

The Vietnam Wealth Management Market and the Question for Professionalism

A small panel at the Vietnam Wealth Management Forum gathered to highlight the key attributes required and the hurdles to overcome for the industry to develop genuine professionalism and expertise in the country.

These were the topics discussed:

- What product knowledge and skills do you need?
- What 'BAD' practices from other markets must we avoid?
- How can learning and professional development help you add value and differentiate your offering?
- Why is improving skills so important?
- Trusted adviser - what does that even mean?
- What are the client's needs?
- Growing your AUM - client retention, existing client referrals and prospecting.



PANEL SPEAKERS

- **Simon Lints**, Chief Executive Officer, Singapore, Schroders Wealth Management
- **K R Raju**, Founder & Adviser License Financial Planner, Blueprint Planning
- **Dominic Gamble**, Head of Asia Pacific, Wealth Dynamix

[Link to Content Summary page](#)

[Link to Photos](#)

[Link to Event Homepage](#)



THE KEY TAKEAWAYS

Relationships are the be-all and end-all of wealth management

The development of a vibrant, viable, sustainable wealth management market will be driven by building the relationships and understanding clients, and certainly not product pushing.

Build expertise, don't rely on buying it in

With a shortage of expertise across the industry, it is tempting to think firms can hire talent and books of business, but many RMs who move do not deliver on expectations and secondly, with compliance these days it is tough to even get 20% to 30% of an RM's book moved over to the new firm, and even that it takes a long time, and comes at a high cost.

In main markets, it is a merry-go-round

The result, said one expert, all too often in markets such as Hong Kong or Singapore, where there is far more demand for talent than supply, is a sort of merry-go-round of incompetence where bankers move from bank to bank doing little business but still getting a reasonably big cheque to go to another firm.

Collective aspirations

Vietnam has great potential. But to achieve even some of that potential, the industry and the government must all work together to develop regulations, expertise, standards and the right infrastructure.

Technology is vital, but only with the right mindset

Vietnam is a young economy with young demographics. Smart investment in tech is vital to succeed, but those who do so must either be start-ups with a clear market and mission or if older banks converting to wealth management, they must invest from the core, it is not enough to simply slap new tech on old core systems. Total transformation is required.





SIMON LINTS
Schroders Wealth Management

“IN MY EXPERIENCE, WHICH I THINK IS QUITE EXTENSIVE,” began one guest, “the development of this market will be driven by building the relationships and understanding your clients, and certainly not product pushing. The major global banks some years ago lost sight of that. But to be on the right path, firms and RMs need to focus much more on client needs and focusing across the different generations. The successful firms are going to be those that really work on the relationships, fully understand the clients and service them across lots of different levels.”

To build a franchise, the same expert warned against expecting that RMs can bring their book of business with them, or even whether they indeed have such an extensive book as they might indicate. “RMs are good at selling themselves,” he remarked, “but these days it is very tough to shift clients to new firms because of the regulatory and onboarding problems today. An RM might typically bring over maybe 20% to 30% of their book, but it is costly and takes a long time to get more up to speed. Some RMs simply do not work out, and there are others that can be trained up to be really productive, one has to be very careful in the approach.”

Another panellist noted that one of the big problems underpinning this issue around wealth managers is that over the last 10 years or so, the wealth management industry, especially in Asia, has grown so rapidly - as bank see more



K R RAJU
Blueprint Planning

opportunity in wealth management than in some other areas - that there is a real shortage of available talent.

“The result,” he observed, “is that we see a sort of merry-go-round of incompetence where bankers move from bank to bank doing little business but still getting a reasonably big cheque to go to another firm. There is a chronic shortage of quality, full stop, especially in markets like Singapore.”

“In Vietnam,” he continued, “as there is great potential here, we need to work collectively, from the regulator, the government, the banks, the market players, and there must be some pretty substantial training in the banks who can then migrate people to the wealth management divisions that they are trying to develop.”

An expert highlighted the growth of insurance solutions in Vietnam, as another growth area. “It is an excellent opportunity for people here across generations, and for estate planning and so forth,” he advised. “We are seeing more and more of it in the portfolios we oversee.”

Wealth firms can differentiate themselves and become more professional and also user-friendly by investing smartly in technology, said another

“IF YOU HAVE THE RIGHT TECHNOLOGY AND APPROACH TO UNDERSTANDING CLIENTS PROPERLY, YOU CAN START TO SERVE THEM IDEAS THAT ARE MORE TAILORED THAN JUST SIMPLY A PRODUCT PUSH,” HE ADVISED. “TECH AND DIGITAL ARE CERTAINLY KEY DIFFERENTIATORS, LOOKING AHEAD. IT CAN ALSO HELP ATTRACT RMS, RETAIN BANKERS, AS WELL AS PROVIDING BETTER IDEAS AND SERVICE TO THE CLIENTS.”

panel member. “If you have the right technology and approach to understanding clients properly, you can start to serve them ideas that are more tailored than just simply a product push,” he advised. “Tech and digital are certainly key differentiators, looking ahead. It can also help



DOMINIC GAMBLE
Wealth Dynamix

attract RMs, retain bankers, as well as providing better ideas and service to the clients.”

“I should highlight the importance of passion for this business as part of the drive to be successful,” opined another expert. “You must be passionate, hungry, hard-working and professional in order to become someone who represents responsible wealth management. I personally feel as if I hold the hands of my clients and walk them through their financial journeys. We must put clients’ interest first, and everyone I meet, relationship manager or a financial planner or a product person, but do they do that? Not always, sadly, but we must strive to.”

A fellow panellist agreed, adding that it is all too often that the industry has failed its clients in the past decade or so. “I think the clients are often being poorly served and I think there is quite a lot of negative views on wealth managers, but I am very much a relationship person, and I know we must be careful about churning clients, and in my firm now I can practice what I believe in. I get to

see all the clients every year, the RMs take me over and that face to face is very important and the fact that we are bringing in younger people into the team and nurturing them also encourages me. At the end of the day I am well rewarded for what I do but largely that's more secondary than being fulfilled and happy with what we are doing. Serving the clients correctly is my mantra.”

Another guest remarked that the banks in particular have got to do a much better job at reinventing themselves, not only to hire young talent but also to acquire these people as clients. He advised becoming more tech-enabled, transforming digitally and investing in tech, but cautioned that the firms must do so in a smart manner and with a clear idea of what they want to achieve.

“Too many banks have older management teams that cannot understand or effect this type of transformation,” he warned, “so they will lose out to the smarter operators. The knee jerk reaction that we see in the market from banks across the region is to build a shiny app and they build a shiny app, put some emojis and they expect that app to then engage the younger clients, yet time after time when we go into the banks across the region we hear that their adoption rates are hopeless. You have got to fix your technology at the core, you need real evolution, real innovation, from the core, you cannot simply slap that on top of cranky old systems. And watch out, it could be too late for some banks in five to 10 years’ time, if they do not transform effectively.” ■

