiners as they see things with a different angle thank to their past experience, but we need to combine it with more experienced people.</b> And that's the way it works best. You have the experience of the one that know everything from the bank, all its secret, and the other that think out of the box. We should find a way to motivate everybody to jump in (in different ways for each person as everyone reacts differently)

Q10	Q11	Q12	Q13
<p><b>Roles will probably not disappear but we will probably need less people.</b></p> <p>Technology will help us.</p> <p><b>Roles emerging:</b> we will need specialists and generalists. The advisor taking care of the client needs to be a generalist, even though he cannot know everything as the world has become very complex. He will then look a people available in the organization to help him offer the best service to the client.</p>	n/a	<p>What is extremely important is that <b>if at the time your client passes away you don't know the children, you have extremely high chances to lose the relation.</b> Because as people inherit much later, they already did their life and have other relationship. <b>It is key to know the family to keep the client relationship in the bank.</b> It also depends on the level of integration the parents included their children in the relationship with the bank. We also <b>organise NexGen seminars to include the clients children into the bank. Important also for the children for their networking.</b></p>	<p><b>Active listening</b> is very important. Integrity, but it's basic and is part of the basic skillset a RM should have. <b>Emotional Intelligence</b> of course, <b>Networking</b> is very important also, to know the capacity one has to develop his clientele. <b>Team Spirit, open for change; negotiation skills is key.</b> Human skills can be developed but cannot really be taught. People's personality always comes back. <b>Complex information processing &amp; resolving</b> also important as people have different wishes and needs, depending on the country they live in, etc.</p>
<p><b>Roles vanishing:</b> operations and back office (checking data, if transactions are correct, etc). Everything that is based on data management.</p> <p><b>Roles emerging:</b> analysis of interaction on activity, variation of accounts from clients to offer the best service to clients. But it still needs to be personalized.</p>	<p>it's the core of the bank business. Clients expect a certain level of <b>personalized service</b>. But regulations/ compliance took most of the time and you don't have much time left for clients. But you still have to do it. That can be counterproductive. <b>Artificial intelligence need to help on that point and supervise.</b></p>	<p>In the Private Banking when dealing with UHNWI, it's already the case that they have many banks, even 20 years ago it was like that. But it's for clients reaching a certain amount of wealth. <b>It's really important to know our clients well and to know the clients' children</b>, the company that the client might sell, etc. <b>The most important is to keep a human aspect.</b> Even with millennials that are impatient, we will <b>make the difference by offering ethical investments, technology and the right products.</b></p>	<p>The competences would be human emotional relations, clearly. <b>Active Listening:</b> is the base of the business. <b>Integrity:</b> but it should be the basics and goes along with <b>trust</b>, that is crucial in this job. <b>Stress tolerance&amp;self-control</b> is needed, particularly in difficult times. <b>Complex information processing and resolving. Emotional Intelligence.</b> Actually we need a mix of Active Listening, Emotional Intelligence, Stress tolerance and self control to achieve the capability of human nature complex solving.</p>
<p>many jobs appeared in the back office. They are much more than before because of regulations. But I'm not convinced they will remain there because margins are decreasing (increase of costs and revenues stable). With the FINMA regulations you need to have a compliance desk. But in the long term, I believe that <b>back office roles</b> will vanish. With the Covid-19, we saw that homeoffice worked well and that you did not need many employees at the bank. This will also lead to <b>smaller buildings</b> if people continue working remotely. Regarding the <b>Front office</b>, <b>there is much less people now than before.</b> at my desk, we were 20 people 10 years ago and we are now 8 (4 RMs and 4 Assistants).</p>	<p><b>I believe the skills will remain the same as before because it's all about people business.</b> You need to have some knowledge skills but also client facing skills. The big problem today is that HR only look at knowledge and the level of education someone has, but not at <b>client facing skills</b>. But <b>it's all about that</b> and robots cannot do that. People can be really skilled in terms of knowledge, but if they don't have client facing skills, they won't be able to succeed. FinTech will work for Retail clients because it's a question of margin. Less banks will accept small clients because it costs a lot. So those small clients will need to find a bank that is not expensive and that will accept them (i.e. FinTech)</p>	<p><b>It's about people business and human skills.</b> It's for sure a huge challenge for all banks to retain the next generation. To be prepared, we organize <b>"Next Generation" events for younger people from around 25-30 years old</b>, usually our children's clients, about finance and other topics to try to retain them at best.</p>	<p>for me all of the enumerated skills are important to have. but the 5 most important skills would be : <b>Service Orientation:</b> because we should not forget that we are a service company. <b>Integrity</b> because you really need to be respectful of the regulations and clients. <b>Cooperation &amp; Collaboration</b> is very important to have team collaborating, &amp; also internally between departments. <b>Interpersonal competences and empathy</b> goes a bit against robotics but is very important and last <b>flexibility and adaptability</b> because you need to be very flexible to adapt to this ever changing world. You cannot be successful if you are not <b>open-minded</b>.</p>
<p><b>Roles vanishing:</b> Back office will disappear. I think it's bad but it's the reality. I also think that office spaces will be less needed in the future, so no more fancy buildings. And here we can cut costs. The bank has to see where costs are: new technologies, cybersecurity and talents, and then cut costs where it's possible, for example by reducing work places. We need to adjust. It's where the future is and we have to do so to stay in the market</p>	<p>I don't really believe in the RM position anymore. <b>We should not work as old bankers, alone with an assistant, but more as a team.</b> Of course it makes us less attractive for the competition and there are some risks of working as a team. But you need to be <b>self-confident</b>. It would be interesting to <b>replace this old model with a center where someone is in charge of developing the clients and peer him with an investment specialist and an Client Relationship Officer (CRO), that is more skilled than an assistant.</b></p>	<p><b>Proximity is very important. You need to be close to the client and all the member of the family.</b> You have here also different types of generations. Before coming to Israel I was working in pair with a Senior RM, he was taking care of the parents and I, younger, was taking care of the children who were my age at that time. I understood them &amp; we became close. We shouldn't wait for the parents to die to know the family. <b>We should be part of the picture at an early stage. If you're young, ask your parents to meet the banker. It's also important to have a "sexy" offer and be dynamic for the new generation. Fees are also a point. We need to have low fees.</b></p>	<p><b>Open Minded Adaptive (-&gt; flexibility &amp; adaptability)</b>  <b>Self-Driven (-&gt; self-discipline)</b>  <b>Creative</b> (really to think out of the box)  <b>Positive</b> (the market environment is super hard and we need to find people that are super motivated and always positive)</p>