

Leveraging on India's tech leaders

An important source of untapped wealth in the country is the ever-expanding number of technology entrepreneurs who are getting rich, says Himanshu Bhagat of IIFL Investment Managers.

Amid the vast opportunities that exist across India's wealth management landscape, the growing crop of technology entrepreneurs represents a key group of clients, which remains relatively untapped.

gained a significant foothold among the country's rich.

More specifically, the firm now has AUM of the equivalent of USD19 billion. Yet it is fair to say that the potential for

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By focusing on this segment as well as via the use of alternative investment funds (AIFs) to enable HNIs to invest a minimum of INR1 crore and leverage it, IIFL Investment Managers (previously IIFL Wealth & Asset Management) has

growth is still significantly larger than any firm can keep up with.

“When we analyse our offering across wealth management, asset management, our NBFC, and trust and estate



HIMANSHU BHAGAT
IIFL Investment Managers

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in the country. I believe there is a lot more that we can do," explains Himan-shu Bhagat, managing partner of IIFL Investment Managers.

And some of the lesser explored client segments will continue to be enticing for the firm. Indeed, he recalls that when the firm's co-founders started the business in 2008, it was tough to access the more traditional wealth.

"This was always placed with the older banks because that is what [HNIs] were comfortable with," he explains.

and use us to help them do it," explains Bhagat.

In fact, the average age of an UHNI in India has come down, and a big proportion of UHN households are in emerging cities and smaller towns.

Nearly half of the UHNIs are understood to be below 40 years of age.

Further, 45% of them are from cities like Bengaluru, Ahmedabad, Pune, Hyderabad, Nagpur, Ludhiana, Chandigarh and Aurangabad, among others.

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DIGITAL

Further, having an open architecture platform which is digital in nature is an important priority for IIFL Investment Managers.

But the aim here is to help communicate more effectively and efficiently with clients, not just to simply facilitate online trading.

Bhagat realises that to be relevant and competitive, the firm needs to respond to client expectations.

And in today's environment, this translates to being more informed and better connected.

"It is about how quickly we can get the information to clients and how we can make sense of the data they are receiving, and then also keeping it simple," he explains.

"Our first challenge is to penetrate the [existing] market to get the low-hanging fruit. Secondly, it is to build a long-lasting sales force and train these people, which is going to be a key area of focus for us going forward."

As a result, the firm quickly changed strategy to target the first-generation entrepreneurs, especially in the technology space.

DIVERSITY IN CLIENT DEMANDS

Today, out of the stake-based sales, which have happened in India over the last three to four years, IIFL estimates that it gets to manage the post-deal wealth of the individuals involved in two out of every three cases.

"This is new money from young entrepreneurs. They are big risk-takers who then want to preserve the wealth

STEADY AND STABLE GROWTH

IIFL Investment Managers' efforts to grab its share of the market now involves with 225 relationship managers (RMs) and a presence in 14 locations in India. The firm focuses on a mix of fixed income, equities and estate planning.

But to grow from here, it realises the need for capacity building, especially via technology, but also through the correct hiring.

"Our first challenge is to penetrate the [existing] market to get the low-hanging fruit," reveals Bhagat.

While IIFL Investment Managers needs to focus on asset allocation for its clients, managing their portfolios and protecting their assets, the firm also needs to respond to the need to give clients access to RMs to adjust their portfolios as required.

As a result, the role of digital comes back to being able to enhance the communication channels.

"If there is any grievance or any other issue that the client may have, we want to be able to quickly solve that," explains Bhagat. ■