

Wealth Management & Private Banking

Thursday 14 June 2018

The Berkeley Hotel, Wilton Place, London SW1X 7RL

THE DRAFT AGENDA

The preparation:

- In anticipation of A Meeting of Minds which will take place on Thursday 14 June, the following subjects should be considered a starting point for discussion.
- Over the next few weeks, we will be meeting with participants to ensure that the agenda is addressing those issues which are top of your list in terms of importance. The goal is always to enable you to do better business and by that we mean we want to ensure that all aspects of your business go under the microscope. The final agenda therefore has to reflect that.
- If you would like to input your thinking, we would of course be delighted to hear from you.

So what will be discussed?

- As a working title, we were thinking of something along the lines of **“A society in transition”**. Mind you it could just as easily be **“Wealth Management & Private Banking in transition”**. There are some definite themes coming through which will affect all our daily lives and indeed the businesses we run.
- Firstly one cannot ignore the #MeToo movement and all that goes with it. The gender pay gap legislation is fast approaching; and every day it seems someone else has to resign over “inappropriate” behaviour.
- Trust – or the lack of it – is a big issue. Looking at business, there are some contradictory trends in terms of whether or not people trust firms to do the right thing. However think of the awful press surrounding Carillion and how the board were pilloried for having paid a dividend in the same year as the company filed for bankruptcy; the CEO of Persimmon being due to receive over £100K as a bonus; and the Presidents’ Club but then maybe that should sit under the previous point. None of these headlines do business any favours. Nurturing the firm’s reputation and monitoring corporate behaviours are becoming more and more fundamental. Comfortingly, employees apparently trust their employers.
- And in terms of regulation, we have the imminent introduction of GDPR and perhaps you haven’t heard of the ePrivacy Regulation. And whilst we are at it – don’t let’s forget Open Banking.
- I suppose we have to talk about Brexit. Maybe it is just me but it does seem that the discussion is becoming slightly more grown up.
- Throw in a bit of cyber hacking and fake news – “a world without common facts and objective truth”.
- And all this is before we address the day to day!

The format:

Each day runs breakfast through drinks and is made up of a blend of:

- **Keynote** sessions geared to encouraging new thinking – typically from outside the industry;
- **Roundtables** – small facilitated groups addressing a carefully researched agenda. The whole day is Chatham House and therefore participants are able to speak openly and freely.
- **Scenario planning** – some of the break out sessions will demand more of you.
- Plenty of **networking** opportunities including a formal seated luncheon.
- Some **“me”** time: as an innovation we have decided to introduce some optional sessions for you. We thought the art of sleeping might be a good start!

How do the roundtables work?

- On the day, the roundtables take place in a private room with, typically, some 15 people around the table. Tent cards with participants’ names and companies are set out to make it easy to identify your peer group. The sessions are introduced by an expert on the subject. This introduction will usually last about 10 minutes before the conversation is opened up to the table, the goal being to ensure that everyone gets stuck in! The session facilitator will bring the session to a conclusion, highlighting the key points raised.

In summary, your time is precious and our goal is to ensure that if you spend it with us, you spend it in the company of your peers, you address the subjects which matter to you, and all in a time efficient manner.

.....	1
YOUR CLIENTS	2
1. How crucial is it to be your client’s core wealth provider?.....	2
2. Human and digital – the hybrid model. A solution for those who cannot yet afford face to face investment advice?.....	3
3. Logging on and checking your money is the adult equivalent of shaking your piggy bank. how do you convince your clients to pay more attention?.....	3
4. Clients are desperate for someone they can trust. Is that you?.....	3
5. So are you providing your clients with value for money?.....	3
6. The millennials are more vulnerable than one might think.....	3
7. Education followed by a career and then retirement – just so passe!.....	4
THE FUTURE OF	4
8. The future of banking - think palm of your hand rather than the cash dispenser.....	4
REGULATION	4
9. When we meet in June, MIFID II, the SMCR and GDPR will all be in place. Lawdy what shall we talk about? Maybe divergence will be the mot du jour.....	4
BIG SOCIETY	4
10. Financial well-being – can we/should we help?.....	4
11. Doing the right thing and being seen doing the right thing? Is your firm virtue signalling?	5
YOUR BUSINESS	5
12. Looking after your own people – think #MeToo!	5
13. M&A – identifying opportunities and valuing them	5
14. Reputation and brand – slow to build and quick to erode – crisis management scenario planning	5
15. The big ambition is that mainstream investment will invest with a social conscience as a matter of course. 6	
16. Innovation – a process grounded in execution with a focus on addressing a specific challenge	6
POLITICS	6
17. Is it time to talk about Brexit?.....	6
18. Perhaps we should talk about Jeremy?.....	7
AND SOMETHING FOR YOU	7
19. The art of sleeping.....	7
20. A scientific approach to analysing the state of your health and how it is impacting your behaviour within the office	7

