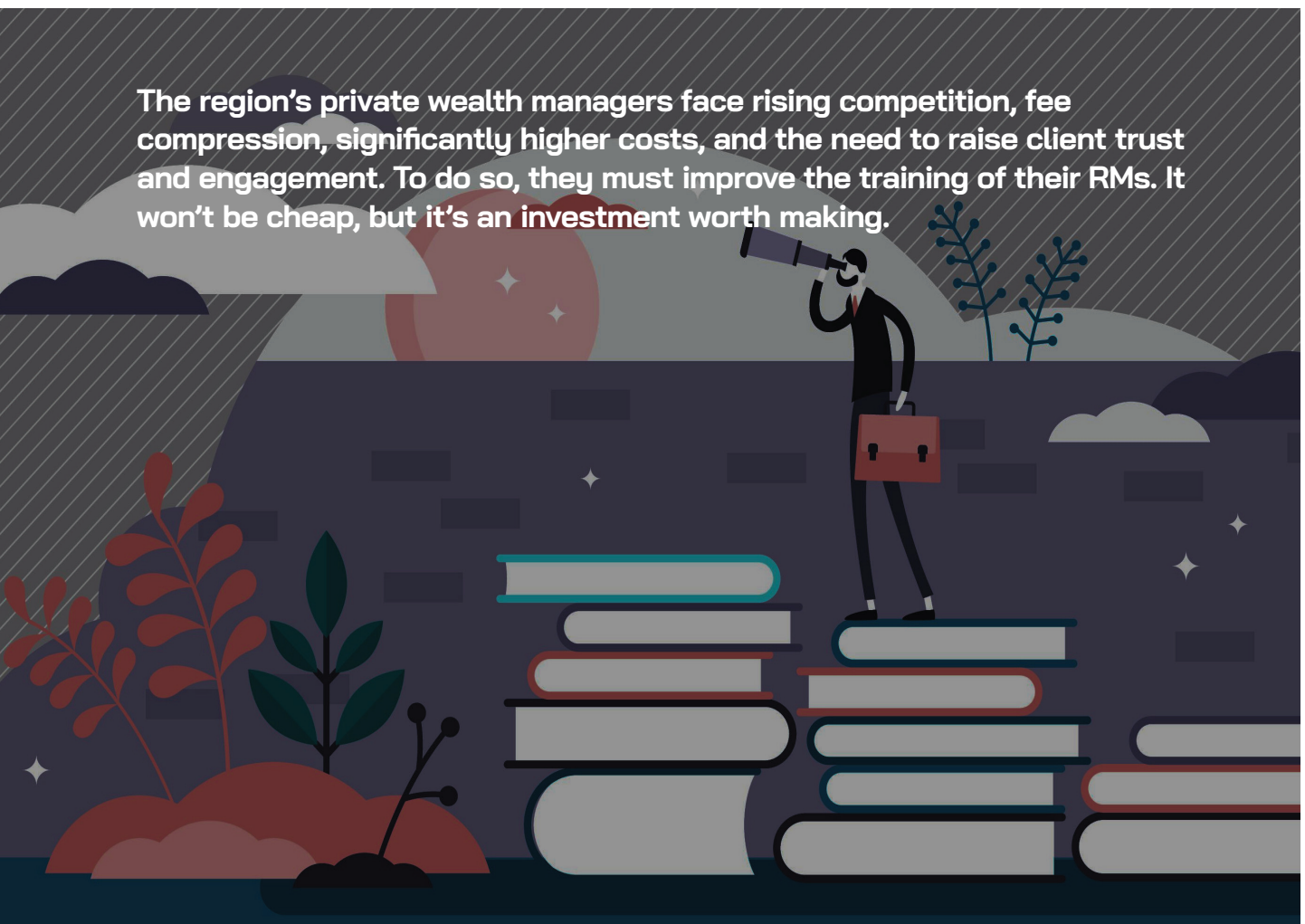


Embracing Professional Development in Private Wealth Management to Boost Client Trust and Outperform in a Competitive Landscape

The region's private wealth managers face rising competition, fee compression, significantly higher costs, and the need to raise client trust and engagement. To do so, they must improve the training of their RMs. It won't be cheap, but it's an investment worth making.



