



# WINNING RELATIONSHIPS

in Asian Wealth Management

BECOMING A  
MORE SUCCESSFUL  
ADVISER

Andrew Crooke



# TESTIMONIALS

“Anybody interested in a long-term career in wealth management in Asia will learn important lessons, skills and tools from this book.”

*Andrew Fung  
Head of Treasury and Investment  
Hang Seng Bank*

“The Asian wealth management industry is undergoing its second significant period of change in the last few years. Anyone who has the responsibility to advise clients and service them in their best interests should read this book cover to cover. Not only will they get a good sense of the trends shaping the industry and how they affect them – they will also know how to be effective in such a market landscape and can learn to use those tips effectively on the job.”

*Anthonia Hui  
Chief Executive Officer  
AL Wealth Partners*

“Excellent reading for client advisers indeed! Lots of deep insights and practical tips to achieving great success for the individuals, organisations and the wealth management industry. A handbook not to be missed.”

*Eric Goh  
Head of Investors, Singapore  
J.P. Morgan Private Wealth Management*

“Whether you are an experienced practitioner or an aspiring wealth manager, the best practices and other skills explained in this book will provide you with what it takes to succeed in Asian wealth management and private banking today.”

*Professor Francis Koh  
Deputy Dean, Lee Kong Chian School of Business & Director, MSc in Wealth Management Programme  
Singapore Management University*

"Wealth Management is no longer considered a 'luxury product' sold by great brands and glossy marketing events. Everyone who serves wealthy clients is by now very conscious that although it may involve some 'art', increasingly 'discipline' has become a key differentiator. Not only to attract clients in the first place, but also to keep and to grow the share of their wallet. Being a wealth manager means hard work combined with skills and talent in order to stay relevant to clients and to business. To stay fit for the job in an ever changing landscape, these skills and talent have to be constantly re-assessed, the same as going for a regular health check. This book reflects these trends and provides an excellent resource for wealth managers to develop the right skills to add value to their clients today"

*Mario A. Bassi*

*Managing Director, Head of Asia*

*Solution Providers Management Consulting*

"This book offers practical, relevant and timely advice for any client adviser in Asian wealth management and private banking today who wants to improve their relationships and differentiate their service."

*Keith Harrison*

*Head of Asia Pacific and Branch Manager, Singapore*

*Bank Hapoalim*

"Selling and relationship management skills have been on the decline in Asian wealth management and private banking as the industry has suffered various blows since the financial crisis. This book puts the situation in context and, more importantly, outlines how frontline advisers can hone their skills to adapt to this new environment."

*Urs Brutsch*

*Managing Partner & Founder*

*HP Wealth Management*



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# Contents

<b>FOREWORD</b>	
<b>By David MacDonald, Managing Director, Hubbis</b>	<b>1</b>
<b>INTRODUCTION</b>	
<b>Hope is not a method</b>	<b>5</b>
■ The game-changing trends impacting Asian wealth management and private banking	
■ The skills and qualities required for wealth managers to confront the various challenges they face and be successful	
■ What being professional means in the new landscape of Asian wealth management and private banking	
■ The context for why we have written this book now – and what you should take away from reading it	
<b>CHAPTER 1</b>	
<b>Selling in wealth management</b>	<b>19</b>
■ What selling in Asian wealth management and private banking means – and what it should look like	
■ Distinguishing the stated role of a client adviser versus performance measurement and management requirements	
■ What great salespeople do to be great – and maintain greatness	
■ How the role of a wealth manager is changing in Asia	

## **CHAPTER 2**

### **Becoming more productive and effective**

**37**

- 15 ways that you can become more effective and productive in your role
- How to think more strategically and proactively about new and existing client relationships
- Specific steps to improving your relationships and performance
- Techniques to avoid missing out on opportunities with your clients

## **CHAPTER 3**

### **Self-assessment**

**57**

- The importance of getting to know yourself – and how and where you can add value
- Assessing your existing relationships with clients and how you can strengthen them
- Understanding the different relationships you have with different clients – and knowing how to change the nature of those relationships
- 6 ways to make more of your client relationships and improve your “partnership”

## **CHAPTER 4**

### **Successful sales planning**

**87**

- Developing a selling strategy – how to be well-organised, focused, clear-thinking and action-orientated
- Removing the hurdles to strategic sales planning
- Thinking strategically – having a vision and building your book accordingly
- Five steps to creating a successful sales pipeline: prospecting; building rapport; understanding the client; proposing a solution; and winning the business



