

DOING BUSINESS PROFITABLY IN ASIA

Profitable growth, operational efficiency, and a lower cost-to-serve are three critical goals for market players striving for success within today's reality of Asian wealth management, said panellists at Hubbis' SWISS-ASIA Wealth Exchange 2014 in Zurich in late October.

Recent consolidation within the Asian wealth management industry has further highlighted the need for clearly-defined strategies and client segmentation to fuel profitable growth. That must also be backed up by operational efficiency and a lower cost-to-serve.

In line with this, there is a realisation among institutions that they either need

scale or must focus on a particular niche to survive and thrive in the face of various challenges.

This was according to panel speakers at Hubbis' SWISS-ASIA Wealth Exchange 2014 in Zurich in late October.

Although the availability of active money and Asia's fast-paced environment makes it

PANEL MEMBERS

ALEX BORISSOV
Finaport

ANDREW HENDRY
M&G Investments

ULRICH KNOPP
MilleniumAssociates

URS TANNER
APASWISS

RALPH MOGICATO
Hixon Consulting

relatively easy to set up a business on the ground, without focus a firm will likely lose everything, says Andrew Hendry, managing director for M&G Investments in Asia.



PANEL DISCUSSION

Echoing these sentiments, and based on his own experiences of working in the Asian markets, Alex Borissov, founding partner of Finaport, says that one of the biggest challenges companies face in their initial days is to keep their business afloat.

It is during this time also that management needs to evaluate the work done, to see if any business objectives or processes need to be realigned to ensure success.

Yet even before committing to setting up operations in the region, Ulrich Knopp, a partner at MilleniumAssociates, says organisations should also question the need for having any presence at all in Asia.

If market research indicates they have better opportunities in another region, then he says that company should follow these rather than aspiring to be a part of the Asian growth story.

"In such cases, organisations suffer," he explains, "either because their product is not well-received in the market or they were not able to live up the local expectations."

PRIORITISE AND CUSTOMISE

If Asia manages to live up to expectations and become the largest wealth

ANDREW HENDRY

M&G Investments



ALEX BORISSOV

Finaport



management centre in the world in the next few years, innovation will follow.

And to achieve success and leverage such opportunities, an organisation needs to be self-aware of its capabilities as well as its limitations, suggests Hendry.

In terms of prioritising, Urs Tanner, managing partner of APASWISS, says it is

important for an organisation to consider what it truly wants to represent.

No longer is it realistic for individual firms to expect to be all things to everyone. Indeed, the current model where large universal banks do everything is disintegrating. Plus, customers will also change and they have more avenues now

“ To achieve success and leverage such opportunities, an organisation needs to be self-aware of its capabilities as well as its limitations ”

ULRICH KNOPP

MilleniumAssociates



“ No longer is it realistic for individual firms to expect to be all things to everyone ”

– such as looking to non-financial services providers for simpler products.

Using a reference to two of his past clients as an example, Ralph Mogenicato of Hixon Consulting says: “While one was ready to customise its service and offerings to make them more relevant to the market, the other wasn’t. Needless to say, while the latter did not achieve any success, the former, albeit small in size, was very successful and profitable.”

RALPH MOGICATO

Hixon Consulting

**HONING TALENT**

One of the other challenges which plagues the industry is finding the right resources.

Hendry attributes the shortage of talent to the lack of depth in the market. Unlike in the US, where salespeople in the wealth space are highly competitive, developed and professional, Asians tend to consider their job as a status symbol without any sense of loyalty towards the organisation, he claims.

At the same time, Tanner says the digital banking wave in Asia might create some competition to the role of humans. What this should do, he explains, is to motivate advisers to outperform the machines and establish their own credibility.

URS TANNER

APASWISS

**PARTNERING FOR GROWTH**

When looking to access a new market in Asia, panellists said it might also be a good idea to call on the assistance of a local partner, especially when they are operating outside of Singapore and Hong Kong.

Not only can they help speed up the process but they will also help provide deeper and quicker market access, claims Tanner. ■