Uncovering a hidden $35B+ Wealth Consolidation opportunity through growth-focused AI models

The Challenge

A large North American wealth management institution ("the Firm") set out to capture a larger percentage of its existing retail clients' assets ("Wealth Consolidation"). While the leading institutions in this space often have between 30-40% of high net worth (HNW) clients' share of wallet, the Firm trailed behind.

Like many leading financial service companies, the Firm spent years building out its data warehousing and CRM capabilities to store and organize valuable information about its clients. However, they were missing the right AI growth engine to mine this data, find correlations, and extract valuable, actionable intelligence.

Partnership with TIFIN Wealth AI/ML Team

For this assignment, TIFIN Wealth began by developing a tailored algorithm to analyze key characteristic and behaviors of clients who would be ideal targets for consolidating their wealth. The first step was identifying patterns and common characteristics of existing HNW clients ($1M+ in investable assets) to create an "ideal client profile" benchmark for the Firm.

Step two was leveraging TIFIN Wealth's team of data scientists to build a machine learning model that determined which clients had the highest potential to increase their investments with the Firm by showing characteristics of consolidation, or what a likely consolidator "looks and acts like."
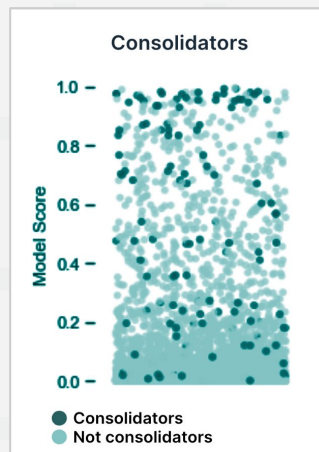
Creating Actionable Intelligence

Est. $500B+

(in total opportunity across client assets)

Est. $35B+

(AUA growth opportunity)

Consolidators

Model Score

1.0
0.8
0.6
0.4
0.2
0.0

● Consolidators
● Not consolidators

In the initial model output, TIFIN Wealth uncovered a total opportunity size across all clients estimated at **over $500 billion**. Using a realistic conversion rate, the opportunity yielded **over $35 billion** of additional organic AUM growth.

The "Wealth Consolidation" data science model was deployed against 400,000+ CRM records and further distilled to a prioritized lead list of ~10,000 clients.

In the process, the AI/ML team revealed that clients with correlation scores higher than 0.60 are **4,200% more likely to consolidate** than clients with scores under 0.60.

Accurately Predicting Asset Consolidators

After identifying 32K quality leads with the highest propensity to consolidate their assets with the Firm, TIFIN Wealth worked with the Firm's core technology group to format and deploy data on ~2,500 leads (pilot group) into Salesforce. The Sales Enablement team helped develop awareness and training materials for advisory teams to understand how to connect with these targets and have asset consolidation conversations.

Advisors were given three actions to choose from in Salesforce: Accept, Reject, or Defer each lead, of which 1,000 had been acted upon by nearly 70 different advisors in the first six weeks of the pilot. 60% of the prioritized leads were accepted by advisors which **led to a +1.5% increase in AUA, or +$7.5M in Net New Assets ("NNA").**

The control group consisted of 40% of the leads where no new or differing methods for driving growth were used (normal BAU efforts). **The control group saw a -1.1% decline in AUA, or -$3.5M in asset outflows**. This indicated that the quality leads accepted by advisors often resulted in clients consolidating their wealth with the Firm, while those that were not acted upon (control group) lost money during the analysis (assets moved out of the Firm to another external Financial Institution).

TIFIN WEALTH
$7.5M ↑ NNA
1.5% ↑ AUA

Control Group
-$3.5M ↓ NNA
-1.1% ↓ AUA

Model Optimization Using Feedback Loops

As advisors continue to provide feedback on the results of wealth consolidation efforts (whether successful or unsuccessful), the asset changes and outcomes flow back into the consolidation model to refine the algo, helping increase the precision and accuracy of future lead predictions through a robust feedback loop.

Lastly, all of the leads sent to advisors resulted in higher aggregated NNA compared to households with lower scores derived from the data science model, indicating that TIFIN's asset consolidation model can accurately predict likely consolidators among households of financial institutions.

While the pilot only consisted of a fraction of the 32K high scoring households shared with the Firm, extrapolating the AUA growth per accepted lead across the entire universe would equate to an estimated $230M in net new assets that the Firm would not have realized without a partnership with TIFIN Wealth.