## **CHAPTER 5**

### **A more targeted client strategy**

**101**

- How to segment your existing portfolio of clients to create a profitable and sustainable book of business
- Using your edge to your advantage
- Understanding how to identify, map and target individual clients
- A step-by-step framework for prioritising clients

## **CHAPTER 6**

### **Making the most of meetings**

**113**

- How to set up a first meeting, and in a way that the prospect is motivated to take part in a shared exchange
- Getting value out of your meetings
- Making a good first impression
- How to really build rapport – beyond chit-chat

## **CHAPTER 7**

### **Stickier and more profitable relationships**

**133**

- Getting repeat business from satisfied clients by establishing lasting and deep relationships
- The top five ways you provide value to a client – and what doesn't provide value (but you might think does)
- The importance of developing relationships with the next generation
- How to get referrals – asking for them and following them through

## **CHAPTER 8**

### **Getting psychology right**

**151**

- Identifying biases and other characteristics of Asian clients
- Understanding client types and how to adjust your approach
- Helping clients make tough choices
- How to help clients avoid common pitfalls based on their investment attitudes and behaviour

## **CHAPTER 9**

### **Sales mistakes to avoid**

**167**

- 14 sales mistakes you must avoid
- How not to make negative impressions on your clients
- Understanding how not to fall into common traps by thinking short-term

## **CLOSING THOUGHTS**

### **Having what it takes**

**175**

# FOREWORD

**BY DAVID MACDONALD  
MANAGING DIRECTOR, HUBBIS**

Great relationship-based selling is, always has been, and for the foreseeable future will be, founded on good-old common sense. However, in this head-down, self-absorbed, information-overloaded world that we now seem to inhabit, common sense is often not so common to find!

When you add to the mix market volatility, the ever-increasing range of investment and wealth planning solutions, pressures of meeting our sales targets, and the fact we are now time-poor, it is easy to see how the challenges stack up.

Through the past few years, I've seen and heard lots of financial institutions talking about getting "back to basics". Many of the "basic" principles of good selling may be what are actually needed to be consistently great salespeople today.

Our chief executive officer, Michael Stanhope, started his career selling photocopiers for Xerox in 1991. He worked for the leading dealer in the West End of London, and remembers going door-to-door in the cold February wind to ask each office receptionist: "So who makes the office buying decisions in your company?" In a typical week he used to visit around 120 companies. If he got a lead, he would rush off and get one of his senior salespeople to follow up.

Selling a photocopier was harder than it might sound. The competition was fierce. He really did need to ask lots of questions to understand what each client needed, and then sold the features that benefitted the individual client.

Most importantly, he really needed to know what the photocopier did, and how it did it, and also to be very aware of what the competitor's machines could or couldn't do. Otherwise, as he puts it: "I looked unprofessional and uninformed, and therefore made no sale."

In his early days of selling, Michael got paid commission only. And he recalls that the salespeople had colourful nicknames like "attack dog", and they watched films like *Glengarry Glen Ross*.

By comparison, I cut my teeth learning how to sell in the world of banking.

Although a very different environment and set of products, many of my early experiences were a lot like Michael's were. Despite them being very different businesses, they both had similar approaches to selling and to being successful.

In those days, for both of us, it was a "numbers game". This meant seeing as many potential buyers as possible, in the knowledge that enough people would say yes to keep us going until the next month.

Times have moved on a lot. Selling in the 21st Century is perhaps better approached on the basis of quality over quantity. However, many of the core approaches do still work. Yet over the last 20-plus years, Michael and I have observed tangible evidence that genuine selling skills are on the decline.

Some of the essential tools and attributes for any consistently successful salesperson – such as how to start with a business development strategy; how to build and implement an effective sales activity plan; how to prospect; how to win the business; and how to get referrals – seem to be in short supply.

In wealth management, in particular, it would seem that people don't like to be perceived as a "salesperson".

But “sales” or “selling” are not words to be ashamed of.

For me, in the world of wealth management, SELLING = SERVICE. They are one and the same thing.

In my humble opinion, it would be encouraging to see senior management really try and get their relationship managers, client advisers, investment consultants and other frontline staff to learn some old-fashioned, tried-and-tested selling skills.

Even if you could be confident to at least incorporate the following simple tips into your client interactions, I believe that you would witness an immediate effect on revenue and would enjoy more proactive relationships with clients – your buyers:

- Ask more open and probing questions
- Be enthusiastic
- Ask for the business – help clients to buy
- Admit when you don’t know the answer to a question
- Really make an effort to learn about products and markets

Without doing these things, you are more likely to struggle to help the client to spot opportunities which will benefit both parties.

