



**CFA Society  
India**

**Business development  
in the context of  
Wealth Management Profession**

**APRIL 09, 2020**

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**Gajendra Kothari, CFA**

MD & CEO, Etica Wealth Management (P) Ltd

**ETHICS BEFORE EVERYTHING™**

**ARE YOU PASSIONATE ABOUT IT ?**

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**OR YOU ARE GETTING INTO THIS  
BECAUSE OF COVID'19**

# WHO'S YOUR RAINMAKER ?

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(a person who generates income for a business or organization by brokering deals or attracting clients or funds).

# TRADITIONAL WAYS OF BUSINESS DEVELOPMENT

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- ▶ Tapping your natural market
- ▶ Most effective way - Referrals from satisfied clients
- ▶ Banks have natural lead generation sources
- ▶ Few Wealth management offices have full time business development department
- ▶ Doing various sponsored activities like seminars, client get-togethers
- ▶ Cold-calling

## DOES BUSINESS DEVELOPMENT MEANS “SALES”?

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- ▶ Many advisors shy away from the word “Sales”
- ▶ To most people it has negative connotations
- ▶ Unfortunately, the financial service scandals, mis-selling, combined with volatile markets, have raised new barriers to converting prospects to clients.
- ▶ So the question becomes, “how to increase sales without being salesy?”

# ETHICS - THE MOST IMPORTANT LEVER

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- ▶ It helps Build Trust
- ▶ Shortens the sales cycle
- ▶ Increases prospect conversion
- ▶ Eases pressures to lower fees
- ▶ Saves business development time and expenses

# NICK MURRAY - EXCELLENT FINANCIAL ADVISOR

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## ▶ THE PAST

- ← Commissions
- ← Transactions
- ← Markets
- ← Knowledge
- ← Velocity of Assets
- ← Telephone

## ▶ THE FUTURE

- ← Fees
- ← Relationships
- ← People's Lives
- ← Trust
- ← Longevity of Assets
- ← Face-to-Face

Are you in the “Hunting” business or Do you believe in the Law of Farm ?

# 12 TIPS FOR DEVELOPING YOUR BUSINESS

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1. Be A Problem Solver – Not A Salesman
2. Educate – Don't Pitch
3. Have Your Clients Sell For You
4. Take A Team Approach
5. Don't Be All Things To All People
6. Develop And Further Relationships – Don't Sell
7. Take A Comprehensive Approach
8. Be Well Known
9. Understand your segment - Doctors / Business people / Professionals / Defence Personnel
10. Referral Networks through Chartered Accountants / Lawyers
11. Joining BNI Networks, CII, IBG, Rotary / Lions Club
12. Writing for Newspapers / Magazines

Source: [forbes.com](https://www.forbes.com), 10 Advisors Explain How They Build Sales Without Getting 'Salesy'





# Quora



## Anand Doctor

Wealth Manager & Fee based Financial Planner since 2005.



Hello, there! Liked an answer of mine? Great! You can simply scroll down and read lots more. You can also follow me to receive regular updates. Have questions of your own? For general queries, you can s [\(more\)](#)

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### Credentials & Highlights

More

- Works at FinCare
- Studied Master of Business Administration Degrees
- Lives in Mumbai, Maharashtra, India
- 1.5m content views 15.5k this month
- Active in 1 Space
- Knows Gujarati

### Knows About

- Investing**  
493 answers
- Mutual Funds**  
285 answers
- Finance**  
284 answers
- Investment Advice**  
240 answers
- Personal Finance**  
198 answers

View More ▾

# Twitter



**D.Muthukrishnan**

26.7K Tweets



Following

**D.Muthukrishnan**

@dmuthuk

Certified Financial Planner. Not a registered investment advisor. Enjoy sharing thoughts on investing, personal finance and more.