YOUR CLIENTS
<p>I. HOW CRUCIAL IS IT TO BE YOUR CLIENT’S CORE WEALTH PROVIDER?</p> <ul style="list-style-type: none"> • Increasing your share of wallet of your client’s wealth could be seen as an avenue for growth. However the counter argument is that having a smaller share of wealth presents a lower risk to wealth firms (and their clients). • If you cannot control all a HNWI’s wealth, maybe you should aim for the primary share and offer advice on their other investments.

<ul style="list-style-type: none"> • Enter Open Banking. Might this be a route to achieving greater knowledge of your clients' wealth activity? • This session will address the issue from all angles and provide case study learning of those leveraging the opportunities provided by Open Banking.
<p>2. HUMAN AND DIGITAL – THE HYBRID MODEL. A SOLUTION FOR THOSE WHO CANNOT YET AFFORD FACE TO FACE INVESTMENT ADVICE?</p> <ul style="list-style-type: none"> • Actually digital is just a hygiene factor! And the data disruptors are breaking into the advisory business via robo advice. • How do you stay ahead?
<p>3. LOGGING ON AND CHECKING YOUR MONEY IS THE ADULT EQUIVALENT OF SHAKING YOUR PIGGY BANK. HOW DO YOU CONVINCE YOUR CLIENTS TO PAY MORE ATTENTION?</p> <ul style="list-style-type: none"> • Your clients are very busy and it is difficult to attract their attention. • They might log on and check the state of their portfolio - which is good - but can you deepen the connection whilst they are there? • If the markets are down how can you ensure they don't go into panic mode? • This session will coach you on how to use the data to revolutionise the client journey. Let's talk customisation, optimisation and data visualisation. • What are they clicking on? What can you learn from their on line behaviours? • Sounds a bit big brother – but you need to know. • And a top tip from the last Meeting: when it comes to engaging on line “don't think demographic, think mindset. A mindset that demands an open dialogue; shared values; authenticity; and relatability. Mindset - not age.”
<p>4. CLIENTS ARE DESPERATE FOR SOMEONE THEY CAN TRUST. IS THAT YOU?</p> <ul style="list-style-type: none"> • According to the respected Edelman Trust Barometer, “the credibility of a person like you” is on the wane and interestingly people are demonstrating a new found trust in “voices of authority” which includes CEOs and Boards of Directors and even journalists! Yes - astonishingly it reports “a rise in the trust of journalism while trust in social networks and search engines is declining.” Admittedly all from quite a big low. • The report also suggests we trust NGOs to do the right thing! However one suspects the latest travails at Oxfam et al have damaged that credibility. • So business people it looks like consumers are beginning to give you the benefit of the doubt and with that trust comes a huge sense of responsibility. • Indeed are there certain triggers to building trust? • Are you up to it?
<p>5. SO ARE YOU PROVIDING YOUR CLIENTS WITH VALUE FOR MONEY?</p> <ul style="list-style-type: none"> • Now that MIFID II is up and running are you thinking strategically about the value for money you are providing to your clients? • Are you getting kick back now that transparency is king? • Are you questioning your clients or are you quite confident that the service you provide is well worth the money?
<p>6. THE MILLENNIALS ARE MORE VULNERABLE THAN ONE MIGHT THINK</p> <p>This is the generation who were given a medal just for taking part. Their confidence is skin deep. Some stats:</p> <ul style="list-style-type: none"> • Nearly half of Millennials are concerned about their financial future • 41% of them feel chronically stressed about money

- 63% rely on a one-off event to help them financially
- They are moving from big major purchases to small purchases
- They no longer want things/stuff; they want experiences such as holidays, eating out, showing off to friends.
- The use of alcohol is downwards.
- They want to experience the most they can from life.
- They want to be there in the moment
- They do see the potential in financial products
- They are entrepreneurial and ambitious
- They are knowledge seekers
- Financially curious

For the big financial institutions, there is a tension between the pull of richer older people and those trying to attract younger consumers - it is easier to stick with the older bods but this is where the money is heading so you do need to get to know them. The shift of wealth from their baby boomer parents is said to be as high as \$24 trillion globally by 2020.

