

Transforming Wealth Management: A Comprehensive Digital Maturity Model

Abstract. *The wealth management industry faces increasing pressure to improve digital capabilities due to evolving client expectations, stringent regulatory demands, and competition from new digital competitors. This paper presents a digital maturity model specifically designed for wealth management firms, developed through an iterative process involving industry expert input and extensive literature review. The model was integrated into the ABILI platform, a digital consulting tool created by AbiliCor, to facilitate its practical application. The ABILI platform provides real-time strategic guidance, enabling wealth management firms systematically assess and enhance their digital maturity. The model aids firms in identifying improvement areas, prioritizing digital initiatives, and implementing effective strategies to enhance client service and operational efficiency. Findings indicate that the maturity model can significantly support firms in staying competitive and adapting to the rapidly changing digital landscape. The paper concludes that the ABILI platform, enhanced by the digital maturity model, is a valuable resource for wealth management firms seeking to maintain a competitive advantage and deliver greater client services in the digital age.*

Keywords: *Digital Maturity, Wealth Management, Digital Transformation, Maturity Model, Strategic Consulting*

1. Introduction

The wealth management industry is a dynamic field experiencing significant growth that is driven by rising client expectations and technological advancements. This industry's evolution has highlighted the importance of digital maturity as a critical factor for competitive advantage and improved client services. Maturity models offer a framework for firms to assess their digital capabilities, identify areas for improvement, and strategize their digital transformation initiatives. Regulators can use this model to monitor compliance and ensure that firms meet digital standards. For clients, improved digital strategies lead to enhanced service delivery, aligning with their growing expectations. However, a significant gap exists in the availability of comprehensive maturity models specifically tailored for assessing digital maturity within this sector. Existing models from other industries often lack the nuanced understanding required to address the unique complexities of wealth management, making them insufficient for evaluating digital readiness (Tran et al., 2022).

The primary issue identified in this paper is the lack of a standardized framework to assess and compare the digital maturity of wealth management firms. This gap poses a challenge for firms motivated to enhance their digital capabilities and align with industry standards. The absence of a specialised maturity model hinders these firms from effectively identifying areas for improvement and benchmarking their progress against industry peers.

The objective of this research was to develop a specialised maturity model, integrated into the ABILI platform, to provide a thorough assessment of digital maturity specifically tailored to wealth management firms. This integration ensures practical application and enhances the usability of the model in real-world settings. This model was intended to serve as a tool for evaluating digital readiness, guiding firms in their digital transformation efforts, and offering actionable insights to enhance service delivery. The research process involved an iterative development of the model, incorporating feedback from industry experts and an extensive review of relevant literature, ensuring the model's theoretical robustness and practical applicability. Key stakeholders benefiting from this research include wealth management firms, regulatory bodies, and clients.

This paper addressed the critical need for a comprehensive tool to assess digital maturity within the wealth management sector. By providing a tailored maturity model, this research contributes valuable insights into best practices and strategic initiatives in digital technology, supporting firms in achieving business success and maintaining competitive advantage in a rapidly evolving market.

UNDER PEER REVIEW

2. Literature Review

This literature review examines the impact of digital transformation on various industries, with a focus on maturity models, strategic consulting, and the unique challenges in wealth management. It synthesizes recent research and practical frameworks to provide insights into how digital technologies reshape business practices and drive innovation. The review followed a systematic methodology, ensuring a detailed and structured search for relevant academic and industry sources, including peer-reviewed papers, industry reports, and consulting frameworks. Over 100 sources were reviewed from databases such as Google Scholar and Scopus, with a focus on studies related to digital maturity, maturity models, wealth management trends, regulatory challenges, strategic consulting, and emerging technologies like AI, blockchain, and big data analytics, but 30 were used for the effective analysis. The literature was categorized into the following key themes.