📍 Chennai, India 📅 Joined September 2011

89 Following 139K Followers



Followed by Wealth Theory™, INDwealth, and 153 others you follow

Tweets

Tweets & replies

Media

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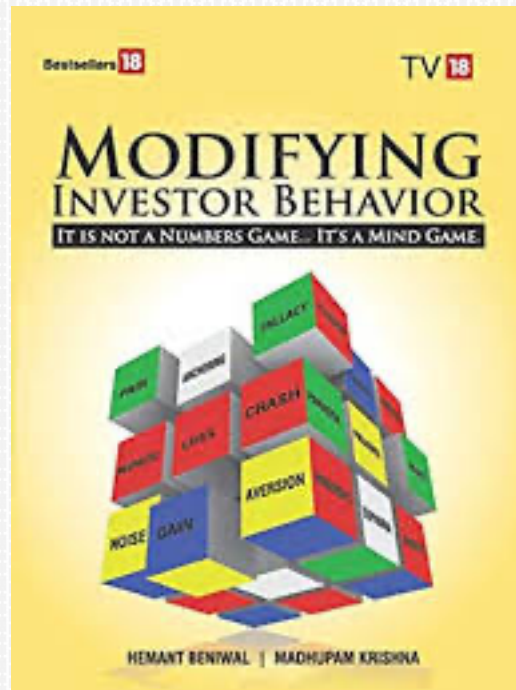
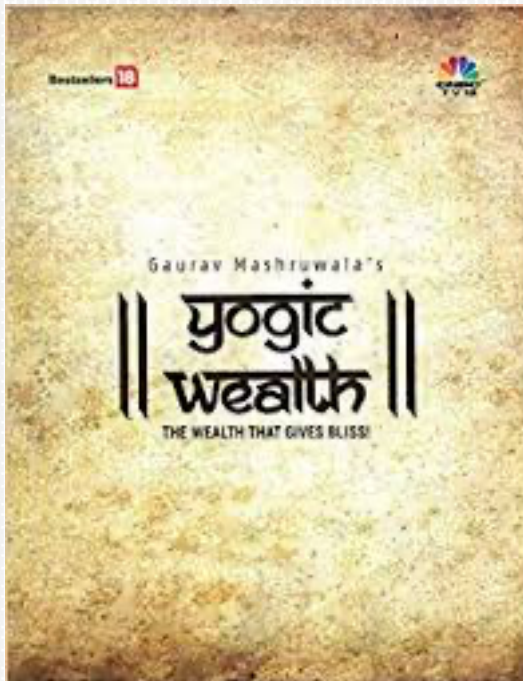


# Youtube

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# Books



# Writing articles on different topics



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## 3 months EMI Moratorium benefit – Why you should NOT opt?

POSTED BY JAGOINVESTOR ON MARCH 27, 2020 [COMMENTS \(24\)](#)

Today, there was a news about 3 months moratorium (which means a temporary relief) benefit on all kind of loans and how investors won't have to pay their EMI for 3 months. However it was celebrated by investors without understanding it fully.

So I thought of clarifying some doubts regarding it and to share with you that it's actually not a very big benefit and why most of the investors should not OPT for it.

Let me clarify on what is the EMI moratorium meaning and how does it apply to you?

### Meaning of EMI Moratorium

A lot of people in our country might get impacted due to coronavirus and this 21 day lockdown and their incomes and salaries might get impacted. A lot of people may find it very tough to service their EMI on time and there was a need of the hour for some relief. Hence govt has given permission to banks, NBFC's and housing finance companies to consider an EMI moratorium and pass on the benefit to the customers

Which simply means that it's not a forced rule, but only a permission given to banks if they want to do it. RBI will not count those missed EMI payments as "defaults" and not count it as NPA (non-performing assets) and also

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How can Jagoinvestor Team Help you today?



# Cold Calling / Telephonic sales



## From a garments salesman to an IFA, Anup Bhaiya now manages 400 crore in MFs

Anup Bhaiya, Founder of Money Honey Financial Services shares his inspiring journey of how he built his business with MF AUM of Rs. 400 crore after coming to Mumbai with Rs. 900 in his pocket.



