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Skilling the next generation of wealth managers

Sandip Ghose, Director, National Institute of Securities Markets (NISM), shares his views on how the new generation of professionals is not ready to spend few years investing in themselves but is unabashedly going after what is available now.

WITH A HEALTHY GROWING ECONOMY AND a large diversified market, India is fast on its way to economic prosperity, which means more wealth in the hands of people.

This offers a great opportunity to the wealth advisors to widen their net and rake in the newly-rich individuals. But "people are not jumping up and preparing themselves for this opportunity," says Sandip Ghose of NISM.

He feels that people who are entering into wealth management space to make a career are not adequately trained to talk to wealthy individuals and convince them to park their wealth with them.

An advisor should be able to convince a client live, while in conversation, to invest with him rather than giving only facts and leaving the client alone to make the decision, he says.

To have that persuasive power, he opines, a young professional needs to be under the wings of an experienced advisor and learn the ropes for three to five years.

In his NISM workshops with executives, Ghose urges them to develop a queue of young professionals who in few years' time should be able to tackle the basic challenges of the changing regulatory, technology and economic scenario.

Merely focussing on selling products will not guarantee a successful long career in wealth management as one needs to understand the background of clients and their aspirations before beginning to link them with products, he says.

Taking stock of the recent situation, Ghose points out that 2017 was a stellar year for capital markets and Assets Under Management (AUM) grew phenomenally.

Majority of these incremental investments came from people in age group of 25-30 years, and almost all of it was direct, i.e., without the involvement of a wealth manager. This gives an impression that money could be easily made in the short run without an advisor.

Firstly, the advisors should look at it as an opportunity to cash in on and secondly, they should themselves be competent enough to guide the smart, educated, and wealthy. ■

SANDIP GHOSE
National Institute of Securities Markets (NISM)