Digital Transformation

Digital transformation is a comprehensive and strategic integration of digital technologies across all areas of a business, fundamentally changing how companies operate and deliver value to customers. This transformation is driven by societal demands for improved digital resources and experiences, as well as advancements in technology that enable new ways of doing business. As highlighted by Kovshova (2022), the demand for innovative communication channels and products, coupled with the widespread adoption of digital devices like smartphones and personal computers, speeds this shift. Businesses are increasingly investing in digital platforms to automate processes, enhance customer interactions, and optimise decision-making through data analytics (Kovshova, 2022; Liggesmeyer et al., 2019).

Accenture (n.d.) defines digital transformation as distinct from digitisation and digitalisation. While digitisation involves converting analogue information into digital formats, digitalisation extends to the comprehensive application of digital technologies to transform business operations and strategies. This broader approach requires a well-defined strategy that includes transforming business models, optimising operations, promoting a culture of agility and experimentation, and implementing flexible technology infrastructures (Gatzju Grivas & Graf, 2020; Furr et al., 2022).

The benefits of digital transformation are multifaceted, ranging from increased efficiency and agility to enhanced customer experiences and value creation. For example, companies like

Uber, Airbnb, and Amazon have leveraged digital platforms to provide services without owning physical assets, what demonstrates the shift towards a dematerialised digital economy where services take priority over physical goods (Liggesmeyer et al., 2019). However, the implementation of digital technologies also poses challenges, particularly concerning data privacy and regulatory compliance. The global nature of digital business demands a harmonised international framework to protect individual rights and ensure a viable business environment (Accenture, n.d.).

Maturity Models

Maturity models are tools that support organisations assessing and benchmarking their current capabilities against a predefined set of criteria. These models typically consist of several maturity levels that represent a range from initial to advanced stages of development. Becker et al. (2009) describe maturity models as essential for identifying organisational strengths and weaknesses and provide a clear roadmap for improvement and transformation. The use of such models enables a systematic evaluation of an organisation's progress in various dimensions, including strategy, operations, and technology.

The Digital Transformation Maturity Model (DTMM), developed through research and expert interviews, serves as a comprehensive framework for assessing digital maturity. It includes nine dimensions: Customer Experience, Product Innovation, Strategy, Organisation, Process Digitalisation, Collaboration, Information Technology, Culture & Expertise, and Transformation Management (Back et al., 2022). This model has been particularly useful in annual benchmark studies in the German-speaking region, providing valuable insights into the state of digital transformation across various industries.

In wealth management, maturity models play a crucial role in evaluating the integration and effectiveness of digital tools and processes. Indicators such as regulatory compliance, data privacy, personalised client services, and the integration of legacy systems are particularly relevant in this sector (Malik, 2022). For instance, KPMG's customer-centric model identifies eight critical areas, including insight-driven strategies and actions, innovative products and services, and a digitally enabled technology architecture, to drive digital transformation and achieve higher levels of maturity (Paramanathan et al., 2022).

Strategic Consulting and Digital Tools

Strategic consulting is central in guiding organisations through the complexities of digital transformation. Consulting firms use maturity models to evaluate current capabilities and

develop strategies for improvement. Werth et al. (2016) categorise digital consulting services into four levels, ranging from basic computer-assisted tools to advanced computer-delivered consulting. These services assist organisations leverage digital technologies to streamline processes, enhance decision-making, and innovate business models.

The trend towards digital consulting, often referred to as "Consulting 4.0," highlights the increasing use of digital platforms and tools. Gatzu Grivas and Imhof (2023) note that digital tools, such as online self-assessment questionnaires, enable clients to conduct self-evaluations and receive tailored recommendations based on their specific needs. The ABILI platform, for example, offers tools like the Digital Backpack Assessment and the Transformation Compass, which facilitate comprehensive evaluations of an organisation's digital maturity and strategic alignment (Gatzu Grivas et al., 2022). These tools streamline data collection, analysis, and visualisation, providing actionable insights that support strategic decision-making.

