

Highlighting client objectives and managing them consistently is key

Feroze Azeez, Deputy Chief Executive Officer, Anand Rath Private Wealth Management, discusses why it is of paramount importance to educate clients and to maintain consistency.



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PEOPLE DON'T MANAGE THEIR PRIVATE WEALTH with the same rigour they manage their business with, and this necessitates what wealth management firms bring to the table, according to Azeez.

According to Azeez, wealth management is a four-legged process comprising of objectives, strategy, implementation and monitoring.

Azeez says that most people fail to clearly state their financial objectives, which is almost always the first reason why they need a professional advisor.

"There are two sides to the coin—return and risk. Everybody says the risk is important, but measures only return. Is that not a dichotomy?" says Azeez.

Taking about client-advisor engagement, he mentions that educating the client is the most critical part of the relationship. If a manager needs more business from clients, he needs to earn their respect which is possible if you teach them something they don't know about their portfolio, he says. Anything related to strategy needs to be fully understood by the client, and he should be fully on board with them, Azeez notes.

From an Indian perspective, Azeez says, private wealth management is still a nascent industry, and like in other new industries, it is imperative for wealth managers, thus, to build a brand for themselves. The best way to build a brand is to remain consistent, he advises, adding that there also needs to be a certain degree of standardisation across the industry for the benefit of clients.

Azeez opines that standardisation to the level of 70%, while still allowing enough space to add in customisation, is healthy for the industry. ■