

Bringing up wealth managers

Corporations and academia collaborate in an innovative education programme

By Ryp Yong

More than 50 world-renowned private banks and asset-management houses are taking part in a unique exercise to train wealth managers in Asia. They are sending some of their best employees to teach the inaugural Master of Science in Wealth Management (MWM) class at the Bukit Timah campus of Singapore Management University (SMU).

The 14-month course, which is being offered in collaboration with the Wealth Management Institute (WMI) and Zurich-based Swiss Banking School, is scheduled to start in July. SMU's attention to education in this area can be attributed to the market potential of the wealth-management industry, which is growing at an annual rate of 7%. According to Merrill Lynch, Cap Gemini and Ernst & Young, the financial wealth of high-net-worth individuals will reach US\$38 trillion by 2007 — but there will not be enough savvy wealth managers to serve them. SMU plans to help meet this demand.

Big names in the industry were consulted in the selection of the 21 courses



As one of Asia's leading centres for higher education, Singapore is expanding into the development of professional staff in the region who are interested in a career in wealth management

for the first MWM batch. Annie Wee, executive director of WMI, says: "In terms of the private-banking modules, the initial group of six banks that have been actively helping us are UBS, Citibank, Credit Suisse, DBS, HSBC Private Bank and JP Morgan."

The wealth-management professionals who will put on teaching hats to impart their knowledge include June Lee, head of market development, Asia-Pacific, UBS Wealth Management; David Lee, managing director and chief invest-

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ment officer of Ferrell Asset Management; Clarence Leong, equity fund manager of BCV Investment Asia (S) Pte Ltd; and Roy A Varghese, senior vice-president of ipac Singapore, a financial planning advisory firm.

By involving wealth-management practitioners in its traditionally academic programme, the WMI hopes to provide a relevant and balanced education that includes giving students a peek into the exclusive world of private banking and asset management, via an internship.

APS Asset Management is a programme sponsor. Says Pieter van Putten, its managing director: "Through this arrangement, we have the possibility of working with an individual who will be able to add new ideas to our process, both through the background of the candidate, and through the academic part of the programme.

"We believe this so-called cross-fertilisation is crucial for an asset-management company to keep itself in touch with the latest market developments." On qualifying the candidates for internships in his company, Putten prefers those with previous fund-management work experience. In return, the APS intern receives a year-long internship, a salary and, in the case of an overseas candidate, support for housing arrangements while in Singapore.

Over at Citigroup, corporate sponsor for two MWM scholarships, it's all about being a good corporate citizen. "With leadership comes responsibility. The promotion of education and professionalism in wealth management is a responsibility that



WMI's Wee (right) and SMU's Koh are actively promoting the benefits of preparing a new generation of wealth managers to meet the challenges of the future

requires our attention," says Deepak Sharma, president of Citigroup Private Bank, Asia-Pacific and the Middle East. Sharma says the tangible benefits from supporting the MWM programme are that it enhances the industry talent pool and boosts professionalism. "The quality of talent helps to differentiate our company and brand in the business of wealth management. It is important that the talent pipeline is capable of meeting industry growth rates," adds the former Indian Institute of Management, Ahmedabad MBA.

Industry support has been overwhelming. WMI's Wee shares her delight in hav-

ing corporate partners trust her judgement completely. "Some sponsors have demonstrated their confidence in us by delegating the selection decisions to the Admissions Committee," she says. "I like the fact that the companies are all ready to send their people to the programme and to make the sacrifice of time. To me, that's the greatest endorsement. They see this as a good way to get their young talent up the learning curve very quickly."

Wee has an eagle eye for talent-spotting in the financial-services sector, given her previous post as managing director and partner at the Singapore office of Russell Reynolds Associates, a leading New York-based executive search firm.

State Street Global Advisors Singapore is among those who choose to leave the decision-making to Wee. Says Hon Cheung, managing director of SSGA: "We believe that the first intake of students will be critical to the success of the MWM programme; their personality and sense of identity will be imprinted upon the programme. We have, therefore, decided to give the WMI board greater discretion over the choice of candidates in the first few years of the course."

With such an innovative curriculum combining academic rigour and practical relevance, it's no wonder the MWM programme has received more participants than the university can enrol.

Francis Koh, programme director and associate dean of SMU's business school, says: "We've received more than 120 applications from all over the region. We're happy that half of them come from the finance sector, while the rest come from [outside] the industry. This means we're able to draw people into a new industry. These people are prepared to do a career switch because either they see the ben-

efits [or] prospects of this industry or they have found a passion they want to pursue."

The MWM programme has attracted 30% non-Singaporeans from Australia, Canada, Hong Kong, China, India, Ireland and Malaysia. Koh plans to limit the class size to between 25 and 35 for the first batch. From the applications, it's a high-calibre group too. Forty per cent have completed their Chartered Financial Analyst Level 1, 2 or 3 examinations and some have completed the entire CFA series. About 30% are MBA and MSc holders.

Says Koh: "The class will be a mixture of sorts. Some are very experienced, may have been in the industry for a while and are interested to come back to school. Others, who are younger, have more [qualifications]. We will be able to marry the two groups." The average age of the students is 31, and most would have worked for five to six years.

Participants will go through five modules — four in Singapore and one in Switzerland — with an overall emphasis placed on the wealth-management industries in both countries. "We'll be immersing the class in the Swiss style of wealth management. They'll have a chance to interact with European faculty and contacts. They will do company visits to see how wealth management is carried out in Zurich," says Koh of the exciting fourth module.

Wherever the class is held, it's about preparing the class for financial crises and difficult clients. Koh says: "The curriculum will expose them to what the rich and famous do, so they can serve their clients better."

Since launching the WMI's flagship course, Wee has wasted no time in designing more training modules. She elaborates: "We'll offer a modular, smorgasbord approach to the entire spectrum of private banking — for those practitioners who want to be refreshed but do not have time to take a year off, for newcomers to the industry.

"This course will be designed around the development of soft and hard skills, to assist the individual to progress from acquiring a client to becoming the client's trusted advisor."

Wee says the hard skills are the easiest to design but the soft skills — from cultural sensitivities to grooming — are not. She concludes: "Private banking is very much a frontline job, so grooming and other soft skills are important." ■



Citibank Singapore is a corporate sponsor of two MWM scholarships

NG SOR LUAN/THE EDGE SINGAPORE (WEE & KOH); CHU JUCK SENG/THE EDGE SINGAPORE (CITIBANK)

WISE WORDS FROM WEALTH MANAGERS

Deepak Sharma, president, Citigroup Private Bank, Asia-Pacific & Middle East:

"Finance is both an art and a science. Markets and investor behaviour are not necessarily logical, and are fraught with uncertainty. A textbook approach is not advisable. Understand products and markets thoroughly. Think outside the box; be a contrarian. Learn from mistakes, but don't make the same mistake twice."

Annie Wee, executive director, Wealth Management Institute Pte Ltd:

"Listen to the clients' risk aspects and their family issues. Be straightforward and honest with the various risk aspects of the products that the private bankers are selling. The client must be able to trust you with his personal wealth, with the nest egg that he has built up for his family and his retirement; thus, when you talk about relationship management, it's about people skills."

Hon Cheung, managing director, State Street Global Advisors Singapore:

"Get to know your fellow students. In today's complex cross-border markets, it's not enough to know your subject. You must also be able to empathise with the customer, to communicate effectively with people whose first language is different from yours, to respect another's position while being able to strongly argue your own case, and to understand the diversity in individuals that makes this industry exciting."