- Millennials have looked at previous generations and decided they want a better life work balance and they are more socially conscious. Their approach to work is definitely different and the length of tenure in jobs is getting shorter. E.g. three years is a long time for some. Just think: all that training walking out after three years... Aggghh!

7. EDUCATION FOLLOWED BY A CAREER AND THEN RETIREMENT – JUST SO PASSEE!

- As we all live for ever, could it be the end of the traditional three stage life of education followed by career followed by retirement?
- No pipe and slippers for me – more a case of a two year university degree and back into the workforce!
- We will examine the trends.

THE FUTURE OF

8. THE FUTURE OF BANKING - THINK PALM OF YOUR HAND RATHER THAN THE CASH DISPENSER

- The social media giants are entering the payment space. With their massive reach and high rate of daily use, insiders believe the next wave of FS will occur inside these apps.
- Facebook has just announced a partnership with PayPal. WeChat offers a P2P payment service that is used by 600m users. Apple is planning to allow iPhone users to send and receive money via iMessage.
- So where does that leave your high street banks?
- We appreciate this isn't really your world, but surely it pays to keep up to date with what is happening down on the mean streets!

REGULATION

9. WHEN WE MEET IN JUNE, MIFID II, THE SMCR AND GDPR WILL ALL BE IN PLACE. LAWDY WHAT SHALL WE TALK ABOUT? MAYBE DIVERGENCE WILL BE THE MOT DU JOUR.

- Bound to be something to discuss – so consider this an update!

BIG SOCIETY

10. FINANCIAL WELL-BEING – CAN WE/SHOULD WE HELP?

- Nearly 40% of workers have saved no money for retirement – and that's the workers!
- A significant proportion of people today find it hard to make ends meet.
- Average household debt in the UK continues to rise, with 23% of people either revolving a credit card

or using high-cost short-term credit.

- More than one in three UK households have very little put away for emergencies and would be unable to pay more than a month's rent or mortgage if they lost their income.
- 41% do not have good control of their money or manage it well.
- At the same time, levels of financial capability are low, and many of the solutions and products on offer are complex and do not fit with how consumers think about their finances. As a result, most evidence suggests that people across the UK have a strong tendency to ignore the future and live for today.
- Planning their finances is usually far from the top of their priority list.

This session will examine the issues and challenge the group to come up with solutions to help the public's financial well-being.

11. DOING THE RIGHT THING AND BEING SEEN DOING THE RIGHT THING? IS YOUR FIRM VIRTUE SIGNALLING?

- As a member of the "C" suite, do you actually consider the way in which your firm is perceived in the wider world? Do you take an active role in society?
- Do you and your team get involved doing good works in the community? Do you seek to save the planet?
- Maybe it didn't do those who participated in the Presidents' Club any good ... but in this new more "judgy" world do you think maybe you should consider doing so?
- Or does this come under the heading of reputation management?

YOUR BUSINESS

12. LOOKING AFTER YOUR OWN PEOPLE – THINK #METOO!

- And whilst we are on the subject of "judgy" – are you looking at your gender pay differentials? Thanks to Hollywood and #MeToo, women are on the march.
- And whilst on the subject of marching women, are your team fully aware of the tough rules around sexual harassment within the office these days?
- Having worked through a case study on sexual harassment with a well known law firm recently, we were traumatised at the potential for your team to be hauled over the tiles in terms of sexual harassment. Some will say it has been a long time coming, others will say it is extreme! Again, it might be worth considering.
- We will field the lawyers! And the smelling salts!

13. M&A – IDENTIFYING OPPORTUNITIES AND VALUING THEM

- The UK wealth market is growing and attractive to investors. Historically we have enjoyed 10% compound annual growth of wealth assets, and expect it to grow by 15% next year.
- Key drivers for this growth have been:
 - Strong capital market performance
 - Inflows to the UK from offshore locations
 - Pensions freedoms
 - The intergenerational wealth transfer
- However the costs and disruptive implications of regulation, technology and structural reform are enormous and smaller players are moving towards the exit door.
- This session will look at the key deal considerations and the sort of values firms are achieving.