The most consistently successful salespeople that I have had the pleasure of working with, or meeting, do all of these things. The very best do these things and they have a clear vision of where they want to be. This then distills into a clear plan of action which is regularly reviewed, fine-tuned, and updated.

Further, they also appreciate and have a commitment to ongoing professional and personal development.

After all, the world of investment is rapidly changing and very fluid across the various products, strategies, assets, structures and advisory styles which are available and appropriate for different clients in different situations with different profiles.

Selling professionally requires a lot of hard work. However, not just any hard work – the right hard work, built around a solid strategy and activity plan.

Combine these things with careful planning, strict time management and an absolute desire to do the best thing for your client and you are likely to be more successful. Done well it is enjoyable and rewarding in multiple ways.

You should be proud to be a salesperson.

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# INTRODUCTION

Hope is not a  
method

“I don’t believe in  
circumstance. Successful  
people in life know the  
circumstances they need  
for success, and if they  
can’t find them, they  
create them.”

**GEORGE BERNARD SHAW**

**In this chapter:**

- The game-changing trends impacting Asian wealth management and private banking
- The reality of the industry today
- Why advisers must re-index their expectations about what to expect out of a career in this industry
- The skills and qualities required for wealth managers to confront the various challenges they face and be successful
- Understanding why the difficulties that frontline staff face today were inevitable
- The context for why we have written this book now
- What being professional means in the new landscape of Asian wealth management and private banking
- What you should take away from reading this book



**I**t is more challenging than ever before to be a successful adviser in Asian wealth management and private banking.

On the one hand, this is due to the direct impact on the industry of the 2008 financial crisis. The rattling of both the business environment and the investor mindset – coupled with the global political and economic fallout – has resulted in a combination of: ever-tougher regulatory and compliance obligations, which make it more time-consuming and burdensome to open new accounts and transact for clients; unsustainable cost-income ratios, made worse by staff turnover amid stiff competition; and choppy markets, creating volatile and uncertain investment conditions.

With senior management subsequently coming under growing revenue pressure, targets for frontline staff have, in turn, become increasingly aggressive and short term. Yet advisers have had to pitch their wares at a time when investors are, in general, becoming reluctant, wary and, therefore, passive.

On the other hand, some even bigger, game-changing trends in the financial markets are shaking the foundations of the Asian wealth management and private banking landscape.

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successful adviser.

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Among them are: the end of the glory days of investment banking; the resultant crackdown on remuneration across financial services; the criminalisation of certain non-compliant advice in relation to client funds; the intense scrutiny over the competency of individuals working in this industry; and the spotlight on more rigorous and objective performance measurement criteria.

For any wealth managers who aren't preparing themselves accordingly, and who don't by now view what they do as a serious profession, then any hopes they had of making a career in this industry are over.

## **Putting this book in context**

It isn't possible to fight the trends in the new world of Asian wealth management and private banking. It's no longer just about an individual adviser working alone to service his or her clients. Nor is it realistic to offer a one-size-fits-all offering.

So what does it take to succeed in this industry today?

It's about understanding what value means to a client today, and how to deliver it. And also being aware that these answers are changing constantly, and will continue to do so.

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It's about understanding what value means to a client today, and how to deliver it.

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It's about delivering investment performance in a tangible, transparent and rational way – for those clients which seek that. And for those clients which want to protect their wealth, it's about putting in place the most appropriate, relevant and tax-compliant structures to do so.

It's about being able to advise the next generation, whose requirements, in many instances, are significantly different from those of their parents. Their perception of the world means that what they want out of their banking relationships requires a different approach when delivering advice.

It's about having a much more detailed awareness and understanding of regulation and its impact, whether local or global in nature. This is not only in terms of what to do and what not to do, but also the direction in which supervisory and enforcement policies are heading.

It's about understanding the role and value of technology as a way to support interactions with clients and to enhance their experience through

a differentiated, tailored or user-friendly service. Ultimately, it's about being more professional.

