

Standard Chartered's Alexis Calla on Delivering the CIO Vision with an Eye on the Future of Wealth Advisory

Seldom in recent memory has the role of CIO been more crucial, but in the midst of the global pandemic, all eyes are on the positioning and perspectives of experts such as Alexis Calla, Global Head, Investment Strategy & Advisory and Chief Investment Officer, Private Banking & Wealth Management at Standard Chartered. Calla has over recent years offered Hubbis regular updates on his and his team's approach and how they project their investment principles and ideas through the Standard Chartered vehicle. Their key mission for some years already has been a quest to differentiate and win more customers to its advisory or DPM propositions. Calla and his team, having realised many years ago that winning and keeping retail and private banking clients would not be reliant on the information the bank could produce, nor the amount of fundamental research it could deliver, but the way in which decisions were reached and recommendations were made, and why. And this effort has become even more valuable since the pandemic hit, especially as there is such a disconnect between the global economic outlook and the vigorous performance of markets when the main indices bottomed in late March. Hubbis was fortunate enough to catch up with Calla recently by video link to hear his views on wealth preservation amidst the global Covid-19 crisis, and how wealthy investors could potentially be positioning themselves for the new investment and economic landscape ahead, and how the Standard Chartered model is ideally suited to the somewhat confusing new world we all face.

Calla opens the discussion by jumping into his perspectives on open architecture, of both investment products and of the advisor's imagination. "The way we try to build our market outlook, market insight and expectations is more than simply research," he observes, "it is about bringing everything together from as many, and as diverse, sources as possible and then try to make sense of it all, in a debiased way, by seeing the picture from all the different elements assembled."

Seeing the big picture

He explains that it is then vital to communicate to the clients where the Standard Chartered opinions fit in, or adjust, to all these different views, so that the clients can see where the bank's viewpoints are in relation to other perspectives. "We then try to explain why we are doing the things the way we are doing things," Calla elucidates. "We believe it is important to be transparent, to help the clients better understand our investment view relative to what other institutions and experts might be saying."

And to achieve this and to deliver it, besides the views from its investment committee and strategists, the bank keeps advancing its digital agenda, as well as layering on top strands such as behavioural finance.

Watch your behaviour

"Understanding how different personalities react to an environment like the pandemic, and then trying to design different solutions or different modes of engagement for those individuals in order to make sure they feel more comfortable, is a key

Calla's key priorities

Calla explains that the first priority is to make sure the bank adapts to different forms of engagement with clients, and the second priority is to deliver a vision to those clients that helps them make sense of what is happening by providing the right context and setting the right expectations for individuals.

Then in terms of technology, Calla reports that he and the bank will continue to develop the hybrid engagement model. "We keep working with the CRM tools that we have, and we keep enhancing the tools as well in terms of what it can do for the clients, in terms of making sure people are comfortable using it, making sure the clients really know it exists and what it does," he reports.

He adds that the bank needs to make sure therefore that the clients know what it can offer and how it will work for them, and part of this is listening to feedback from those clients, to make sure the bank can keep developing, keep innovating.

"Moreover," he explains, "a key part of this mission is to continuously adapt to the client's needs, to seamlessly allow for different types of engagement between the clients and the bank, so that all types of execution and advice delivery are possible, allowing the clients to switch as they wish, and therefore achieve their goals with us."

He says his third priority is then to make sure the bank is fully aware of what older and newer clients are doing, so the bank can be on top of ideas, solutions and different forms of engagement with them. "And of course, technology will help us achieve all these aims," he reports.

Underpinning all these three priorities is the unerring drive of Calla and his team to keep testing the bank's ideas so that he and colleagues can deliver to clients in a more elegant and tailored manner. "We need to keep refining the process to make sure we deliver value to the clients in the way that is entirely relevant to them," he concludes, "and that underlines our unique approach and style."

element of our approach and one we have made some good progress on," he reports.

Calla delves deeper into the bank's mindset, remarking that the philosophy is driven by contextualising recommendations

and advice to ensure the clients fully appreciate the wider picture and understand that the bank is offering as unbiased a delivery of its opinions as possible, and thereby helping clients make better decisions personalised to their context.



ALEXIS CALLA
Standard Chartered

Art, Science & Technology combined

"The art and science of delivering investment performance by reducing biases in decision making is central to our value proposition," he explains. "We have both a philosophical and pragmatic approach to this challenge. We are agnostic in terms of whether the clients are self-directed, self-executing, or whether they are clients that prefer some degree of advisory expertise, or if they are customers that like to pass over much, or all, of their portfolios to discretionary mandates."