Wealth Management: Challenges and Trends

The wealth management sector faces several challenges, including a lack of IT expertise, inefficient data management practices, and stringent regulatory compliance requirements. Ankenbrand et al. (2022) identify these issues as significant pain points that hinder the sector's ability to innovate and adapt to changing market conditions. The reliance on highly skilled personnel, together with high operational costs, intensifies these challenges, particularly as the sector navigates increasing regulatory demands.

Digital transformation in wealth management involves adopting technologies such as process automation, big data analytics, and blockchain to improve operational efficiency and client services (Ankenbrand et al., 2022). The integration of digital tools enables wealth managers to offer more personalised services, improve client engagement, and streamline operations. This shift is particularly important as younger, more digitally aware generations become key market players, expecting seamless digital experiences from their financial service providers (Meara & Greer, 2021).

The industry is also witnessing a shift towards open financial ecosystems, which encourage collaboration and innovation. This trend disrupts traditional value chains as they allow new digital entrants and fintech companies to offer niche services and thereby increasing competition. The move towards open banking and shared services poses new challenges, including data governance, security, and compliance (Deloitte, n.d.). Nonetheless, it presents significant opportunities for wealth managers to enhance service delivery, expand their client base, and explore new business models.

The literature widely covers the multifaceted nature of digital transformation and its impact across various industries, particularly wealth management. Maturity models provide a structured framework for assessing an organisation's digital capabilities and guiding them through the transformation process. These models are crucial for identifying areas for improvement and aligning business strategies with technological advancements.

Strategic consulting firms play a fundamental role in this transformation journey, offering expertise and digital tools that facilitate effective decision-making and strategy formulation. In the wealth management sector, digital transformation is reshaping traditional practices, driven by technological advancements and evolving client expectations. The sector must overcome challenges related to regulatory compliance, high operational costs, and the integration of digital tools with legacy systems. As digital transformation continues to evolve, it will be crucial for wealth managers to adopt innovative strategies and technologies to stay competitive and meet the needs of their increasingly digital-savvy clientele.

UNDER PEER REVIEW

3. Methodology

This paper utilised the Design Science Research methodology, as outlined by Vaishnavi and Kuechler (2007), to investigate the digital maturity of wealth management firms. The research was structured into four distinct phases: "awareness," "suggestion," "development," and "evaluation," providing a comprehensive framework to address the research questions and validate the thesis statement. This methodology was selected due to its suitability for developing new artifacts, a key objective of this paper, particularly in constructing a digital maturity model tailored to the wealth management sector.

Research Strategy

The initial phase (awareness) involved a thorough literature review focused on digital transformation, maturity models, and strategic consulting, specifically within the context of wealth management. This review provided a foundational understanding necessary for developing the framework. The research incorporated insights from existing literature to create a framework that could be integrated into the ABILI platform, ensuring practical applicability and relevance to industry standards.

Research Instrument Development

The development of the digital maturity model followed a structured process inspired by Becker et al. (2009). The initial step involved defining the problem scope and identifying the target group, ensuring a comprehensive understanding of the requirements and objectives of the model. Then, a comparative analysis of existing maturity models in related fields was conducted. This analysis informed the decision-making process on whether to adapt an existing model or develop a new one from scratch. The integration of subject matter experts at an early stage was a critical aspect, allowing for iterative feedback and refinement of the model.

The model's dimensions and indicators were defined through extensive literature research. These indicators were then organised into a cohesive framework, designed to be tested within a controlled environment on the ABILI platform. The primary goal was to validate the model's efficacy in real-world applications, using live test cases to assess its practical usefulness and accuracy.