Banali Banerjee Mar 16, 2016



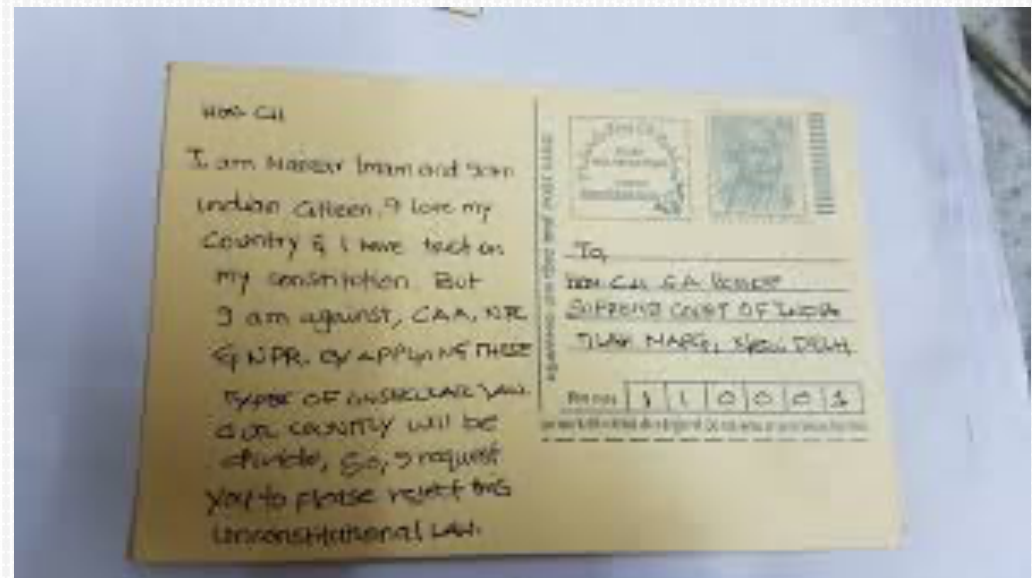
To fund his college fee, Anup Bhaiya used to sell garments in a small town called Khamgaon in Maharashtra's Buldhana district. After finishing his college, he was neck-deep in debt when he started dealing in oil cakes.

Subsequently in 2000, he decided to move to Mumbai. Anup was dependent on his relatives in Mumbai till he landed a job in India Infoline. "My decision to move to Mumbai was the best thing that happened to me. I just had Rs. 900 in my pocket and was looking for an opportunity to work. The initial

days were very tough. I was dependent on my relatives till I got a job at India Infoline, where I was heading the administration and distribution business. My interest towards this business grew and so did my knowledge. It was here that I got the idea of starting my own company," recalls Anup.



# Post card marketing



## OUR INVESTOR AWARENESS INITIATIVES

**Conducted more than 300 workshops in FY 2010-20 across India catering to approximately 15,000 individuals**

- ▶ Business schools
- ▶ Colleges
- ▶ Companies / BPOs / Small & Medium Enterprises
- ▶ Senior executives
- ▶ Rotary Clubs
- ▶ Media Journalists
- ▶ SEBI / BSE / ISE
- ▶ Clubs
- ▶ Charitable Trusts & Institutions
- ▶ Various Social organizations
- ▶ Defence Personnel



**“When you are successful you must give back to society.  
Society gives us so much; we must reciprocate” – J R D Tata**



# Army HQ, New Delhi - 500+ participants



wealth creation formula

$$= P \left( 1 + \frac{r}{100} \right)^t$$

WHAT INVESTORS IGNORE.

# JITO, Bengaluru - 400+ participants



# SVGA members, Mumbai - 400+ participants



# CFA Society, Khopoli & Indore - 2000+ participants



2011



Total Value: Rs 17.94 crs

2011

2012

2012



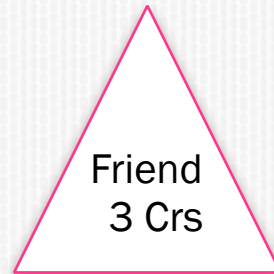
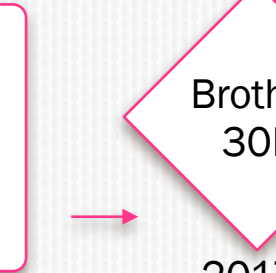
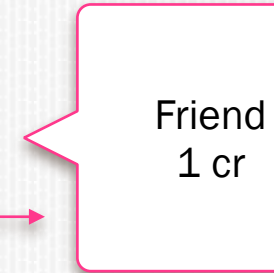
2014