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Stay Updated with Industry Trends and Regulations

The industry is subject to constant change, including regulatory and compliance updates, new investment products, ESG and Impact, Digital Assets, challenges affecting legacy and business families transitioning their wealth, tax, transparency, and technological advancements, to mention a few. By enthusiastically engaging in professional development, advisors can stay abreast of these changes, ensuring they have the most up-to-date knowledge and skills. This helps advisors provide valuable insights to their clients and deliver informed advice that aligns with current market conditions and regulatory requirements. And allows advisors to differentiate themselves and stand out in the crowd. This is particularly critical, as there is growing evidence that the person deemed the ‘most valuable’ advisor will get most of the business and ‘share of wallet’ from the client.

To illustrate the practical implications of this, most participants in the private wealth management industry understand how quickly trends can emerge and similarly disappear in this space. At the extreme end of this, one notes how the Covid-19 pandemic completely changed how every industry operates, demonstrating the need to refer oneself to insights expounded by thought leaders in the regional private wealth management space to avoid the risk of being left behind.

Without this effort on the part of private client professionals and wider industry advisors, one risks being left behind. Especially considering clients have so many choices today - being serviced by multiple providers – private banks, family offices, or independent or external asset management firms that provide them with bespoke solutions. Without a commitment to consistent professional development, one cannot operate effectively and remain competitive. Maintaining a solid

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degree of technical knowledge ensures that your end client, your colleagues, and your partners have faith in your competency and abilities to perform your duties.

Keeping clients’ needs at the center of every interaction

Have you truly made an effort to understand the needs of the clients? Do you know – especially from a compliance and regulatory perspective, what you are licensed and able to discuss with them? What is a client permitted to invest in? Which professional advisors can you collaborate with to bring the most effective solutions to them – for example, legal and tax advisors? This is all something that can only be accomplished by advisors who are interested and well-informed, something

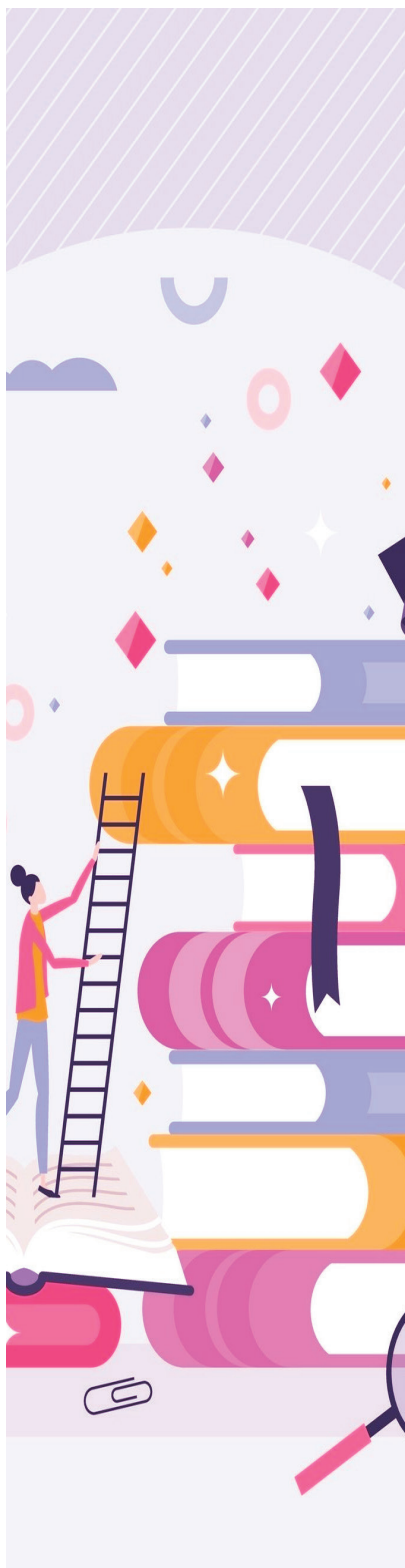
achieved by continuous, high-quality professional development. And in turn, this ensures that you do not create any issues – legal, technical, or otherwise – for your firm or yourself.

