

Extolling the Virtues of Being Open Minded, Client-Centric, and Humble

Malik Sarwar, CEO of wealth management firm K2 Leaders, USA and also Chairman of Hubbis, opened the Forum by welcoming the delegates to the Hubbis Asian Wealth Management event, and extolling the virtues of listening to what clients actually want, or need, and then humbly proposing ideas and products that are carefully tailored to these requirements. He implored delegates to be open minded and to help advance the wealth management industry's skills and reputations.

HE NOTED THAT IT IS NOW ROUGHLY 10 YEARS since the global financial market meltdown, and remarking that although that is in the past, today there is widespread volatility, causing angst and jitters everywhere among the high-net-worth clients, institutions, and retail investors around the world.

“After the global crisis,” he observed, “there was a lot of soul searching and the big issue was why did it happen. My own take is the ‘H’ word, ‘hubris’, or excessive pride and self-confidence. We thought we had it all then, derivatives, mini bonds and so forth, we thought we could sell anything, that clients would make money, and even if they did not, then we would.”

But Sarwar believes that what is needed is humility. “However, while it is not really in our DNA to be humble, we should be and we should be really asking clients what they need and then helping them, and even anticipating their needs.”

Sarwar observed that the wealth management industry has a surfeit of information but is relatively starved of knowledge and wisdom. “We can try to actually develop something that educates clients, so we can guide clients and be their financial lifeguards, for themselves, for their children, grandchildren, then I think we would start earning the right to be treated as ‘friends’ of our clients, rather than bankers who are trying to make money off them.”



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Sarwar said that he had purposely veered away from his advice recently when at an ETF conference in the US. “I did this as a test, I met a potential client and immediately told him what I was selling, telling him that I wanted his business. I violated every principle and he soon turned away, saying that he had to go. But this is a real example of what goes on, every day, in this industry. The most important space in our industry is the three feet between an advisor and the client, but you must genuinely listen and care, understand and then build a plan that suits that client.”

Sarwar highlighted also a key trend in the industry that would be considered during the

Forum. “One megatrend that Fidelity group has identified is generational wealth transfer from the founders to the children, spurring the release of a USD30 trillion industry, and this topic will be covered in our first panel, shortly.”

Secondly, he added, Fidelity has noted the shift of wealth towards women and their consequent empowerment. “In the baby-boomer generation only a third of the women actually controlled wealth, but in Generations X and Y it is over 50%,” he reported. “Accordingly, I am glad to see that there is a good representation of women in this room, especially because by 2030 women the predictions are

for women to control two-thirds of the wealth in the US, through creation and inheritance.”

Another trend, he noted, is towards investment along ESG and ‘green’ or impact investment principles. “This has taken on slowly in Asia, but it will come through in the younger generations, as will digital delivery methodologies,” he stated.

And with that, Sarwar opened the Forum with a request for the delegates to keep open minds, to open themselves to challenges and to be wary of certain assumption. “The mind is like a parachute,” he advised, “which works best when it is open. Let’s all learn from each other and make more of ourselves.” ■