

Financial Planning

Going deep into the metaverse with Sandeep Vishnu

By Justin L. Mack

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In a new episode of the Financial Planning Podcast, Sandeep Vishnu leads listeners on a wild trip through the metaverse, the buzzy word that refers to shared virtual environments.

Vishnu, a partner with business and technology management consultancy firm [Capco](#), has spent more than two decades helping financial services firms understand and make the most of bleeding edge technology. And while it may sound like the subtitle for a new Marvel movie, the metaverse is quickly gaining mindshare among the tech savvy and non tech savvy alike.

Like any new technology, the question arises: How might the metaverse impact wealth management, and what do advisors need to know today? Vishnu is here to help, and as his track record shows, he may be one of the few people fully up to the task.

At Capco, Vishnu deals with asset and wealth management, banking, risk, data, analytics and technology. His recent professional efforts have focused on cloud migration and digital transformation of financial services firms, including development of front-end experiences that facilitate self-service.

He is also a regular speaker at industry events and has conducted a number of professional training seminars in risk management and information management over the years.

During his conversation with FP Podcast host and lead editorial producer Justin L. Mack, Vishnu explains exactly what the metaverse is, breaks down some of the biggest misunderstandings and gives a few thoughts on how it may be leveraged by wealth managers.

He also dives deep on the current state of fintech innovation, and how risk is growing in lockstep with that progress.

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Transcription:

Justin L. Mack: (00:03)

Good morning. Good afternoon. And good evening. Welcome to the Financial Planning podcast. I'm your host, Justin L. Mack, WealthTech reporter with Financial Planning. And it's my pleasure to introduce this week's guest Sandeep Vishnu, a partner at business and technology management consultancy firm Capco. Sandeep. Thanks so much for joining us this week.

Sandeep Vishnu: (00:22)

Glad to be here, Justin, thank you for having me.

Justin L. Mack: (00:24)

Absolutely. And this week, Sandeep and I are gonna take a wild and crazy trip into the metaverse. Now, while it might sound like the subtitle of a new Marvel movie, this technology is gaining mindshare rapidly among both the tech savvy and non-tech savvy alike, and like any new technology, the question arises, how might it impact wealth management and what do advisors and other financial services professionals need to know about it today? Thankfully, we've got Sandeep to guide us through this journey. He's been working in this space for more than 25 years at Capco. He covers asset and wealth management banking, risk data, data analytics, and technology. His recent professional efforts have focused on cloud migration and digital transformation of financial services firms, including developing intuitive, easy to use frontend experience enabled by a data supply chain that facilitates self-service. He's also a regular speaker at industry events and has conducted a number of professional talking seminars in risk management and information management over the years.

Justin L. Mack: (01:18)

So safe to say he knows his stuff. And Sandeep, I really wanted to get into the topic first by getting your thoughts on just where we are overall in terms of innovation and technology and financial services and wealth management. Before we get into our metaverse-centric conversation. Reason I ask is I feel like we're at this point where so many new technologies are emerging and we're still not really sure how they're all going to apply to the work that we do every single day. So as someone who's seen and not only seen the change in evolution in technology, in the financial services space, you've been responsible for analyzing that and getting that data to firms so that they can leverage it to grow and continue to evolve along with the tech that is evolving right along with them. So where we are in 2022, what are your thoughts on the level of innovation we're seeing? How does it compare to years past? And does it feel like this stuff is just moving faster than ever?

Sandeep Vishnu: (02:14)

So Justin, you are, you are absolutely right about technology and financial services, right? Financial services in some ways is both a leading industry, as well as a lagging industry. They may not necessarily be some of the ones that pick up cutting edge and adopt cutting edge technologies in a production ready environment. But if you actually think dispassionately about it, financial services is probably the largest tech industry in the world, right? The number of software engineers that are at some of the globally diversified banks are probably more than the number of software engineers in technology-centric companies, and financial services has made a move to adopt technology pretty early on, right? If you dial back not that long ago to 30, 40 years ago, identity used to be visual. You walked into a bank branch or to an investment advisor and they recognized you by sight and they knew you.