Without exception, confronting these challenges requires a variety of skills and qualities, for example:

- More in-depth knowledge – at least to a certain level – about products, processes and suitability from one perspective, and about appropriate structures and tools such as tax and trusts from the other
- The awareness to know when to bring in specialists and admit to clients that there is a need for such assistance
- An extensive infrastructure and network
- A commitment to adapting and learning to upgrade skills and knowledge
- A high level of emotional engagement when giving advice
- A genuine desire to put clients first – and to understand how to do that
- The ability to take stock of achievements to date – and to be honest about the extent to which earlier successes were possibly just due to market conditions

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“You never achieve success unless you like what you  
are doing.”

**DALE CARNEGIE**

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For those advisers who step up to the challenge, the rewards will be significant.

But there will inevitably be some advisers who can no longer prove they have the capability to build a book of business which can support them going forward. Senior management tend to agree that the better-quality advisers are able to show they can be profitable after 18 months; while the average time period for an adviser to get to that level is two to three years. For those who cannot live up to the mark, this will be a reason for some much-needed tail-cutting in the industry.

The domestic markets will also be a key focus going forward. More and more strategic alliances are being forged between international and local players of all sizes. So wealth managers without the ability or desire to be flexible – and therefore understand how to access, prospect and win new accounts with local clients – will struggle.

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Essentially, it is about re-indexing expectations about what advisers will get out of a career in this industry.

After all, the typical Swiss private banker grew up in an environment where they were taught to be passionate about doing a good job for their clients, as well as their employer. They didn't expect a bonus for doing so.

Wealth managers in Asia need to take a similar view. There has been too much self-interest in the industry to date, and the time for change has come.

Wanting to pursue this career for the right reasons – not for the money – is the new starting point for success. And the importance of advisers thinking along these lines will only get even more acute.

For example, based on regulatory pressures and subsequent legislation, markets like the UK and Australia are banning front-end fees, stirring a shift towards fee-for-service advisory models.

This is surely on the cards at some point in Asia, too. If that happens, it will become all about service – which can only be delivered by skilled professionals who share the passion and commitment towards advising their clients appropriately.

## **The time for change is now**

Many senior industry practitioners privately acknowledge that the difficulties their frontline advisers now face were inevitable.

Many advisers in this industry in Asia had only known growth. There was no obvious business need pre-2008 for them to sharpen their selling or relationship skills.

And with demand for talent far significantly outstripping supply, neither did market forces intervene.

To fill the gaps, even the supposed leaders in banking in Asia resorted to hiring individuals without the core or proven skills to do the job.

Sometimes this meant looking in the back office; worse, it also involved luring people with little industry or technical knowledge but who had relationships with wealthy individuals – the infamous “hairdressers” and “luxury car salespeople” of Asian private banking’s long-gone hey-days.

In the haste to fill seats in the front office, proper training and vetting was shunned.

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The outcome has been a tangible decline overall in the quality of wealth managers in Asia.

It took the market downturn to make the case for changes in the approach that they have typically taken to first win, and then service, client relationships.

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“In the end, an organisation is nothing more than the collective capacity of its people to create value.”

**LOU GERSTNER**

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It is now a priority for advisers to adapt and evolve their practices. In short, advisers must have more profitable, appropriate and consistent conversations with clients – as well as focus on building truly trusted and long-term partnerships with them.

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The need for this to happen cannot be over-stated. For example, PwC’s Asia Pacific findings from its *Global Private Banking and Wealth Management Survey*, released in mid-2011, said that what matters most to Asia’s wealthy individuals now is having quality relationship managers.

Particularly given weak investment conditions, the report said the following: “The emphasis on investment performance has given way to the need for higher quality advice built within comprehensive and integrated wealth management planning solutions which meet individual clients’ circumstances.”

Yet according to the 43 organisations across eight countries in Asia that participated in the report, clients remain cautious about the service and advice they received from their private bankers.

Only 18% of client advisers in Singapore and Hong Kong, for example, believe that they have attained “trusted advisory” status with 60% or more of their clients, said the report.

Our belief is that even this worryingly-poor statistic is overstated.

As a result, developing the right selling and relationship skills is vital to the tool-kit and long-term success of any adviser, in both good and bad markets.

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Developing the right selling and relationship skills is vital to the tool-kit and success of any adviser.

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## **Why we have written this book**

Against this backdrop, the goal of this book is straightforward: to help you become more effective, engaged and productive in your role as a wealth manager.

Regardless of whether you work at a private bank, a consumer bank, an IFA, an insurance company, an external asset manager, or any other type of advisory firm – I hope you can derive value in these pages.

One of the best things about selling is that it is a skill which can be learned. While it helps if you’re a so-called “natural”, it’s not required. With some training and practice, almost anyone can improve their selling skills.

