

A Wealth Market Update on India by Shiv Gupta, Founder of Sanctum Wealth Management

In some ways, 2021 was the year that genuine confidence and belief arrived in India's wealth market, taking many by surprise in terms of just how bullish things would turn out across the various investment markets and asset classes. There were many surprises, including the pace of diversification towards a greater array of products, both public and private, the growing demand for advisory propositions, and the prioritisation of more robust legacy & succession planning. But how about 2022 so far? Has that measured up to or surpassed 2021? Yes, is the very short answer. The Hubbis Digital Dialogue event of November saw a panel of six experts look under the hood of what remains an incredibly dynamic wealth management and investment market, one whose momentum appears thus far unaffected by the troubles in the developed economies and leading capital markets around the world. One of these experts was Shiv Gupta, Founder & Chief Executive Officer of Sanctum Wealth Management. We have summarised some of his observations in this short report, where he focuses on the evolution of the wealth industry, and also challenges in seeking the talent to fully take advantage of the immense opportunity ahead.

GET IN TOUCH

[View this Panel Discussion On Demand](#)

[View Shiv Gupta's LinkedIn Profile](#)

[Find Out More About Sanctum Wealth Management](#)



SHIV GUPTA
Sanctum Wealth Management

“As time goes on, and as businesses scale up, the ability to assign a larger portion of the payroll to training and development will also rise, and the whole effort will improve, with better training, better internal coaching, and better mentoring frameworks.”

A short note about Shiv Gupta

Shiv Gupta is the founder and leader of Sanctum Wealth Management and is a former head of RBS Private Banking in India. He was a member of the RBS India Executive Committee and the India business representative on the Coutts International Asia Management Committee. Based in Mumbai, Shiv oversaw all aspects of RBS' Private Banking business in India which had close to 100 staff including 29 private bankers located in 4 offices across the country.

Shiv had been a part of the RBS Group for 14 years and was one of the founding members of the Coutts International South Asian business. Prior to India he was based in Singapore managing the NRI business in Asia Pacific, as well as the Thailand market.

Born in India, Shiv holds a Bachelor's degree in Economics (Hons) from the Hindu College, Delhi University. He is also a graduate of the Harvard Business School's General Management Program (GMP).

Briefly, what is happening in this remarkably dynamic Indian private wealth market?

As the title of this panel discussion suggests, we are indeed in one of the most dynamic wealth management marketplaces. The starting point, perhaps, for thinking about this is that India finds itself in what we could call an economic Goldilocks zone, where we've been seeing elevated economic growth at scale. We expect that will continue because of the supportive policy environment, the supportive macro environment, the fact that we're seeing massive strides forward in connectivity, both digital and physical, and the formalisation and the expanding financialisation theme across India. All of these elements are coming together as multipliers for this elevated growth.

And the pace of wealth creation has gone up massively, and the expectation is for huge growth ahead. On the other hand, given the economic optimism, more and more people see this market as a huge opportunity, as it promises to get much bigger, resulting in intensifying competition and then creating some pressures on margins and on the quest for talent, which has resulted in talent wars in this industry.

On this last point, the industry needs to do a lot to build capacity in terms of developing its people and adding more to the pool of talent, which is certainly a key challenge going forward.

On the positive side, there has been a massive expansion and diversification in the product universe, including in private markets, early-stage investing, Alternative Investment Funds, or AIFs, which have grown seven times in volume over the last five years, and obviously more complex products available as well.

Meanwhile, recent regulatory activity has been a bit more moderate, unlike the flurry we saw a few years ago. Technology has also expanded dramatically, another major force helping cater to the growth and also helping drive the evolution and democratisation of the wealth market.

Talent is central to any business sector, so how will you address that particular challenge, and can the wealth industry appeal to the right people?

This is my assessment of the nature of the challenges that firms are facing. Firstly, we need to recognise that we need a longer lead time to develop people, requiring the creation of an infrastructure for learning and development in the firm. But at the same time, while India is producing many high-quality MBAs, it is very expensive to hire them and then get them to the level of productivity you need. Accordingly, we tend to think it better to hire people with some years of experience and elementary training already.

As time goes on, and as businesses scale up, the ability to assign a larger portion of the payroll to training and development will also rise, and the whole effort will improve, with better training, better internal coaching, and better mentoring frameworks.

The regulator has already taken some steps in trying to provide a framework for learning in the investment management space, which of course, is the centrepiece of wealth management, not to take anything away from estate planning and structuring and some of the other things that we do. And I certainly get the sense that some members of the regulatory bodies are also thinking more broadly about education and training, from my direct interactions with some of them in the context of portfolio management services, for example.

Accordingly, as the industry gains scale and as firms create more infrastructure and incline more to spend more on learning and development, and as the regulator looks at this entire issue, the next few years will see things improve markedly. I cannot say it would start resembling the Wealth Management

Institute and that entire framework in Singapore, for example, or everything that the Monetary Authority of Singapore does, but I can certainly say that the direction of travel is improving here, and we should all see a lot more action in this space.”

I also believe wealth management has a lot of attributes that should be extremely attractive to younger people. The economics are good, so your compensation as a successful participant in different roles in wealth management is pretty good, actually in the second or even the first quartile of finance industry choices that might exist. Rewards may not be as high as some other areas in finance, but well above average.

Moreover, wealth management is a dynamic job as you need to be aware of everything that’s going on in the economy and politics, and domestically and internationally. Anyone who wants to be kept on their toes always would be attracted to this industry. It is also the kind of job where you have a lot of breadth, and you can constantly learn. ■

