

## **Financial Clients Management (Optional)**

### **I. Subject Overview and Objective**

Banking and finance businesses crucially depend on customer trust and confidence. Damaged customer confidence will lead to failures of individual institutions as well as many institutions in a chained manner as damage in customer confidence is highly contagious as seen in banking/financial crises. On the other hand, business promotion requires offering more and more client-specific products to suit their different risk appetites. Therefore, catering to customers requires ethical standards and practices in marketing, human resource-employee management and customer protection. In most client concerns, miss-selling of products has led to many reputational and legal issues due to profit motivated-clients-handling priorities. Therefore, the integrity of employees towards customers should be promoted for the long-term sustainability of financial institutions. Clients' management requires practical engagement, commitments and experience in handling clients with various risk appetites and it cannot be taught fully through text books. However, text-books based teaching can provide the literature on principles, practices, case studies and views of practitioners. Therefore, this subject is designed to provide knowledge to banking and finance professionals on elements of managing financial customers and protecting their confidence in the interest of both their better performance and promotion of market shares of employer-institutions.

### **II. Recommended Subject Coverage:**

- (a) Types of financial clients: Depositors, borrowers, investors, payments service clients, their risk-appetite (risk-averse, risk-loving) and their responsibilities towards the banks and other financial institutions
- (b) Clients' confidence management; Importance of client confidence/trust in financial business for business and financial system stability, consumer/customer choice and sovereignty in competitive markets, factors in client relationship-building and maintenance, customer-specific products (over-the-counter products) and open/common products, innovative/complex products and risks, transparency of product specifications and details and product risks, signing of agreements and documentation
- (c) Financial product marketing: Marketing principles, marketing mix (product, promotion, price, clients, physical appearance, process. places, etc.), elements of a marketing plan (goals, targets, environmental analysis and value chain analysis, marketing strategy, plan implementation), marketing channels (own, outsourcing, advertising, price discriminations, customer incentives with added facilities, exhibitions, agents/distributors, internet/e-mail/social media based methods, etc.), market research(on customer satisfaction, new products and market share), research methods and compilation of research reports
- (d) Application of human resource management for efficient delivery of client services and promoting confidence and stability of banks and other financial institutions: Institutions' priority to clients or employees, manpower estimation based on business lines for clients and institutional management, job description and delegation to deliver ethical financial products, recruitment and selection process for jobs, employee engagement, investment(training and HR development-competency gap analysis and career planning support), remuneration methods (wage determination and incentive methods), succession planning, performance appraisal systems, productivity concepts and measurement, grievance handling and counseling procedure, group work and individual responsibilities, job integrity and compliance with internal controls, disciplinary procedure, retirement and superannuation, labour relations and trade unions for industrial peace and their costs and

benefits in relation to financial services industry, salient labour protection laws, their international best practices, job security and productivity, outsourcing

- (e) Customer protection laws and practices :Fiduciary responsibilities, awareness of financial product risks, avoiding miss-selling of products, secrecy of customer information, fair market practices, oligopolistic market structure versus competition or consolidation, customer protection regulations and schemes(customer charter for banks and Primary Dealers in Government securities, deposit insurance, compensation funds, salient provisions in the Consumer Protection Act, financial/insurance ombudsman scheme, judiciary procedure)