

Customers: evolution in action

Fineco's strategy for wealthy clients presented through three concrete cases by Albanese (Head of Private Banking): "We are an active part of the planning process"

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With **€ 32 billion** in assets under management as of late September, up 23.5% on the end of 2018 and 43.4% compared to year-end 2016, Fineco's progression is the result of a differentiated strategy designed to meet a range of customer needs.

It is an approach that **Mauro Albanese**, commercial director of the PFA and private banking network, explains in this interview with PRIVATE, using concrete examples of situations handled by the business.

Which levers have you focused on in order to grow in a very competitive market?

Here at Fineco, we are convinced that, in the current highly complex market environment, the bank must play an active role in relations with customers, encouraging them to take part in education and engagement opportunities which highlight the crucial demand for good management, not only from a financial perspective but also with regards to their assets.

As such, we organise regional events during which, with the help of specialists, we consider topics relevant to our high-level private clients, such as planning **generational transfers**, the methods used to handle liquidity events and the study of tailor-made investment solutions.

Once you have identified a customer's requirements, how do you interact in order to fulfil them?

I think it would be most effective to explain this through three real-life cases that represent the context in which we operate and the tools we have developed.

THREE CONCRETE CASES THAT DESCRIBE FINECO'S APPROACH TO PRIVATE BANKING

GENERATIONAL TRANSFERS

PLANNING FOR THE FUTURE

When putting together a **development plan** for their own business, business owners must overcome a sudden stumbling block. The entrepreneur becomes convinced that the company should be sold only after the development plan they are pursuing has been completed.

"We organise regular meetings in the region to listen and engage with business owners and professionals"

At the same time, it's important to prepare for the transfer of assets between generations and ensure that protections are in place for the family.

THE SOLUTION

We often meet clients who need to **plan for generational transfers**, especially in the case of structured assets (financial assets, businesses, real estate, art collections, luxury goods, etc.). In this particular case, the ideal solution was found in a **trust**, which enabled not only the business' growth plan to be brought to fruition and its subsequent sale, but also the provision of an orderly generational transfer while preparing instruments and mechanisms to protect the family. In this case, in establishing the trust and implementing the relative rules of operation, the customer was assisted by the law firm Russo De Rosa Associati, a leading player in cases of business discontinuity and family transactions.

LIQUIDITY EVENT

TO GROW OR TO SELL?

A company in the automotive sector has five shareholders interested in exploring growth opportunities through **the introduction of a financial partner**. Shortly after embarking on the process, the shareholders receive an unexpected offer to purchase the entire business.

THE SOLUTION

Business owners typically need to seek growth opportunities for their business, strengthening it from a financial point of view and in terms of internal skills. Fineco accompanied the shareholders throughout the development and sales process, involving its external partner K-Finance, which followed the phases regarding the search for financial partners and buying power, as well as the subsequent sale.

TAILOR-MADE INVESTMENTS

ONE BOW, MANY STRINGS

A private household needs to **diversify its financial portfolio** due to the different needs and attitudes of its members. The requirements of the older members of the family relate to insurance, while the younger members want to seize market opportunities through two different management approaches: one more focused and dynamic, and the other specifically diversified and conservative.

THE SOLUTION

The analysis of the different investment requirements led to the selection of an insurance solution provided by our partner Lombard International, in relation to which the customer was able to choose their preferred asset manager.



The more focused and dynamic investment solution was provided by the asset management service offered by our partner **Banor Sim**, while the need for more diversified and conservative asset management was fulfilled by our partner Fineco Asset Management, which set up an ad hoc fund.



“Young people are more oriented towards digital asset management yet, at the same time, appreciate being supported by a professional”

This is a service model which leverages operational efficiency, customised solutions and transparency. As regards the professional development of our network of consultants, we focus on a model of continuous training and learning.

What are the most common requirements among private clients?

On the one hand, older customers' needs are oriented towards the generational transfer of assets and protecting new generations. In this regard, it's worth considering that, in the next 15 years, over 70% of the wealth currently held by the over seventies will change hands and consequently the demand for consultancy services in this field is growing exponentially.

Let's take a look at the practical aspects. How have you organised your structure?

We think it's important to pursue two objectives simultaneously: provide our customers with **excellent service, and develop the professional quality** of our network of financial consultants.