14. REPUTATION AND BRAND – SLOW TO BUILD AND QUICK TO ERODE – CRISIS MANAGEMENT SCENARIO PLANNING

- With multiple external and internal factors feeding into your brand, marcomms and brand crisis management are likely to rise in importance on your agenda.
- Are you geared up? This session will offer you the opportunity to practice some scenario planning.

15. THE BIG AMBITION IS THAT MAINSTREAM INVESTMENT WILL INVEST WITH A SOCIAL CONSCIENCE AS A MATTER OF COURSE.

“whilst I still have the enthusiasm and energy I want to make a difference.”

- Will this ever be so? Culture and society are changing dramatically. High quality and profitable brands are successful because they do something for other people.
- Corporate success is now measured by so much more than profit. 6 in 10 millennials say that the sense of purpose is a major factor when seeking an employer.
- And at the risk of being a bit female, women think in a different way and may be more receptive to these conversations.
- The UN's Sustainable Development Goals – are you up to speed?

16. INNOVATION – A PROCESS GROUNDED IN EXECUTION WITH A FOCUS ON ADDRESSING A SPECIFIC CHALLENGE

- There is “no point creating something for 2018 – you need to be creating it for 2020/2022.”
- So when it comes to best practice, who is innovating well? Do you consult the end clients or do you base your approach on a gut instinct?
- Do you have a structured approach to innovation?

Some findings from the previous Meeting:

- If mistakes are career limiting, people will avoid challenging the status quo. Make sure senior managers are enablers rather than gatekeepers.
- When gathering improvement ideas from employees, ensure consistency – people get demoralised if their ideas are not used.
- Prioritisation as a concept is based entirely on time to execute rather than cost. This approach seems to acknowledge the impact of our ever increasing pace of change in which projects that are going to take what would have historically been a reasonable amount of time to deliver now carry too high a risk of being obsolete before completion.
- Start-ups seem quite used to launching multiple initiatives and pivoting or killing off early those which fail to show early promise.
- For the mature organisations the advice is to aim for a minimum viable product (MVP) approach and use a small subset of customers and well thought of start-up partnerships to accelerate change and gain feedback within meaningful time frames.

Launch fast and fail fast! Who is getting it right?

POLITICS

17. IS IT TIME TO TALK ABOUT BREXIT?

As the UK has now begun to discuss the potential trade deal it might have with the EU, is it now time to talk about Brexit? Will we remain within the Customs Union? Too many unknowns?

- Are you contingency planning? Indeed are you bowvered?
- What options and routes does Brexit create for restructuring a business?
- What impact will it have on product development or rationalisation?
- To what extent can we expect to see dual headquarters emerge?
- How will UK based groups respond and what will it mean for them when it comes to attracting talent and retaining it?
- Does the UK have the skills to cope with any shortfall?
- How do people plan to respond to the regulatory challenges and uncertainty and what does it mean for short term business decisions?
- Maybe someone from CityUK would be helpful here?

18. PERHAPS WE SHOULD TALK ABOUT JEREMY?

- Some say a Labour Government might have more impact on the UK economy than Brexit. Do you factor this in to your contingency planning?
- What might that impact look like?
- Not sure we can field John McDonnell? But we will have a go.

AND SOMETHING FOR YOU

19. THE ART OF SLEEPING

- Well here is something just for you. Who can honestly say that they get enough sleep? Maybe a stiff whisky sends you to sleep but what about the quality and depth of that sleep?
- With so many pressures – those z's really matter.

20. A SCIENTIFIC APPROACH TO ANALYSING THE STATE OF YOUR HEALTH AND HOW IT IS IMPACTING YOUR BEHAVIOUR WITHIN THE OFFICE

- Our experts work with Formula 1 teams to ensure their high performance. Imagine applying these techniques to your own teams. Imagine understanding that you are more likely to have the right outcome from a difficult meeting if it takes place in the morning rather than at the end of the day?
- We are all different but taking time to tweak your diet and your exercise regime could make a difference to the bottom line!
- An opportunity to undertake the assessment.

Thank you for reading so far! If you have any thoughts on the above or would like to add your own suggestions, do please call Evie Owen on 01483 862692 or email evieowen@owenjamesgroup.com.