Data Collection & Model Evaluation

To evaluate the digital maturity model, an interview protocol was developed. This protocol aimed to assess the model's comprehensiveness, ease of understanding, and relevance to industry stakeholders. The data collection process followed a **qualitative research approach**, focusing on obtaining in-depth insights from professionals within the wealth management industry. Qualitative research is particularly well-suited for exploratory studies where the aim is to understand participants' experiences, perspectives. This approach allows for rich, detailed data collection that can provide insights beyond mere numerical metrics, helping to shape the model according to industry-specific needs.

To gather qualitative data, 14 semi-structured interviews were conducted with industry experts across a variety of roles, including IT Managers, Business Managers, Data Analysts, Compliance Officers, Client Relationship Managers, Portfolio Managers, and Heads of Operations. The semi-structured format allowed for flexibility, ensuring that core questions were asked while also enabling participants to elaborate on points they felt were most relevant to their work. Additionally, a group interview was held with three members of the Indonesian Certified Wealth Managers' Association to capture insights from a collective professional body.

Each interview lasted between 30 and 60 minutes and was conducted via video conference. All sessions were audio-recorded with participants' consent and later transcribed for further analysis. Thematic analysis was employed to analyse the interview data. Thematic analysis involves coding the data and identifying key themes or patterns across the responses. This process was particularly useful for capturing recurring insights that reflected the industry's needs.

After transcription, the data was coded manually using a combination of inductive and deductive approaches. The inductive approach allowed themes to emerge directly from the data, while the deductive approach involved coding data into predefined categories related to the research questions. The key themes identified were categorized into the following groups:

- **Relevance and applicability of the digital maturity model** to wealth management operations.
- **Strengths and limitations** of the model in addressing specific industry challenges.
- **Detailed feedback on model dimensions**, including areas such as regulatory compliance, cybersecurity, and client engagement.
- **Practical insights and suggestions for improvement**, where participants recommended enhancements or pointed out missing elements.

These thematic groupings allowed for a comprehensive analysis of the data. By grouping the statements into these categories, the research was able to systematically address the industry's core concerns and incorporate feedback into revisions of the model. This iterative process was critical for refining the model, ensuring that it met the practical needs and expectations of industry professionals.

Model Adaptation and Finalization

Through the iterative stages of awareness, suggestion, development, and evaluation, the Design Science Research methodology provided a structured approach to the development of the Wealth Management Digital Maturity Model. This methodology guided the identification of relevant industry challenges, the incorporation of expert feedback, and the validation of the model's applicability, as detailed in the following chapter. In the next chapter, the development and implementation of the model are detailed, demonstrating how the insights and frameworks developed through this research were translated into a practical tool for industry use.

Based on the insights gathered from the interviews, the model was adapted and refined. The final version of the model incorporated expert feedback, making it a more robust and applicable tool for assessing the digital maturity of wealth management firms.

The expected outcome of this research was a validated framework that not only provides theoretical insights but is also grounded in practical experience. The involvement of industry professionals throughout the development process added credibility and ensured that the model was well-aligned with real-world practices and expectations.

In summary, this paper's methodology combined a robust theoretical framework with practical validation processes, resulting in a comprehensive tool for assessing digital maturity in wealth management. The integration of the model into a practical platform, coupled with continuous expert feedback, underlines the practical relevance and potential impact of the research.

4. Development Process

The creation and implementation of the Wealth Management Digital Maturity Model have been precisely shaped to address the multifaceted challenges faced by the wealth management sector in the digital age.

Problem Definition and Contextual Relevance

In the wealth management industry, digital transformation is not just an option but a necessity. The sector is experiencing a paradigm shift, driven by increasing customer expectations for personalised, real-time digital experiences, the rapid integration of advanced technologies such as artificial intelligence (AI) and blockchain, and stringent regulatory compliance requirements. Clients are no longer satisfied with traditional, static interactions; they seek dynamic, customized services that align with their financial goals and lifestyles. Additionally, regulatory bodies are imposing more rigorous standards, particularly concerning data protection and financial transparency, adding another layer of complexity to digital initiatives. The Wealth Management Digital Maturity Model was developed to provide a structured approach to these challenges. It serves as a critical tool for organisations aiming to harness digital technologies effectively while ensuring compliance and maintaining competitive advantage. The necessity for such a model is strengthened by both academic literature and practical insights from industry experts, who highlight the pressing need for a tailored framework that addresses the unique challenges of the wealth management sector.