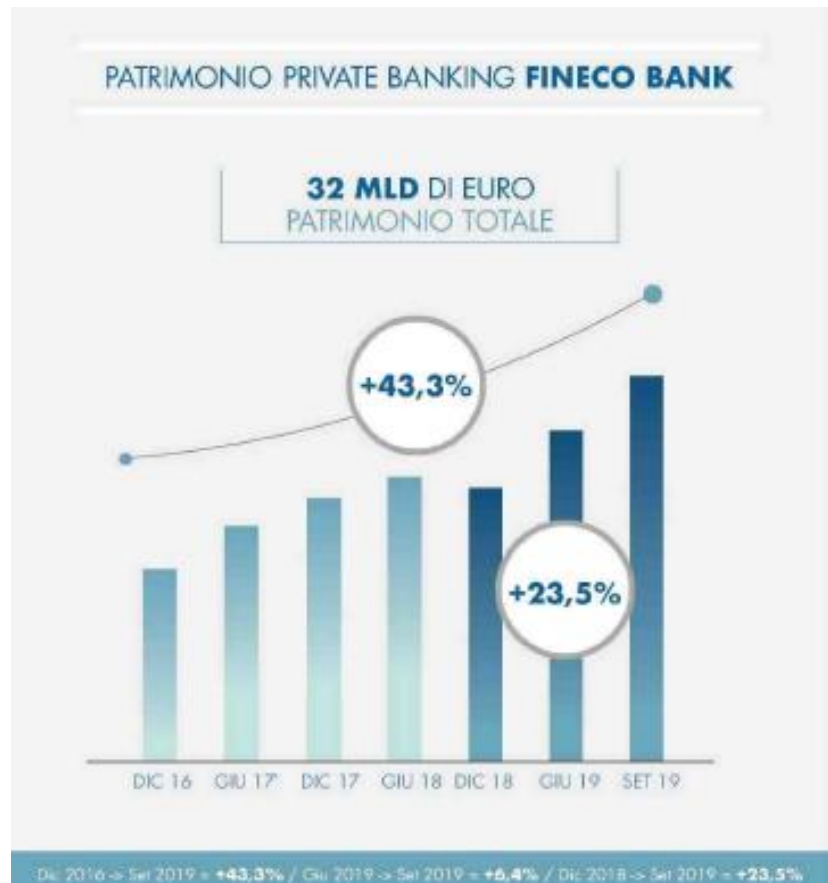
To meet the demand for expert consultants among our private customers, which as of today entrust us with assets worth around 32 billion euro, Fineco offers the know-how of its internal private banking advisory team, which is supplemented by the possibility of accessing the services offered by our external partners.

On the other hand, younger private customers have proven themselves to be receptive to a digital approach to asset management and appreciate being supported by a financial consultant, an approach which requires efficient and transparent management.

Fineco has taken on the challenges presented by both types of customer, combining the human factor, something that remains an essential part of our management of older clients, technical support in the use of advanced analysis tools and, capital planning, the truly winning asset when it comes to meeting the needs of younger clients.

Beyond technology, how is your offer innovative?

For Fineco, innovation doesn't just mean providing customers with advanced technological tools. It means enabling our network of financial consultants to evolve professionally, in terms of efficiency and productivity. In this regard, we offer our consultants the opportunity to organise working teams, a solution we find works well when confronting the challenges facing consultancy in the future. In fact, it is increasingly common for customers to have requirements that can only be fulfilled with specialised skills in a range of fields which are often outside the remit of pure finance.



We believe that **organising team work** makes our commercial activities more efficient, gives our consultants the opportunity to specialise in specific fields (insurance, Italian markets, foreign markets, regional events), and enables us to achieve high levels of quality and efficiency when dealing with more complex clients thanks to the complementary nature of these skills.

The provision of dedicated technological support will aid the transition to this new operational model.

What are the distinctive aspects of your service?

We have an ambitious plan for the development of the private banking sector. What's more, we are sure to stand out from our competitors thanks to three reasons that we consider to be the pillars of our model: the broad range of investment solutions, the professionalism and know-how of our internal private banking advisory team, and our top-level technological infrastructure based on open architecture. Naturally, this is complemented by an aspect that is particularly important to us and one that has accompanied us since our foundation: **respect for our customers** and transparency, two factors that we believe are key to ensuring healthy and sustainable growth.