The key for Calla and his team is to find ways to provide all such clients with the benefits of the same detached, objective and all-encompassing approach. He believes that reducing informational and cognitive bias, taking a proactive approach to curating various sources of information and viewpoint diversity, and being receptive to greater inclusiveness, are all essential elements to successful investment decision making for smaller as well as far bigger portfolios.

Getting Personal with Alexis Calla

Based in Singapore, Alexis Calla joined Standard Chartered in November 2010 and is responsible for defining and delivering the bank's advisory proposition to clients in both the private and priority segments.

Calla has travelled a long and fascinating road since his early days in the lovely Loire Valley in France. He was born in the wonderful, historic city of Tours, then headed to Paris as a teenager and later studying at the University of Paris Dauphine. His first job was at Citibank as a young portfolio manager, also in Paris and he later moved to London as a product developer in asset management, before he became head of Wealth Management for Citibank in Western Europe.

His career flourished further when he moved to the US as a Global Head of advisory and investment product for the Citibank International Wealth Management Business. And that served as an ideal springboard to becoming Chief Investment Officer at Standard Chartered in 2010 as well as head of advisory for private and retail clients.

Calla is married with two sons, one of whom is 21 and studying at university in Edinburgh in Scotland and is soon to be joined there by his younger brother, who has now finished American School in Singapore.

Calla has a natural proclivity for knowledge and understanding. "I am by nature highly curious and have been reading a lot about psychology in recent times," he explains. "It is fascinating to learn of how the brain works, how we decide and from there I have been digging into the whole area of artificial intelligence, neural-networks and so forth. It is a fascinating field."

He also has a passion for art, with a keen interest in emerging contemporary Southeast Asian painters. "It informs me with a sense of the world we live in," he says, "to see the images of these younger artists as they depict the world around them." He reports he is also so a keen reader of poetry.

In the past his rather more unusual outdoors hobby was the somewhat bizarre sport of 'land paddling', which was often met with some curious glances from locals.

"But these days my wife and I spend more time walking and speed walking around Singapore to keep mentally and physically fit," he explains.

“Technology is a vital enabler to translate this philosophy into tangible capabilities for clients,” he explains. “It allows for the creation of quality, client-relevant conversations between the relationship managers and their clients.”

Leading by example

Calla explains that an example of such technology-enabled solutions is the bank’s ADVICE platform, an award-winning single-source repository for the CIO office’s full range of investment ideas and content. Another example is the team’s first-in-Asia digital advisory tool – Standard Chartered’s Personalised Investment Ideas, which enables the delivery of an unbiased, truly personalised investing experience for affluent Priority Banking clients.

employed has had to adapt to this new environment. “And we have been able to do so rapidly and nimbly,” he reports, “leveraging our digital delivery and tailoring it to achieve a high degree of personalisation. Luckily, we were already well ahead in this initiative, having started several years ago and having built out such digital delivery solutions across the region in recent years.”

Calla observes that due to lockdowns across the globe, investors have had more time to view and assess what has been taking place, whereas usually they would still have been working intensively through a crisis, for example such as the 2008-9 global financial crisis. “The result is that this challenges us to find new

The result is that this challenges us to find new ways to maintain dialogues with these individuals, some of whom will have become truly engaged with the world of investments for the first time. So, we need regular communication, and we need to leverage all the tools at our disposal to reach out to them regularly and then to differentiate ourselves. It is a challenge we have risen well to meet.

“Armed with this technology and our philosophy,” Calla explains, “clients are increasingly receptive to ideas, and once they understand how we are helping to improve outcomes and minimise risks they are very keen to explore these and other ideas and are appreciative of Standard Chartered’s efforts to make unbiased advice a reality and not just a promise.”