Comparative Analysis of Existing Models

A detailed comparative analysis of existing digital maturity models was conducted to inform the development of the framework for wealth management. This analysis followed the awareness phase and included models like the Digital Transformation Maturity Model (DTMM) and KPMG's customer-centric model, among others. The DTMM is recognized for its comprehensive coverage across multiple dimensions, including customer experience, product innovation, and organisational culture. However, its generic nature does not fully encapsulate the specific requirements of the wealth management industry, particularly regarding regulatory compliance and customer service nuances.

Similarly, KPMG's model emphasizes customer-centricity, focusing on enhancing customer experiences through digital innovation. While this approach is valuable, it falls short in addressing the stringent regulatory requirements and the necessity for tailored digital solutions

in wealth management. Strategic consulting frameworks often include elements like agility, flexible technology infrastructure, and alignment with business strategy, but they too lack the specificity needed for wealth management.

Model Adaptation and Key Components

To address these gaps, the Wealth Management Digital Maturity Model integrates the strengths of these existing frameworks while introducing unique elements tailored to the sector's needs. The key components of the model are:

1. **Customer-Centric Elements:** Drawing from KPMG's emphasis, the model prioritizes customer engagement, personalized interactions, and seamless digital experiences. This is critical as wealth management firms must meet the high expectations of a digitally savvy clientele.
2. **Industry-Specific Indicators:** Recognizing the unique challenges of the wealth management sector, the model incorporates dimensions like regulatory compliance, cybersecurity, and data privacy. These elements are crucial for ensuring that digital transformation initiatives are not only effective but also compliant with industry standards and regulations.
3. **Strategic Alignment:** The model emphasizes the alignment of digital initiatives with broader business strategies, ensuring that digital transformation supports the organisation's long-term goals. This strategic focus helps firms navigate the digital landscape more effectively, leveraging technology to enhance operational efficiency and customer satisfaction.
4. **Practical Applicability:** Designed to be flexible and adaptable, the model can be applied across wealth management firms of varying sizes and levels of digital maturity. This practicality ensures that the model can be utilised effectively, regardless of an organisation's specific circumstances.

The development of the Wealth Management Digital Maturity Model was an iterative process involving several stages, each contributing to the model's robustness and applicability. The process began with defining the model's overall structure, determining the level of detail required to assess digital maturity comprehensively. The model is divided into four primary dimensions: Organisational Excellence, Customer Experience, Operational Excellence, and Process Excellence. These dimensions are further broken down into specific areas, such as Change Management, Corporate Culture, Knowledge Management, and Digital Leadership.

This structure allows for a nuanced evaluation of an organisation's digital capabilities, providing a clear roadmap for improvement. The model's foundation was based on existing frameworks and tailored to the specific needs of wealth management, ensuring a solid theoretical and practical grounding.

Model Components and Indicators

The Wealth Management Digital Maturity Model comprises a detailed set of indicators organised into a multi-level framework. This includes three primary components: indicators, maturity levels, and roles for assessment. The indicators are carefully defined and grouped, allowing for a comprehensive analysis of each dimension. The roles for assessment are designated to ensure that the evaluation is conducted by individuals with the appropriate expertise and responsibilities within the organisation.

The model's indicators cover a wide range of areas, including Customer Engagement, Strategic Management, Innovation Management, and Process Optimisation. Each indicator is associated with specific maturity levels, providing a detailed assessment of an organisation's digital capabilities. This structured approach enables firms to identify strengths and areas for improvement, facilitating targeted interventions and strategic planning.

