

Alok Saigal Provides the Low-Down on how the company has emerged as a Force to Reckoned With in India's Fast Growing Wealth Management Industry

Since its inception in 2010, Edelweiss Wealth Management's Asset Under Management (AUM) has grown at a brisk pace to almost USD28 billion. Impressed by the company's growing potential in wealth business and institutional equity broking platform, a leading private equity group has made fresh investment of USD325 million in the company, Edelweiss Securities Limited. Currently, the company's private wealth business has 140 Relationship Managers (RMs) located mostly in three major cities of Mumbai, Delhi, and Bengaluru along with their other offices located in Kolkata, Hyderabad, and Chennai.

GET IN TOUCH

[View Alok Saigal's LinkedIn Profile](#)

[Find out more about Edelweiss Wealth Management](#)



Alok Saigal
Edelweiss Wealth Management

Alok Saigal, President & Head, Private Wealth, at Edelweiss Wealth Management in an interview with Hubbis in late May 2022 discussed current developments and future trends in India's increasingly dynamic wealth management market. Post the global pandemic, the business in India's wealth management segment has improved in a pronounced manner. Saigal foresees more wealth creation in the coming years even as India's economy deals with multiple domestic and global challenges. He explains how Edelweiss has maintained a sharp focus on increasing the company's market share in India's fast-growing wealth business market and in turn, further scale up its business.

Here is the low-down on the journey of distinct success of Edelweiss Private Wealth in India's Wealth management industry, explained in an insightful manner by Alok Saigal in an interview with Hubbis:

Saigal points out to key emerging trends in India which include, a more professional approach among private clients, to asset allocation

and the increasing acceptance and popularity of core and satellite models of investing. "Due to a well-structured core, clients can enjoy 20-25% allocation to more personal investments and exotic assets or markets depending on their risk appetites," he explains. In his observation, private assets are in great demand. "Unlisted companies and start-up ecosystem are both in vogue as India has more than 100 unicorns, up from around 30 in late 2020," cites Saigal. (As of 19th July 2022, India is home to 105 unicorns, as per Investindia.gov.in). He explains, "Wealthy clients are keen on these opportunities as they can often identify with their earlier stage ventures and see great potential for capital gain." Besides this, Saigal sees more opportunities in estate and succession planning, especially since the pandemic.

"Unlisted companies and start-up ecosystem are both in vogue as India has more than 100 unicorns, up from around 30 in late 2020," cites Saigal. "Wealthy clients are keen on these opportunities as they can often identify with their earlier stage ventures and see great potential for capital gain."

Moving with the times

While sharing his observations about the elements which distinguish products offered by Edelweiss Private Wealth, Saigal highlighted a few key elements. In his opinion, India's wealth management industry is big enough to provide enough opportunities for existing and new players. As the wealthy become wealthier, the size of the wealth management industry grows in a similar manner. He states, "India is one of the fastest growing wealth markets. If you

are approaching the market properly with a right platform, you will have enough business." He also adds, "At the same time, regulatory and other costs have risen sharply in recent years which have led to consolidation in the industry as smaller players are unable to do business profitably. In this context, we have grown and positioned ourselves well. We are certainly one of the leading players in the market."

Additionally, Saigal notes that clients are turning toward large and established names in the wealth management industry for more sophisticated investment platforms. Institutionalised names provide investors with a diverse range of products which include equity fund investments (domestic and international), fixed income, structured products, and

more specialised and alternative products. He notes that this idea of investing in diversified asset classes has not only caught on with large clients but also retail investors.

"Firms that can deliver this range of sophistication across their platforms have an edge over their peers. Edelweiss is one such company," explains Saigal. He believes that there is a shift in the way private banking is done and Relationship Managers (RMs) now follow a nuanced approach. They know their clients well

enough to form more than just a professional relationship that works like a partnership. Saigal says, "It is not easy to follow a partnership approach with clients and win their trust and faith. But, at Edelweiss, we have been able to pull this off."

Recently, Saigal has articulated three key missions to his colleagues namely, the need to hire more RMs, strengthen the tech entrepreneur connectivity, and build out the offshore proposition more rapidly and comprehensively. He stresses on connecting technology and clients with product offerings. "Apart from carving out our own team, as I explained, we are building an entire tech entrepreneur platform," he says.

New opportunities and challenges

In an increasingly digital world, there are a large number of investors who have shown high interest in investing through online mode. In this context, the new Edelweiss app for private wealth customers has found its relevance. Saigal points out that Edelweiss is one of the first company that offers High-Net-Worth (HNW) clients full access to their portfolios along with regular updates about their investments. Saigal shares, "In the next few months, clients will be able to transact through the app in an easy and user-friendly manner."