This securely-developed knowledge creates tangible value for the end client, something that many – the younger generations especially – are willing to pay more for; 55% of those aged under 39 said they would be happy to pay more for value-

add services, namely high-touch timely advice in 2022¹, in fact. And considering that this age bracket is reportedly set to inherit USD68 trillion in assets in the next three decades, it makes sense to invest significantly in professional development to ensure this more informed, involved, and inquisitive generation trusts you with their wealth.

And considering a reported 46% of investors, including this young generation, are looking to add to or change their current wealth management relationship in 2023², this demonstrates the practical consequences of failing to undertake sufficient professional development. Either you ensure that you are up-to-date and thus can offer relevant advice. Or risk

1. Insider Intelligence: “What do high-net-worth investors want from wealth managers?” (<https://www.insiderintelligence.com/insights/what-high-net-worth-investors-want-from-wealth-managers/>)



losing clients to those competitors who can give them the timely advice and service they demand.

Enhance Technical Expertise and Financial Skills

Investing in professional development enables private client advisors to deepen their technical expertise and financial skills. It allows them to gain in-depth knowledge of various investment products, asset classes, risk management strategies, and financial planning techniques. This enhanced proficiency empowers advisors to analyse complex financial situations, devise tailored investment strategies, and deliver comprehensive solutions that meet their client’s unique goals and objectives.

From a practical perspective, active engagement with professional development resources ensures that one does not create issues from a technical capacity standpoint. The private wealth management professional has to wear several proverbial ‘hats’ in understanding what advice is best to offer to their client. This is mainly due to the close-knit relationship advisors should have with their clients, meaning that they are best placed to discuss their clients’ needs and liaise with other internal teams within their business to curate appropriate solutions.

However, without a sufficient knowledge basis on the timely

options available, a private client adviser cannot effectively drive these important conversations with their clients. In fact, they run the risk of misleading their clients if not sufficiently informed, resulting in the need to go back and admit that they did not understand what they could offer their clients upon conversing with the specialist teams within their organisations, or even external partners, be they investment, compliance, wealth solutions or other forms of experts.

Or one might find themselves in a position where they cannot answer the questions raised to them, be it by a client or another stakeholder. And with a reported 66% of private clients wanting to be increasingly kept informed by their wealth management advisor³, not having the internalised knowledge to respond to any queries succinctly and in a timely fashion or to drive active communication with clients may lead to said clients not feeling that they are receiving the white-glove service they think they are paying for. And this circles back to the fact that, with proper professional development undertakings, one can provide the type of advisory relationship that modern HNW clients expect to receive, putting one’s position as a trusted advisor in jeopardy.

With so many new digital developments, compliance requirements, and investment solutions arising in Asia, ensuring that one undertakes

2. PwC: As the high-net-worth seek out new wealth managers, how do you retain clients and capture money-in-motion? (<https://www.pwc.com/us/en/industries/financial-services/asset-wealth-management/high-net-worth-investor.html>)

3. Insider Intelligence: “What do high-net-worth investors want from wealth managers?” (<https://www.insiderintelligence.com/insights/what-high-net-worth-investors-want-from-wealth-managers/>)

comprehensive training assures that they avoid having embarrassing conversations with other stakeholders like those described above.

Build Credibility and Trust

Clients value advisors who demonstrate a commitment to ongoing professional development. Advisors can build credibility and trust with their clients by dedicating time and effort to upgrade their skills. Continuous learning showcases a proactive approach to staying relevant in an ever-changing industry and signals that advisors are dedicated to providing the highest quality of service. This, in turn, strengthens client relationships and can lead to long-term loyalty.

Lending efficacy to the above, HNW individuals reported when asked that their leading concern was transparency. This response accounted for 49% of responses given to a multiple-choice question about these private clients' top concerns⁴. Using this information, one can see that to build trust and transparency, one must be well-informed enough to provide clients with the increased personalisation and access to expanded service offerings that these private clients desire to gain from their advisory relationships.

Therefore, to build this sense of credibility and thus develop

the trust between client and advisor, one must ensure that they have a suitably robust knowledge base to be able to have constructive, frank, and transparent conversations with

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private clients to best inform them of the reality of their situation, and the options available to them. And without a consistent professional development program, one cannot accomplish this level of quality engagement; the client will not trust your perspective, and thus a productive relationship cannot be forged without sufficient training.