Part of this involves trying to help you answer some key questions, among them:

- What do I need to do to service clients more appropriately?
- How can I build sustainable and profitable relationships with my clients?
- How can I get more business from existing clients?
- How can I get referrals from my clients?
- How can I find new clients?
- What should I avoid doing in my interactions with clients?

No part of this book is about how to sell products or meet sales targets.

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This is all easier said than done. The reality is that the majority of client-facing practitioners who work within Asian wealth management and private banking appear to do little, if any, formal or strategic sales planning, nor much in terms of personal development.

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Frontline staff  
should invest  
in learning and  
developing  
themselves.

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This seems short-sighted. The below-par revenue figures of most banks and individual wealth managers in recent years show that frontline staff should invest in learning and developing themselves in whatever way they can to raise their productivity and effectiveness.

While they might already bring a variety of qualities to their client relationships – ranging from communication and rapport-building skills, to knowledge of markets and customers acquired over the years – nobody,



no matter how long they have been servicing wealthy individuals, can claim to be so proficient and experienced that they have nothing left to learn.

Even the most gifted and successful sportspeople, musicians and doctors, for example, are fully committed to improving their skills and knowledge. They train and practice every day, and they seek the help of coaches and mentors to do so.

Could you imagine going to see a heart surgeon who wasn't aware of or trained in the latest procedures?

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“Every morning in Africa a gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed. Every morning a lion wakes up. It knows it must outrun the slowest gazelle or it will starve to death. It doesn't matter whether you are a lion or a gazelle - when the sun comes up, you had better be running.”

**ANONYMOUS**

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Being professional means being capable and passionate about servicing clients consistently.

Yet the mindset of wealth managers in Asia has been different.

This might partly be due to what I described earlier in terms of the false reality of seemingly unchecked market growth before the financial crisis. Or it might be due to the lack of attention (until more recently) paid by the industry and its regulators to continuing professional education. Or it might partly be due to the fact that many firms have been in an almost-constant growth phase in the region, and with only a shallow talent pool

to tap, the spotlight on real or tangible performance hasn't been as objective as it should have been.

Regardless, this is now changing.

The reality of the new dynamics of (more) regulation, (lack of) client trust and (limited) revenue-generating potential has highlighted a pressing need for regulators, senior management and client advisers themselves to address the shortfalls.

Ultimately, this is an opportunity for every wealth manager to develop their own, differentiated offering – and a way to deliver it.

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To contribute towards these efforts, we have compiled a collection of best-practice sales skills, tools and processes designed to support anyone working in a client-facing, sales-oriented role within the broad wealth management industry in Asia.

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This is an opportunity for every wealth manager to develop their own, differentiated offering.

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This is based on anonymous interviews with more than 120 senior market professionals – including chief executives, team leaders, frontline advisers, training and development specialists, consultants and high net worth clients – revealing first-hand experiences and thoughts on what it takes to be a more successful adviser.

However, the intention is to take a slightly different approach from the many dozens of existing books that provide more general guidance about how to sell across various industries.

Many of these publications refer to specific sales models, but these don't always translate into methods which are relevant or appropriate to wealth management as an industry and the role of the salespeople who operate within it.

Instead, the intention of this book is to offer practical guidance at each stage of the sales and relationship-building process in Asian wealth management and private banking. This is specifically related to the different techniques applicable to the industry and a adviser's role on a daily basis.

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There is no magic formula to being a successful adviser today.

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We therefore aim to complement and enhance any existing learning or training you might have done on sales theory.

Inevitably, certain parts will strike different chords with different readers, depending either on the types of clients you are servicing, the specific needs of your clients, or your clients' existing familiarity with wealth management products and services generally.

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“The man who removes a mountain begins  
by carrying away small stones.”  
**CHINESE PROVERB**

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At a minimum, you should be able to take away some valuable pointers and tips, using this book as a reference source going forward. There is no magic formula to being a successful adviser today. But whatever amount of experience you have, or whichever stage of your career you are at, refreshing your existing skills and learning new ones will help you to enjoy an even more rewarding career going forward – both in the difficult times as well as the good ones.

This can then be a catalyst for you to implement a more refined and targeted approach to servicing your clients.

If all this leads you to suspect that you can't anymore be fulfilled, excited, engaged and motivated to be a wealth manager in Asia, then you might be better to close this book now and start looking for a new industry within which to develop a career.

For those of you who think you can, I welcome your feedback.

**Andrew Crooke**

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