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CAREERS IN WEALTH MANAGEMENT

Surviving the selection process

By JOHN KOH

HOW has the selection of private bankers changed after the global financial crisis? In this article, we put ourselves in the shoes of a private banker by giving interview tips on how to do well in the first meeting with a prospective employer.

Attending a job interview these days is getting trickier for private bankers. After the era of hasty hiring - with little due diligence just a few years ago - banks have become smarter and more cautious.

Private bankers can no longer ace their interviews purely with the promise of potential clients. After the GFC (global financial crisis), firms are only interested in high flyers - experienced bankers who command at least US\$120 million - with healthy revenue and a proven track record of managing wealth for several years.

Typical questions

Assuming you meet the above criteria, be prepared to answer more questions, including:

'How much of your current AUM (assets under management) is inherited?'

'How much of your current AUM is self accumulated?'

'How many net new assets are you confident of bringing in the first year?'

'What has been your return on assets over the past few years?'

'Are your clients focused on a particular geographic region?'

'Are these clients in any particular profession or industry?'

'What types of financial products and services would they likely be buying from you?'

'What level of duplication (in clients and assets) do you foresee when you cross over to our bank?'

'How many of your clients are willing to move with you?'

'Are you planning to join by yourself or with a team? If it is a team move, the above questions would apply to every single team member.'

'How much AUM would you (and each team member) be able to bring in over the next 12 months, 24 months or 36 months?'

Some of these questions are not easy to answer. You could be your client's favourite private banker and the star performer in your bank. But suddenly you could feel like a fish out of the water at the interview table, trying to sound as convincing as you can that you are the perfect candidate.

Interview tips

Be prepared. Take some time out to reflect on the above questions. Do plenty of research on the new bank and ask yourself your true motivation for wanting to leave your current place. Is it dissatisfaction with colleagues or management? Is it an issue linked to remuneration? Do you foresee constraints in terms of career advancement? Are you unable to grow your business further in the current set-up?

Conversely, you need to ask yourself: 'Why the new bank?' Does the brand name sit well with your top clients? Is the platform easy for you to conduct business? How much potential duplication do you foresee? If the duplication is significant, do you see yourself as the lead banker managing those assets?

On the day of the interview, put yourself in the right frame of mind to meet the interviewer. As much as possible, shut out any unnecessary distraction. Try to do some background research on the interviewer to understand what could be their priorities. LinkedIn and a couple of professional websites could be a good start. Another productive avenue is talking to people who might know the interviewer. The goal is to better connect with the interviewer and to make the meeting interesting and time well-spent.

Be upfront (and accurate) with numbers. A typical interview for a private banker is likely to be intensive on numbers, so try your best to be as realistic and accurate as possible. Prepare responses to the following:

'How much revenue (over what AUM) were you making last year and the year before?'

'How many clients are you actively managing?'

'What is their average net worth?'

'How much bonus payout did you last receive?'

'What is your current remuneration package? Provide a breakdown in base salary, allowances, stock options and other benefits.'

Make sure you have documentary evidence for numbers relating to revenue, bonuses and salaries, because the HR manager will definitely request it as you progress deeper into discussions. Rather than springing a surprise in the second or third interview, it is better to be clear about your figures from the start.

Be ready with a business plan. Assuming you have done well in interviews and shared your numbers, getting your business plan ready is the next step.

A business plan for a private banking candidate doesn't need to be as detailed as an entrepreneur's plan seeking investor funding. It is a simple document - about three pages that allows the hiring bank to make a quick and reasonable assessment of your suitability and your chance of success.

Spell out your vision and your plans for the next one to three years. If possible, include numerical projections on how much potential business you can do and how you can achieve those numbers. A well-written business plan not only benefits the hiring bank, but also helps you monitor your progress after you join.

Final word

The selection of private bankers is not an easy task after the GFC. Resourcing managers are concerned with bankers who were retrenched during the height of the crisis, as it could signal an underlying issue related to performance. Others have bad experiences with bankers with strong track record and yet failing to deliver in the new job.

A greater level of detail and due diligence is needed in the selection process, even though the industry is still very short of experienced and capable wealth managers. Rather than compromising quality for numbers, and running after short-term numbers versus long-term business viability, it is even more pertinent for private banks now to ensure they hire the right talent to drive their strategies and deliver their promise to clients.