Sandeep Vishnu: (03:18)

Today identity is an alphanumeric string. Previously transactions were physical. You actually got stock certificates. You ran slips of paper around. Now, everything is literally an entry in a ledger. So financial services is one that has actually adopted technology and used technology to streamline their activities in remarkable fashion. Right? I mean, think about a world where online banking didn't exist. It's hard to imagine since everything we do today is online banking. Think about a world where you actually had to try and find a broker who would put a physical order for a stock purchase. Now it happens seamlessly. So technology has always been a big driver in financial services. And while it might be slow to productionize at times, there are definitely ones that tend to experiment with proofs of concept. And that's what we are still seeing with them, right? Whether it's movement to the cloud, whether it's expanding into the metaverse, which is what we are gonna cover in a little bit, these are all things that financial services tries to take initial forays to see how it could play out because fundamentally this ecosystem allows for a distributed environment and requires a distributed trust model. So I hope that addresses the question that you had raised. Let me know if you'd like me to elaborate any further.

Justin L. Mack: (04:49)

Absolutely. We're gonna have you do just that. And you make a great point in answering that question. And something that we've seen increasingly is that the wealth management or the financial services business as a whole is increasingly becoming a technology business. And all of the technology that 20, 30, 40 years ago seemed like, who knows how we'll leverage this in our day-to-day, we're seeing it all the time. And the remnants of those early tech innovations we are now seeing day-to-day, video conferencing and CRMs and data centralization efforts. So many things that we were unsure of how we would leverage years ago are being put to use every single day and in the environment where advisors can now work with clients all over the

world because of the way our world has changed. I can't imagine doing this job without it. Like you said, that scenario where you'd have to find someone in person just to get something done is something that I'm sure a lot of clients and consumers also can't imagine as well. So getting into that, there's a lot of excitement around how exactly the metaverse might play a role in our industry 5, 10, 15 years from now. And to start that journey, just start off by explaining what the heck is the metaverse because we hear a lot of misconceptions and people who try to summarize it and, you know, folks who might hear some really bad summaries from family members or that one uncle who thinks he's tech savvy. But from a real pro like yourself, what's the metaverse?

Sandeep Vishnu: [\(06:11\)](#)

Good question. And I wish there was a simple answer, but let me give you the one that I have come up with, or we have been talking about, and it's gonna start out very broad, but hopefully we'll hone in on some of the more specifics. So in its simplest form, the metaverse is a new and emerging engagement and interaction model for society. This is about how we are going to interact with each other and it's going to hopefully augment our interaction model. So it's not necessarily something that is going to be a full replacement. It might at points be a replacement, but it's really going to augment that interaction. And if you think about it, you know, a few years back, we had Google Glass and it simply allowed you to put on a pair of glasses and it enriched your experience as you looked at something, right?

Sandeep Vishnu: [\(07:09\)](#)

So you went to a grocery store and you looked at a cereal box and suddenly through Google Glass, you were able to get a whole bunch of information around it. So it augmented the experience, the metaverse is similarly an augmentation, and, but it is a new engagement and interaction model for society today. It requires certain access technologies like virtual reality, but it may not require the same level of access technologies in the future. It could be that we are able to do it, but just a pair of glasses, for example, not sure where that is going to go yet, but we are at the very early stages of defining this new form of interaction and engagement

Justin L. Mack: [\(07:51\)](#)

And then that engagement and interaction, such a huge thing that tech has allowed financial services to continue in an environment where we're forced to not be face to face anymore. And something that we've done a lot of coverage of as well. We're just coming off of our INVEST conference. And a lot of the discussion was centered on how advisors have been able to grow their business, probably at a rate faster than years past by leveraging technology to do just that. So like you said, the potential exists and that level of interaction going even deeper. Being more present. It's there. We can see the potential, it's just a matter of how we're gonna do that in a

way that's applicable, scalable, and makes sense for financial services firms of all sizes. That presence. It's something that we're seeing expected by consumers.