Expanding your professional network

Engaging in professional development opportunities opens doors to networking with industry experts, peers, and thought leaders. Attending seminars, conferences, and workshops provides advisors with valuable networking opportunities to exchange ideas, share experiences, and build relationships with professionals from diverse backgrounds. Expanding their professional network facilitates knowledge

sharing and creates potential business opportunities and collaborations.

For instance, many professional development events allow industry

practitioners to engage with other individuals within the industry. This offers the chance to converse with others who operate in the same markets, exploring synergies as to how they could assist your company or clients, and vice versa.

As such, these events represent the opportunity to build a network of experts in their fields – such as investment professionals, private client lawyers, insurance providers, digital asset companies, and beyond – with whom you can develop a working relationship, where they could provide you with more profound knowledge and solutions for your clients, while you potentially provide them with referrals or your own expertise. And all of this can only benefit your clients, as you are exposed to other professionals in such a way as you can absorb their ideas, learn new things, and ultimately build your repertoire as a private wealth management professional.

4. Insider Intelligence: “What do high-net-worth investors want from wealth managers?” (<https://www.insiderintelligence.com/insights/what-high-net-worth-investors-want-from-wealth-managers/>)

5. PwC: As the high-net-worth seek out new wealth managers, how do you retain clients and capture money-in-motion? (<https://www.pwc.com/us/en/industries/financial-services/asset-wealth-management/high-net-worth-investor.html>)

Personal and Career Growth

Professional development and training contribute to personal and career growth for private client advisors. By acquiring new skills and knowledge, advisors can develop professional competencies, boost self-confidence, and enhance their overall performance. Additionally, the pursuit of continuous learning demonstrates a growth mindset, which is highly valued in the

finance industry. It opens doors to advancement opportunities, such as leadership roles or specialised positions, and sets the foundation for a fulfilling and successful career.

By undertaking professional development, therefore, one can prove to employers and clients that they have pushed themselves to become better in their role, making them a more valuable asset to any organisation. This is because there is tangible

evidence that someone with a comprehensive completed training library has expanded their capabilities beyond that of the average market participant, ensuring they can differentiate themselves as a superstar in their field. As such, someone who has pushed themselves to undertake regular, quality professional development places themselves above their competitors and colleagues, allowing them to progress much further in their career. ■



CONTINUING PROFESSIONAL DEVELOPMENT

The Practical Skills you need to be a Successful Private Wealth Advisor

Being a successful relationship manager at a private bank in Asia necessitates a blend of qualities, hard and soft skills, and technical knowledge. Different private wealth management firms may have specific requirements and preferences as to what they are looking for in a quality private wealth advisor – however, these are key:

- **Financial Expertise:** A solid understanding of financial products, including investments, loans, insurance, and wealth management, is essential for providing practical client advice and meeting their financial needs.
- **Interpersonal Skills:** Excellent communication, active listening, empathy, and the ability to convey complex financial concepts succinctly are crucial for building strong relationships with clients and offering personalized solutions.
- **Sales and Business Development:** Strong sales skills, including prospecting, pitching, and deal closure, are vital for acquiring new clients and expanding the bank's business. Identifying opportunities and presenting compelling proposals is also a key aspect.
- **Relationship Management:** Nurturing and maintaining long-term client relationships through effective techniques like client segmentation, portfolio analysis, and retention strategies is a primary focus. Providing exceptional customer service and responsiveness to clients' needs is essential.
- **Analytical Abilities:** Strong analytical skills are necessary to assess clients' financial situations, evaluate risks, and recommend suitable investment strategies. Understanding market trends, economic factors, and financial regulations enables the offering of valuable insights to clients.
- **Networking and Collaboration:** Building a professional network within the banking industry and collaborating with colleagues allows for leveraging resources, staying updated on industry trends, and providing comprehensive solutions.
- **Compliance and Regulatory Knowledge:** Being well-versed in banking regulations, compliance requirements, and privacy laws ensure accurate and compliant advice while maintaining integrity.
- **Time Management and Organization:** Efficiently handling multiple clients and tasks requires strong organizational skills, effective time management, and prioritization to meet client expectations.
- **Continuous Learning:** Staying updated on industry trends, new products, and emerging technologies through proactive learning enables providing clients with the latest financial solutions and maintaining a competitive edge.