Maturity Model Wealth Management	
Organizational Excellence	Customer Experience
<p>a) Change Management</p> <ol style="list-style-type: none"> 1. Clear vision and goals 2. Systematic approach 3. Change management tools 4. Digital transformation awareness 5. Communication 6. Implementation support <p>b) Corporate Culture</p> <ol style="list-style-type: none"> 1. Customer centricity 2. Innovation and learning 3. Data-driven decision making 4. Collaboration 5. Open communication 6. Risk taking 7. Adaptability 8. Transformation culture <p>c) Knowledge Management</p> <ol style="list-style-type: none"> 1. Knowledge sharing 2. Implementation of knowledge management systems 3. Digital filing 4. Online collaboration tools <p>d) Digital Leadership</p> <ol style="list-style-type: none"> 1. Clear vision 2. Digital literacy 3. Adaptability 4. Empowering employees 	<p>a) Customer Engagement</p> <ol style="list-style-type: none"> 1. Personalized interactions 2. Social media presence 3. Customer feedback collection <p>b) Customer Attention</p> <ol style="list-style-type: none"> 1. Offline marketing strategies 2. Online marketing strategies 3. Social media engagement <p>c) Customer Interaction</p> <ol style="list-style-type: none"> 1. Modern customer contact channels 2. Chatbots 3. Self-service portals <p>d) Customer Experience</p> <ol style="list-style-type: none"> 1. Strategic use of customer data 2. Customer relationship management system (CRM) 3. Personalized financial planning 4. Seamless onboarding process <p>e) Service Strategy</p> <ol style="list-style-type: none"> 1. Service strategy alignment 2. Data collection 3. Quality standards
	Operational Excellence
	<p>a) Strategic Management</p> <ol style="list-style-type: none"> 1. Analysis of market potential 2. Strategic goal alignment 3. Value creation focus <p>b) Transformation Management</p> <ol style="list-style-type: none"> 1. Institutionalized project management 2. Transformation architecture 3. Legacy system modernization <p>c) Innovation Management</p> <ol style="list-style-type: none"> 1. Analysis of innovation potential 2. Market-oriented mindset 3. Fintech partnerships and collaborations <p>d) Organizational Culture</p> <ol style="list-style-type: none"> 1. Collaboration and teamwork 2. Agile and flexible work processes 3. Continuous learning and development <p>e) Emerging Technologies</p> <ol style="list-style-type: none"> 1. AI Applications 2. Blockchain and Digital Assets 3. Machine Learning
Process Excellence	
<p>a) Process Optimization</p> <ol style="list-style-type: none"> 1. Business process automation 2. Integration and interoperability 3. Process consistency 4. Real-time data management <p>b) Digital Infrastructure</p> <ol style="list-style-type: none"> 1. Robust IT infrastructure 2. Cloud-based solutions 3. Cybersecurity measures 4. Continuous Integration <p>c) Security and Compliance</p> <ol style="list-style-type: none"> 1. Data security measures 2. Regulatory compliance 3. Privacy protection 4. Data Protection <p>d) Risk Management</p> <ol style="list-style-type: none"> 1. Risk assessment and monitoring 2. Investment risk analysis 3. Compliance risk management <p>e) Regulatory Compliance</p> <ol style="list-style-type: none"> 1. Compliance monitoring and reporting 2. Anti-money laundering (AML) measures 3. Know Your Customer (KYC) processes <p>f) Wealth Planning and Advisory</p> <ol style="list-style-type: none"> 1. Digital wealth management tools 2. Goal-based financial planning 3. Robo-advisory services 4. Asset consolidation tools <p>g) Data Analytics and Insights</p> <ol style="list-style-type: none"> 1. Advanced data analytics capabilities 2. Predictive and prescriptive analytics 3. Client segmentation and targeting <p>h) Performance Reporting and Transparency</p> <ol style="list-style-type: none"> 1. Real-time portfolio performance tracking 2. Transparent fee structures 3. Comprehensive client reporting 	<p>i) E-Services and Mobile Applications</p> <ol style="list-style-type: none"> 1. Mobile banking and investment apps 2. Online account access and transactions 3. Digital document signing 4. Online onboarding and identification <p>j) Wealth Transfer and Succession Planning</p> <ol style="list-style-type: none"> 1. Estate planning and administration services 2. Legacy planning and wealth transfer strategies 3. Trust and fiduciary services <p>k) Regulatory Technology (RegTech)</p> <ol style="list-style-type: none"> 1. Compliance automation tools 2. Regulatory reporting solutions 3. Risk assessment and monitoring software <p>l) Robust Compliance Controls</p> <ol style="list-style-type: none"> 1. Anti-fraud measures 2. Internal control frameworks 3. Compliance audits and reviews <p>m) Wealth Security and Fraud Prevention</p> <ol style="list-style-type: none"> 1. Fraud detection and prevention measures 2. Identity verification and authentication 3. Cybersecurity awareness training <p>n) Portfolio Management and Trading</p> <ol style="list-style-type: none"> 1. Portfolio rebalancing tools 2. Automated trading platforms 3. Investment performance attribution <p>o) Client Relationship Management</p> <ol style="list-style-type: none"> 1. Client onboarding and KYC processes 2. CRM systems for client interactions 3. Client communication and reporting tools <p>p) Review and granting of loans</p> <ol style="list-style-type: none"> 1. Efficient and streamlined loan review process 2. Effective risk assessment for loan applicants 3. Seamless loan approval and disbursal process