Justin L. Mack: [\(08:39\)](#)

Now when they interact with their financial services professional, whether it be in, you know, wealth management or banking or insurance, however, as I'm sure you know, they expect to be able to pick up their phone or their tablet, whatever their favorite device is, hit a button, get something done and still feel a real connection to that advisor. On the other end, even though it's a bunch of screens in between us, they still feel a really deep connection. Tell me a little bit about your thoughts about how the metaverse can improve that connection between say advisor and client. And will we get to a point where we're having virtual meetings or are we still way too far off from something like that?

Sandeep Vishnu: [\(09:13\)](#)

So good question. But in order to properly answer that question, I think it's useful to think about two distinct parts of this metaverse, and this directly relates to what financial advisors will be faced with in terms of questions and conversations with their clients. Right? So first and foremost, if we try to draw a distinction on things that are happening with the metaverse versus in the metaverse. And by this, I mean, there's a set of activities that need to happen to actually build out the metaverse. Build out these areas where you can actually have meeting rooms and interactions with your virtual representations. Build out an area which becomes a secure forum for people to come and interact. Build out a place where there could be transactions that happen. And I'll give you a couple examples in just a second, but there's a set of activities that are involved in building out this metaverse.

Sandeep Vishnu: [\(10:17\)](#)

And that's an area where investment advisors can play a key role because clients want to know what should we invest in when it comes to the metaverse? So for an RIA, you know, a registered investment advisor, who's trying to advise clients that have asked the question, Hey, this metaverse is coming up. What should I be looking at? Should we put it part of our portfolio here? Are there things that we should invest in? There's a whole set of questions around that might be related to how do you play with the metaverse? And there are opportunities to invest in the technologies that are driving it, whether it's access technologies like virtual reality or platform technologies, or actual instruments. Like, you know, smart contracts and trade finance to get into financial services or even entertainment activities, right? Gaming is still one of the biggest areas where there are things that are happening in the metaverse, which brings me to my second distinction.

Sandeep Vishnu: ([11:16](#))

Once you've built out the metaverse, what do you do in it today? A lot of the effort that has gone into things happening in the metaverse tends to be centered around entertainment. You know, gaming is clearly the industry that has gone further along. But real estate is following. We can do virtual real estate, whether it's retail or residential, or whether it's commercial, very likely we're. We are going to see the emergence of virtual tourism. We're going to see the emergence of virtual training, virtual conferences, right? There's no reason why we cannot foresee a world where you can put on a headset and suddenly you're sitting, you know, somewhere in the western United States. And you can put on a headset and suddenly find yourself walking through the Louvre in Paris. And as you're walking through the Louvre in Paris, you might see a fresco or a painting that you like, and you could maybe order a print right away. So there are things that can happen in the interaction, in the metaverse that is different from building out what the metaverse is capable of. And for investment advisors, it's important to understand the distinction between activities related to either building out this environment versus interacting in it. And that's one of the first starting points in trying to see what might be the opportunities for wealth managers, for investment advisors, as they look to play in this space.

Justin L. Mack: ([12:50](#))

Absolutely. So a lot to know, and again, that opportunity, where it might go and those two distinctions and the understanding of building and interacting is a lot to keep in mind. We'll see, and we're lucky enough to have a front row seat to see that evolution. As I have a feeling, this is all gonna take off and continue to be something that people are more and more focused in. We're gonna take a quick break, but when we get back to our conversation with Sandeep, we're gonna talk about risk. We're gonna talk about compliance, collaboration, and I might get a little bit crazy as far as some predictions of how I might see the metaverse being used in the future. So stay locked. We're gonna hear a quick word from our sponsors, but enjoy listening to the Financial Planning podcast. We'll be right back.

