

DSP Blackrock: a new era in Indian investments

From female investment initiatives to engaging young investors Aditi Kothari, Executive Director and Head – Sales, Marketing and e-business, DSP BlackRock Investment Managers, says the firm wants to make finance more fun and accessible.



KOTHARI, WHO JOINED THE FIRM IN 2002, was elevated to a key position in late 2015, which was probably, she says, one of the worst times in terms of the firm's performance.

Handed the reins to lead marketing and sales to help push the firm out of that slump, Kothari first focused her attention on making sure the MIS systems and processes would support the business going forward.

"The big thing was really to give goals and base strategies on goals, and be able to measure them the way I felt things should have been measured."

Having accurate data and reports on which to make strategic decisions was a key driver.

"That was a big change," says Kothari, who is doubling down on improving the MIS system further to help its managers work as efficiently as possible.

"Of course, he has to make the sale, but I want to give him all the tools and information where he can make the best sale possible."

Training is a critical part of the mix too according to Kothari.

"Because we are family owned and managed, we can afford to see long-term and not necessarily the short term."

"I'm passionate about HR, I want to spend much more time on making sure that we're doing the best job of recruiting as well as training," she explains. "Basically, just keeping my sales force as motivated as possible."

Kothari has been using internal contests so that everyone stays inspired and moving in the same direction. "Most of these people today are very aligned with the

way we think and are very open to change because we're going to be evolving. I don't want to be stagnant." The same level of diligence and digitisation is also being applied to its marketing and social media efforts, not to mention the e-business which Kothari puts a great deal of emphasis on.

"They're an independent unit, and I let it be that way, almost a start-up within a company."

From innovation to organisation—these are critical factors to improving the way the firm operates. They have set in place firm foundations upon which Kothari and the team can capitalise on using the firm's competitive advantage and its unique approach to finance.

Differentiating factors

DSP BlackRock is essentially a family-led firm, which is 40% owned by BlackRock. Kothari has lived and breathed DSP BlackRock from a young age under her father Hemendra Kothari, the man who built the firm and owns the remaining 60%. The firm currently has approximately USD12.7 billion in

assets under management, and Kothari has plans to grow the business even further.

Kothari believes several vital factors differentiate DSP BlackRock Investment Managers from other mutual funds.

The first obvious one being that "because we are family owned and managed, we can afford to see long-term and not necessarily the short term," says Kothari.



ADITI KOTHARI
DSP BlackRock Investment Managers

Secondly, where they were previously focused only on private wealth and institutional investors, the firm has made a conscious decision to open up to retail. This meant engaging independent financial advisors and distributors that dealt with smaller value clients.

"Value is always important, but volume started becoming important," says Kothari. "We considered value first and when we had the money we could invest in volume. I think we've done that pretty successfully."

Kothari says there are 16 million independent investors in the mutual fund industry, of which DSP BlackRock has 1.8 million. "It's actually an excellent number given that our market share is only about 4% value-wise," she explains.

Catching them young

The firm has several strategies up its sleeve when it comes to tapping the opportunities the India growth story has to offer. The first is to focus its efforts on the younger generation. Whilst this might not seem a profitable audience given their overall lack of investment capital, Kothari has a definite plan.

“India is growing. It’s got 1.2 billion people; it’s got a long way to go,” she says. “India is going to only increase in GDP and therefore earning capacity, and I want to be there through the journey of that person.”

Kothari stresses that young people need to view investing as a disciplined habit with the opportunity to gain higher returns over time thanks to the power of compounding. “I don’t think young people realise that, but it’s like the marshmallow experiment. If you can delay your gratification, you’re going to be better off.”

The firm also saw another gap in the market that it went ahead and tapped—that of women who were not investing yet—through its ‘Winvestor’ initiative. “We realised that most women don’t

make their own investment decisions anywhere in the world, and definitely in India, where they leave it up to their husbands, their brothers, their fathers. We’re realising that’s increasingly an issue,” says Kothari. “We want to encourage women to make their own investment decisions.”

According to Kothari, DSP Blackrock did a survey in 2013 that said only 23% of working women make their own investment decisions.

Winvestor is a service adapted to Indian sensibilities. Once a female investor registers on the service’s website, they are set up to meet with a female advisor in their city for a free session of advice. “I think women investors relate to women advisors. Women talk more than just about invest-

ments; it’s about everything,” enthuses Kothari, who is keen to help build and leverage real relationships for offerings like these.

In India—a country of 1.2 billion people—she says, times are changing with more women entering the workforce, inheriting money, gaining alimony or receiving life insurance. Kothari’s goal is to empower women when it comes to their finances, and she proudly claims that DSP Blackrock is the only firm that takes and presents the basics of investing and investment decisions to female employees in corporate organisations across India.

The road forward

Having differentiated itself from the competition, Kothari outlines DSP’s priority right now as going





deeper rather than broader, and increasing market share while being the best in the marketplace.

This includes making sure that as many people as possible are

shut their SIPs. That's wrong. When the market goes down is when you need to double down on your SIPs, and you cannot terminate them. That's when you're

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educated in the concepts of investment, such as SIPs which Kothari says, are very important when the market is volatile and when it's going down. “The problem is when it starts crashing, they [investors]

going to dollar average or rupee average. You're going to get a better deal. I'm trying to explain these elementary concepts to people.”

Kothari also sees saving for retirement and children's education

as an essential part of the firm's product offering.

“This is something that I'm very passionate about because I drive this through my investor education,” she says, “and I now have funds to help me help them to be disciplined.” On top of educating investors, she says that the continued digitisation of the business and personalisation of marketing will help to drive the firm forward and encourage a deeper level of interaction between investor and advisor. “What we've put out is young and fun; we try to make finance fun... We're a contemporary brand, and we want to be known as a cool fund house.” ■