Figure 1: Final Version of the Digital Maturity Model Indicators for Wealth Management

5. Findings and Discussion

The application of the Wealth Management Digital Maturity Model offers valuable insights into how wealth management firms are progressing through digital transformation. By assessing key areas such as client experience, regulatory compliance, and operational efficiency, the findings provide a clearer understanding of the sector's digital maturity, revealing both strengths and areas requiring further development.

Maturity Levels and Areas

The Wealth Management Digital Maturity Model defines several critical maturity levels, each representing a different stage in the digital transformation journey. The key maturity areas include:

- 1. Client Experience and Engagement:** This area focuses on enhancing the customer journey through improved user interfaces, personalised services, and omnichannel experiences. The goal is to create a seamless and engaging experience that meets the expectations of modern clients.
- 2. Data Analytics and Insights:** Emphasising the importance of data, this area covers the aggregation and integration of data, advanced analytics, and the use of predictive models. The ability to leverage data effectively is crucial for making informed decisions and providing valuable insights to clients.
- 3. Digital Advisory and Robo-Advisory:** This area includes the implementation of automated investment strategies and the use of digital tools to assess client risk tolerance and tailor investment strategies accordingly. The integration of robo-advisory services is becoming increasingly important in the wealth management sector.
- 4. Compliance and Security:** Given the regulatory landscape, this area focuses on ensuring robust cybersecurity measures and compliance with relevant financial regulations. Protecting client data and maintaining trust are paramount in wealth management.
- 5. Operational Efficiency and Automation:** This dimension addresses the optimisation of internal processes through automation, integration with back-office systems, and the adoption of agile methodologies. Enhancing operational efficiency is essential for reducing costs and improving service delivery.
- 6. Technology Infrastructure and Scalability:** This area covers the adoption of scalable technologies, such as cloud computing, and the modernisation of the tech stack. Scalability is crucial for handling growing data volumes and expanding digital services.

7. Digital Marketing and Client Acquisition: Focusing on digital channels for marketing and client acquisition, this area emphasises the importance of content marketing, online strategies, and thought leadership in attracting and retaining clients.

8. Innovation and Emerging Technologies: The model includes a dedicated section for exploring emerging technologies like blockchain and AI, ensuring that organisations remain at the forefront of technological advancements.