Justin L. Mack: ([13:28](#))

And welcome back to the Financial Planning podcast. I am your host, Justin L. Mack, WealthTech reporter with Financial Planning. And chatting today with Sandeep Vishnu of Capco all about the metaverse. Understanding and potential that it carries for wealth management in the future. So before the break we got into setup. What is the metaverse, the distinctions between building it out and using it, what it might actually hold in store for the future of wealth management. So we got all that out the way. Let's talk a little bit about that potential. And in my head I see a world where the commonality of headsets and actually understanding what it means to interact with the metaverse on a very casual level is growing. Folks who have no

interest in using it for a business sense, but are using it for, like you mentioned, entertainment. Whether it be gaming or traveling.

Justin L. Mack: [\(14:23\)](#)

There's an understanding that I can get a lot done with this headset on. I can get a lot done in this space and do it in a way that's different or maybe more engaging than before. And in the future. I can certainly see a world where maybe we're getting closer towards headset-less metaverse where people can interact on something like the, the meta tablets where people can video conference and do that in a metaverse space. It could happen. We've seen crazier things happen with technology. So with that, there's a lot of sophistication, but risks also seem to grow in sophistication as our technology does. I know you do a lot of work with risk and compliance. Talk to me a little bit about maybe how risks might work their way into all this metaverse growth in the future, but our ability or the ability for the metaverse to play a role in risk management and keeping everyone compliant should they go down this road.

Sandeep Vishnu: [\(15:15\)](#)

Good question. And like it or not, we always have to be cognizant of risk management, right? Because everything we do has some element of risk. Now the word risk itself is a very complex word. At times, it refers to an event at times it refers to an impact. At times it refers to a probability. But let's just think of risk very simply as a deviation from an expected output. Which means the biggest risk in the meta versus first understanding what is the expected output and how we are going to deviate from it, right? So let's come back to its basic definition. It's a new form of engagement and interaction for society. So all the risks that existed engagement and interaction in society still tend to exist in the metaverse. For example, when we need to understand identities. We need to understand, you know, are we really talking to the person that they say they are?

Sandeep Vishnu: [\(16:16\)](#)

So in a simpler world, in a physical world, we look at things like IDs. Drivers licenses, right? To be able to get a sense of identity. So there's a whole set of things around identity and access management in the metaverse, because now you're seeing this virtual representation, this avatar of somebody. You don't necessarily know who this person is and how do we actually get that confidence that we are dealing with the right person. So there's a set of things around identity and access management, which is probably no different than other technological interactions, but it's one that needs to be paid attention to here. Similarly, there is a need to probably govern interactions and put some controls around it. So, you know, you walk into a nightclub or a bar and they have bouncers to make sure that, you know, if anyone's doing things they shouldn't be doing. They can be addressed and taken care of.

Sandeep Vishnu: (17:14)

Similarly, if we create spaces in, in the metaverse like Decentraland or Sandbox, and these are some of the spaces that have come up, there needs to be some mechanism to govern interaction there and make sure that people are not doing things they're not supposed to be doing. The metaverse does offer the ability to put in some controls. Like you can make sure that nobody comes within a certain distance of your avatar, but people can disable those controls, and then you can have adverse interactions happen. So there are similar things that are happening in the metaverse to what happens outside the metaverse that still need to be looked at. Identity and access management, interaction, security, and then transactional risks, right? There's always the risk of fraud. The metaverse being what it is and augmentation a virtual reality experience, you know, while it may not necessarily have the same physical impact.

Sandeep Vishnu: (18:16)

And by that, I mean, you could be in the confines of your living room and have the experience versus go to a separate space. It can still have an emotional and a psychological impact that is similar to a physical impact. So these are just some early things that the metaverse needs to be aware of. I suspect that risks will emerge as we develop, and controls will emerge to address those. And then in time compliance requirements would be put in place to govern behavior. So let me stop there. Hopefully that addressed what you wanted, Justin.

