



Thomas Fedier: «What Sets a Truly Successful Wealth Manager Apart»

Friday, 25 November 2016 16:45



Thomas Fedier, Partner and CEO VT Wealth Management

Private bankers face higher demands than other asset management employees. Performance is key, but still not enough. Impeccable social skills are needed, Swiss asset manager Thomas Fedier writes in his essay for *finews.first*.

finews.first is a forum for renowned authors specialized on economic and financial topics. The texts are published in both *German* and *English*. The contributions appear in cooperation with Pictet, the Geneva-based private bank. The publishers of *finews.com* are responsible for the selection.

The situation is depressing wherever you look. The incoming generation of wealth managers often is even more unsuitable for the job than a weak performance. The latent human resource crisis may be a bigger danger for Swiss banking than the flood of ever increasing regulatory requirements, which long ago have surpassed what the lawmaker wanted them to achieve. Essentially the requirements are there to provide work to unemployed lawyers.

If we are to consider just how we want to do business in an age of robo-advisers and other automated wealth management systems, we need to examine the new generation of bankers.

If we are honest, for long, we only looked at how well qualified they were. Perhaps we also considered whether they were able to integrate into a team and wouldn't revolt at the first opportunity.

We also need to admit that the typical Swiss way of building your competences – through a military career, a year spent in the French- or German-speaking regions and the willingness to learn the other languages of the country – has lost its allure.

«I'm tempted to say that we slowly turn into what all the others already are»

We slowly realize that the gradual end of our layman system also changes our culture. The changes are going far beyond the failure to acquire specific competences. I'm tempted to say that we slowly turn into what all the others already are.

Today, more than ever, I realize that the lasting value of military service wasn't about the weapon training or being able to acquire for free the license to drive a truck. And perhaps the ability to issue meaningful orders after 72 hours without sleep in shelter.

Much more important was the experience of quick and easy social interaction with all sorts of people from all regions and all the languages spoken in the country. Along with those experiences came the understanding of the cultural diversity of the country, and also the will to create something akin a community spirit from a heterogenous base. And the ability to understand yourself as a Swiss person born in such a diverse culture. To be able to communicate without having to resort to English like any other native community with bones through their noses.

«Servile staff aren't inspiring, but pleasant»

Of course, these abilities could be taught in other ways too. But I can't see who or which institution – and what's more on a federal level – would be willing to cultivate and teach those. The fact that the Federal Institute of Technology in Zurich, one of the earliest offspring of the modern federal state, wants to throw out the fourth national language for the sake of saving a few francs isn't exactly an expression of sensitivity toward the culture of this country, demanding as that may sometimes be.

So much for background. Of course much could be added about a generation of parents who understand the role of the school as providing the stepping stone to a

successful business career and not education as such. Or about political leaders (are there any at all?) who have a knack of adding layers of bureaucracy on the educational system, which leaves teachers with less and less time for teaching and learning.

All jobs are beset by this problem. From tree surgeon to newspaper editor. But there it isn't plain for all to see. Nobody has particular demands on them.

If you deal with wealthy customers, it becomes very apparent. The clients are sophisticated, careful and demanding. They are used to be treated neatly and with much care – which ought not to be confused with servility. That's what they have their own staff for. Or as **Pierre David-Weill**, the patron of Lazard Frères, said: «Servile staff aren't inspiring, but infinitely pleasant.»

«It isn't enough to sponsor the opera»

Nobody prefers the Confederation of Switzerland as a deposit or for wealth management purposes on grounds of reason alone. In reality, there are hardly any advantages left. And you can't seriously argue that the performance of Swiss wealth managers is any better. The statistics of Swiss-domiciled funds doesn't suggest as much at least.

Customers don't come here because fees are higher. Or because they rejoice at their relationship manager's Porsche Cayenne.

Even less so if their attire was acquired at Globus or PKZ. There's a prevailing weakness for cheap shoes here – and unpolished ones at that. German customers in particular are repelled by this. Italians by contrast have no expectations on the Swiss way to dress: «Sei vestito come un Svizzero», you're dressed like a Swiss – not a compliment to be sure.

There's no need to go really deep and bemoan the lack of interest in culture. But few have more to contribute than their latest experience on the golf course – and even there they have little to boast about.

It isn't enough for the big banks or wealth managers to sponsor the opera and invite their clientele to a grand opening. If the relationship managers don't care and know little about the opera performed, ignore the name of the conductor and show more interest in the neckline of the soprano than admiring her voice, chances are that the small-talk in the break won't reach new heights.

«Maybe it would make sense to teach table manners too»

The luckless youngsters might be tempted to refer to the ever more lame culture sections at the newspapers. But in doing that they would ignore the fact that the «Financial Times» has a prolific cultural editorial (and equally splendid fashion pages).

But if you consume newspapers on your tablet computer, as the young tend to do, the best of cultural section stands no chance but to reach a handful of freaks.

Perhaps it is worth thinking about adding what used to be called broad general education to the curriculum of business schools, banks and professional courses. Maybe it would make sense to teach table manners too – much like military attachés have been taught for the past two decades before being sent abroad. Social regression isn't only an issue among bankers.

But there, the consequences can be very harsh. In both directions. If however a Swiss military attaché serves red wine to accompany the fish because that's what his colleagues are doing, exports of Swiss weaponry will hardly be much affected.

«The truly successful wealth managers are habitual visitors of galleries and concerts, wine tastings and horse racing»

The social habits have to be deeply engrained – they can't be acquired by reading about them. The truly successful wealth managers – independent or employed – are habitual visitors of galleries and concerts, wine tastings and horse racing, opera and exhibition, viewings of art and maybe the occasional game of football. With a certain sense of ease. They are at home, on their own turf. That's where they get their stimulus and reach their best. Certainly never to their personal disadvantage.

Evidently, cultural refinement and high self-expectations are not to the detriment of your income. It is time to take the so-called soft skills seriously.

Thomas Fedier is partner and Chief Executive of *VT Wealth Management*, an independent wealth manager based in Zurich.

Previous contributions: Rudi Bogni, Adriano B. Lucatelli, Peter Kurer, Oliver Berger, Rolf Banz, Dieter Ruloff, Samuel Gerber, Werner Vogt, Walter Wittmann, Alfred Mettler, Peter Hody, Robert Holzach, Thorsten Polleit, Craig Murray, David Zollinger, Arthur Bolliger, Beat Kappeler, Chris Rowe, Stefan Gerlach, Marc Lussy, Nuno Fernandes, Thomas Fedier, Claude Baumann, Beat Wittmann, Richard Egger, Maurice Pederagnana, Didier Saint-George, Marco Bargel, Steve Hanke, Andreas Britt, Urs Schoettli, Ursula Finsterwald, Stefan Kreuzkamp, Katharina Bart, Oliver Bussmann, Michael Benz, Peter Hody, Albert Steck, Andreas Britt and Martin Dahinden.

© 2016 *finews.com* - Where Finance Meets