Integration and Implementation

The integration of the framework on the ABILI platform marks a significant advancement in the model's practical application. The ABILI platform provides a user-friendly interface, allowing for efficient data input and analysis. The platform's features include real-time feedback, comprehensive data visualization, and an assessment questionnaire, which guides users through the evaluation process.

The technical integration involved defining specific roles, assigning indicators, and ensuring that the platform could capture and assess the digital maturity of wealth management firms. The platform's design ensures that responses are relevant and accurate, providing a holistic view of an organisation's digital capabilities.

Feedback and Refinement

The refinement of the model was an ongoing process, driven by qualitative feedback from industry experts. Interviews conducted with professionals from various roles within wealth management firms provided insights into the model's strengths and weaknesses. This feedback highlighted the model's potential to increase efficiency and guide digital transformation initiatives while also identifying areas for improvement, like the need for more detailed and modular assessments.

Strengths of the Model

The Wealth Management Digital Maturity Model is highly valued for its structured and comprehensive approach. It offers a clear framework for assessing digital maturity, helping organisations identify areas for improvement and develop targeted strategies. The model's emphasis on customer-centricity, regulatory compliance, and strategic alignment ensures that it is both relevant and practical.

The model's flexibility and adaptability make it suitable for a wide range of firms, from small wealth management offices to large financial institutions. Its comprehensive coverage, from

customer experience to operational efficiency, provides a holistic view of an organisation's digital maturity, making it an essential tool for guiding digital transformation.

Challenges and Areas for Improvement

Despite its strengths, the model presents certain challenges, particularly in terms of complexity and implementation. The detailed nature of the model can be overwhelming, especially for smaller firms with limited resources. The broad coverage sometimes leads to superficial assessments in specific areas, underscoring the need for more in-depth and modular approaches. Additionally, the model's assumptions regarding a baseline level of digital maturity may not be applicable to all firms, particularly those at the beginning of their digital transformation journey.

Continuous updates to the model are necessary to keep pace with evolving regulatory requirements and technological advancements. The inclusion of emerging technologies, such as AI and blockchain, is particularly important for ensuring the model's relevance and future-proofing its application.

Enhancements and Future Directions

The model's refinement has led to the inclusion of new categories for emerging technologies and the addition of a fourth indicator level. This new level allows for a finer granularity of assessment, enabling organisations to pinpoint specific areas for improvement with greater accuracy. The integration of AI and blockchain technologies, along with a focus on continuous integration practices, ensures that the model remains relevant in a rapidly changing digital landscape.

The ABILI platform's role in this process cannot be overstated. It provides an accessible and practical tool for conducting digital maturity assessments, offering real-time feedback and facilitating strategic planning. Future enhancements to the platform, including improved user interface and experience, mobile compatibility, and additional features such as dynamic questions and free text fields, will further enhance its utility.

Conclusion

The Wealth Management Digital Maturity Model represents a comprehensive and robust tool for guiding digital transformation in the wealth management sector. It addresses the sector's unique challenges, offering a structured framework for assessing digital maturity and identifying areas for improvement. The model's integration on the ABILI platform enhances

its practical applicability, providing a user-friendly and efficient means of conducting assessments.

The iterative development and refinement of the model, informed by expert feedback, ensure its relevance and efficacy. As the digital landscape continues to evolve, the model will require continuous updates and enhancements to remain a valuable resource for wealth management firms. The inclusion of emerging technologies and a focus on strategic alignment will be critical for ensuring that the model continues to support organisations in navigating the complexities of digital transformation.

Future studies should aim verifying and improving the maturity model by testing it with a broader range of wealth management firms, thereby increasing its relevance and utility. Expanding the model to other areas such as banking and insurance and examining its effectiveness across various regions and market environments, could generate valuable insights. Additionally, conducting long-term research to observe the effects of digital maturity on organisational performance and client contentment will highlight the model's enduring benefits.

Disclaimer (Artificial intelligence)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

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