Justin L. Mack: (18:52)

Absolutely. Absolutely. And again, a lot to keep in mind, especially with the, the, the power that this possibly holds to get a lot done. Again, that power can be leveraged unfortunately by bad actors. So it's about trying to figure out how do we regulate this space. I mean, we already have a lot of questions about how we're regulating other kinds of emerging technology. We're still very much in a holding pattern about how we're regulating digital assets and crypto and blockchain, a bunch of stuff that I'm sure you could talk about for a long time, but we won't get into it today. But yeah, that's a big question that not only this industry needs to figure out. Any industry that will leverage this needs to figure out because as we know, any kind of technology will eventually find itself in the business space. And this is right there, along with it moving on from risk and compliance and all of that.

Justin L. Mack: (19:37)

Let's talk a little bit about collaboration, because this is the element of this technology that makes me the most excited. When I think about especially the FinTech space and wealth managers and everyone kind of working towards that common goal, which is reducing friction

for the end client, being more present, kind of solving that whole financial life which advisors are increasingly understanding that, hey, when people come to financial planners for the first time and we're seeing them do so at an increased rate, especially since the start of the pandemic, they're not looking for someone just to manage their money. They can maybe do that on their own with a digital app. There's more risk involved with that if they don't know what they're doing, but they're looking for someone that is really gonna help them set goals, achieve them and evolve with them as their goals do.

Justin L. Mack: [\(20:20\)](#)

So I think about the ability to collaborate, not just between advisor and client, but I think about, you know, advisor FinTech solutions provider and a consultant like yourself. Being able to say, for example, develop a new piece of software that might exist outside the metaverse, but go deeper on that collaboration in the metaverse. I think there's a lot of potential for that. Because I can imagine what we've done with video conferencing, just for example, can be heightened by something like metaverse that allows real time touch and manipulation editing of an idea that again, forget whiteboards, this takes it to another space if done correctly. So I would love to get your thoughts about, you know, the potential to collaborate, to create, to come up with solutions in this industry, by bringing folks like advisors and consultants and FinTech providers together. Do you think there's the ability to really get some really cool stuff done by embracing this space?

Sandeep Vishnu: [\(21:14\)](#)

That's a great question. So let me try to answer that in two separate ways. So one, financial services is really, and I'm looking at it broadly, beyond just investment advisors. The whole collective financial services. And investment advisors, wealth managers are a big part of it. But they fundamentally enable other industries, right? They not only facilitate transactions, they also inject trust in the system. So one thing to be very cognizant of is what's happening in other industries that would be of interest because financial services will have to play a company role in there, whether it's to provide that trusted environment or whether it's to facilitate the transactions or to be able to convert between, you know, what the currency that is used in the metaverse, which is typically crypto. And we are seeing other industries pick up things like digital real estate.

Sandeep Vishnu: [\(22:13\)](#)

I mentioned that earlier fashion, you know, there was a case of a fashion designer. I forget the person's name. I think it might have been (Calvin) Klein. They purchased a property on Decentraland where they want to build luxury retail stores, entertainment, art museum hotels, right? So this is an indication of what other industries may be doing, but it has direct relevance

to how a wealth manager and investment advisor would be interacting with their clients, right? In terms of not just doing the transaction, but saying, how can we get ahead of something? Can we be early drivers? So maybe we can recognize a greater return. There are things happening in gaming there. Things happening in travel. Gaming is of course well established, but travel. We brought the example of the Louvre, but there's no reason why that can't actually be one of many places.

Sandeep Vishnu: ([23:11](#))

You could take a walk on the beach in Hawaii. It's with friends while you are all sitting in a distributed environment. Music. Virtual con virtual concerts, right? You could have people spread out over five different continents, all attending the same event and sitting next to each other because they have got their virtual reality headsets. My bigger point, being these interactions that would happen in society and other industries will have direct relevance to what financial advisors will need to do. Either interact with their clients, to be able to provide, you know, kind of investment and exposure into new products that could get developed. So see, you know, what might be the potential to invest, to develop products here. What might be the potential to invest, to nurture products? What is the virtual asset management that can happen? So are these NFTs, is this cryptocurrency, is this virtual real estate?