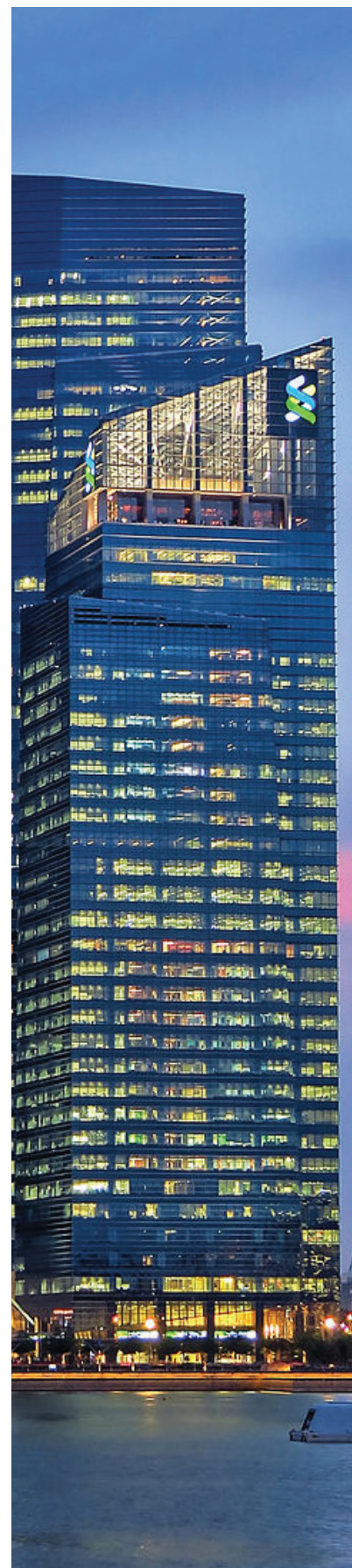
Adapting and reacting

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Bridging the disconnect

He adds that it is an unusual environment and these newer market watchers see





a disconnection between the economic negativity across the globe and the bounce and subsequent positive performance of many of the leading equity and other indices. “And that gives us another exciting challenge to rise to, namely helping them understand what is happening, managing their sentiment, then helping them make decisions that are properly referenced against the realities out there.”

“That helped many investors in this region,” he reports, “as they typically hold portfolios with more Asian assets, and understanding this has also helped us engage differently with these clients, and help them see how they were reacting. And people like ideas, they like a narrative, and if we can then offer ideas that have a ‘fitness function’, in other words the ideas make sense in relation to what we know about the client, then interesting ideas that come with a good narrative will help the clients build solid and robust portfolios.”

Calla reports that to help the bank finesse their connections to these investors they conducted a study that highlighted three types of investor – the comfortable investor tends to be composed and confident, the conservative investor looks for comfort and control, and the enthusiastic investor tends to be speculative and impulsive.

Keeping it personal

“We have used this to help us deliver our views and help clients reach decisions,” he reports. “For example, for clients who display traits similar to enthusiastic investors, we would highlight what their main risks are since they have

a tendency to ignore the risk and chase the momentum. So, in short, we have done a lot of work trying to understand who our clients are, then create different types of communication and different solutions accordingly, and I can say this has been really well received actually by the clients and by our RMs who engage with them. We end up with a truly tailored proposition that is not only offering the best solutions but

is doing so in a way that actually and truly recognises who these individuals are.”

Are you fit enough?

Calla notes that it was what he describes as the western asset classes and markets that suffered most during the sell-off, while many Asian markets and asset classes, for example China or Asian dollar bonds, suffered much less. “That helped many investors in this region,” he reports, “as they typically hold portfolios with more Asian assets, and understanding this has also helped us engage differently with these clients, and help them see how they were reacting. And people like ideas,

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He adds that the process is one of learning from both sides, to ensure the bank is learning from the reactions of the clients as well as the clients learning from the ideas and the contextualised data and information.

A good story, well told

"People need to make decisions with context," he observes. "They don't just follow someone blindly simply because they have told you this or that, so the essence of our approach is to ensure that we curate diverse unbiased sources and present what is relevant and personalised, thereby helping these clients develop their portfolios based on our recommendations that are delivered, not in an academic manner, but in a lively manner and set in the context of the environment we all see out there. Portfolios based on this type of

narrative are ultimately more robust and forward-looking, we believe."

Three is not a crowd

Calla explains that this all relates back to the three types of personalities, as this flows through to how to deliver services to clients who may fall under any of these three categories. "Some of them of course are receptive to and actually very happy executing on their own because they have the knowledge and the confidence," he explains, "but the vast majority still don't feel comfortable and want to engage with advisors."

Staying nimble and fluid

Moreover, this approach would not be fixed or inflexible – Calla explains an investor preferring self-execution can, for example, while online or on the app switch to request personal advice at any time. "And then of course, there are clients who will want extensive and perhaps regular reviews of their portfolios with their advisors, and we are always happy to engage," he explains.

He explains that this type of hybrid engagement between online or app-based investment and advice

is the means to being digital yet personalised on the one hand, but also retaining and expanding the human engagement, and potentially also building the DPM engagement with more clients steadily in the future. "Thanks to our approach, our philosophy and our investment in the right technology," Calla comments, "we are nimble enough to be able to adapt to all these different types of clients and different types of engagement."

Well-positioned for the new world ahead

Calla closes what was a fascinating discussion by remarking that the pace of change has been truly remarkable. "We are not looking back and saying we wish we could have achieved this or that, that we wish we could have moved faster. Instead, we are now looking and saying wow, look at what we have achieved, look at what we have been building and look at how well-positioned we are to adjust to the new world ahead of us. There are some really good and exciting changes that are taking place, and I believe we are on top of what is here already and ready for what will come along soon." ■