In this way, the company will be able to expand its customer base and improve their investment experience. He says that technology and automation are two key strengths that have helped Edelweiss improve and control its margins and provide seamless and error-free services. He notes, "We are working

Getting personal with Alok Saigal

Saigal was born and brought up in New Delhi. He did Master's in Economics from the Delhi School of Economics. Saigal is married and has a son. He loves travelling. He is a foodie and loves to explore new food joints. He shares his love for food with his wife.

He has been instrumental in setting up India's first Business catering to family offices at Edelweiss private wealth. He has played a crucial role in creating, shaping, and structuring the company's wealth and estate planning teams at Edelweiss Private Wealth. Saigal has been at the forefront and a key driving force behind the deal of Pacific Alliance Group acquiring majority stake in Edelweiss Securities Limited. The deal fetched roughly USD325 million to the company. "We built a strong family office operation first, and then hired a wealth & estate planning team from EY, and that team is still with us eight years later, and of course the team has grown well," he shares.

His son has just turned two. "An early pandemic baby," he says, "and his arrival gave us plenty of fun and interest during those rather difficult times of lockdown. Now that the worst of the Covid-19 crisis appears to be over."

His wife is also a foodie. They both enjoy exploring and discovering new eating joints and cuisines in India. An eating joint which has become a recent favourite with them is Mumbai-based 'Ishaara.' In English, the word 'Ishara' means sign language. Saigal says, "The staff at the restaurant are deaf and dumb. But they are all incredible in the way they serve people." He informs, "The entire menu of the restaurant is in sign language. The food is absolutely awesome, and of course, there is a great social cause attached to the restaurant. It is such a great experience."

"We are not able to grow fast enough as there is not enough talent in this industry," he notes. "Talent is increasingly expensive. It is a challenge to hire and retain good people. We are training smart graduates. But finding the right and experienced people and retaining them is a task."

constantly to improve and upgrade internal processes and efficiencies and the customer experience."

Saigal also discusses the challenges the industry faces.

According to him, a key challenge for the industry is the shortage of talent. "We are not able to grow fast enough as there is not enough talent in this industry," he notes.

“Talent is increasingly expensive. It is a challenge to hire and retain good people. We are training smart graduates. But finding the right and experienced people and retaining them is a task.”

Another challenge is to deal with the new wave of young entrepreneurs who have made money rapidly and who are completely different from older, more established wealthy clients in terms of expectations, thinking, and investment patterns. Saigal says, “Finding the right people to connect to this wave of younger and rapidly growing money, is difficult. It requires a different mindset and a particular approach. Hence, we have created a special team to connect to this type of technology entrepreneur client with the aim to build genuine empathy and proper relationships. We do not need a suit-and-tie-kind of approach. We have to bring in empathy, imagination, and creativity and make this new and younger lot feel that we are one of them. These are the elements required to build healthy business relationships with this new type of young customers.”

Beyond geographies

In the interview, Saigal also spoke about how the company has explored new geographies to scale the business and seek more clients. Edelweiss has a tie-up with the Bank of Singapore which helps the company to cross refer clients in Singapore and Dubai. He also talks about a new partnership with an international platform that will expand the company's presence and provide access to global private equity funds and even distressed funds focused on Asia. “We have concrete plans for the future. But the fact of the matter is that Indian markets are our priority. We want to achieve much more than what we have achieved here,” states Saigal.

Besides this, Saigal points out the changing mode of doing business wherein the hybrid model of connecting with clients is working fully well. He says that before the pandemic, wealth management was very personal, conversational, and chatty. But today wealthy clients are open to talking and transacting offline or remotely. “Digital has become comfortable for most clients now,” notes Saigal.

But he adds, “There are clients who prefer interactions in person. Then, there are those who want to interact remotely. This has saved a lot of cost and logistics, as we travel far less now. But I think a hybrid model, remotely and in-person, is certainly the model of the future,” he explains.

In addition to this, Edelweiss is changing product offerings to suit clients across geographies. As regards their outbound offerings, the company serves as an asset management company on behalf of few banks to secure investors. Edelweiss plans to create an offshore fund which pools investments from private clients and looks for investment options.

Saigal shares, “If we are offering a cheque of USD20 million to seek interesting deals, it is lot more effective to do the transactions in hundreds of smaller cheques. It is more efficient and effective not only in terms of funding of a deal but also from the point of view of due diligence and access.” In the context of these facts, Saigal believes that Edelweiss is well-positioned to grab a meaningful share of India's fast-growing wealth market. ■