Sandeep Vishnu: ([24:11](#))

I mean people are spending real money to buy virtual space, to create a virtual store that nobody has come to yet. But there is value in it. So these are things that can happen more broadly with clients, but in some ways the bigger opportunity might lie within corporations and within institutions. So things like advisor training, you know, there's a whole different way of doing training right now. We've got either in-person training or you've got asynchronous online training. But this is a very much an immersive experience. So when people are in the metaverse, they are in the metaverse, they are not multitasking. You cannot multitask. So the whole training and collaboration moves to a different level because of the engagement and the presence that people have. So let me stop there for a second. I hope I addressed what you were asking and if not, I'm more than happy to elaborate on any of those points.

Justin L. Mack: ([25:12](#))

Absolutely, absolutely. Wanna save some for the next conversation. And with that in mind, I wanted to kind of wrap up just with your thoughts on where we are now. And we talked about it kind of at the top, that the duality of wealth management and financial services in general being early adopters, but maybe a little slow on getting things rolling as far as emerging technology, but a lot to be excited for now. And for you, I imagine this has got to be a great time. Never a dull moment, especially when you're working in a space that is focused on

analyzing and providing, you know, results and resources to firms who are trying to make sense of all this just outside of the metaverse. And it's the work you've been doing for so long. For you, what's your favorite part of working with firms, whether it be in wealth management or banking or anywhere in financial services, and seeing them get engaged and as excited as you are about emerging technology? What's that been like for you just on a day-to-day level?

Sandeep Vishnu: [\(26:10\)](#)

I mean, it's actually fascinating because you can almost see light bulbs go off, right? You can see when people suddenly get it. Crypto or non fungible tokens have been concepts out there that don't really have tangibility yet. But when you suddenly start getting into a world and experiencing it. And you can see how some of these things come to life, you can see how a platform is. I mean, I had recently had one of my first client meetings in the metaverse and it was just a meeting room, but looking outside the window, we were overlooking Hong Kong Harbor.

Sandeep Vishnu: [\(26:53\)](#)

Wow. And we are just sitting, you know, spread out over six different geographies, none of which were Hong Kong, but it just changed the whole experience. Aside from the coolness factor or the wow factor, what it did was everyone, was there fully present. But it triggered that interaction and it started spurring ideas of what people can do. So tomorrow, if you're putting, you know, having a presentation in front of the World Wildlife Fund, suddenly you can have the Serengeti behind you as opposed to sitting in a conference room. And even though it may sound gimmicky, that fundamental change of experience cannot be underestimated until you actually see it. It's hard to imagine. And to me, sort of the biggest advantage or the biggest excitement of the metaverse is when people first see it and first experience it. Literally the excitement, I see people come out with shining eyes. And these bankers tend to be jaded at times, and when they come out with shining eyes, you know you're onto something. So that's the fun part of the metaverse.

Justin L. Mack: [\(28:09\)](#)

Absolutely. Yeah. And you know what, taking a meeting over Hong Kong sounds a lot better than the meetings I've been taking virtually here in my home office in Indianapolis with my cat as my number one co-worker. So yeah, not too bad. And with that, I think that's a perfect way to end it. As the light bulbs go on, we will shut off the recording light, but I want to take a moment to thank again our guest Sandeep Vishnu of Capco for coming in and talk about all things metaverse with us this week.

Sandeep Vishnu: (28:36)

Thank you, Justin. Thank you so much for having us. As you can imagine, this is a topic that is near and dear to our heart, so would love to have further conversations, but thank you again and appreciate the opportunity.

Justin L. Mack: (28:51)

No problem at all. And I wanna thank everyone for listening this week to the financial planning podcast. This episode was produced by Arizent with audio production by Kellie Malone. Special thanks again to Sandeep Vishnu of Capco for stopping by. Rate us, review us and subscribe to all of our content at www.financial-planning.com/subscribe. From Financial Planning. I'm Justin Mack. Thanks for listening.