2014

2015

2016

2018



2017





Whatever you do, be consistent  
with the strategy

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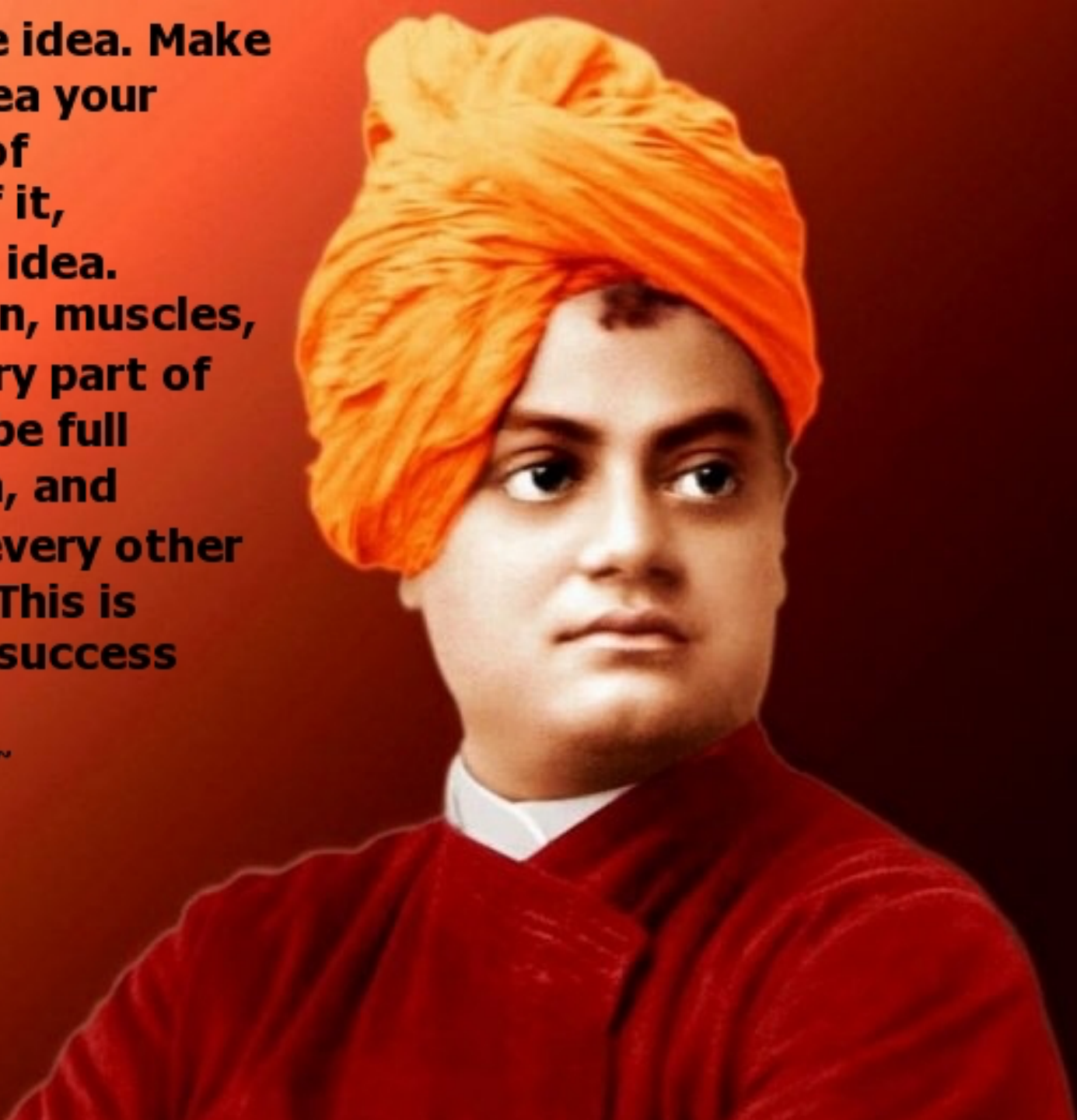
My goal :

To be the largest client of my firm

**THE OWNER**  
*of this restaurant*  
**ALSO EATS HERE**

**Take up one idea. Make that one idea your life - think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success**

~ Swami Vivekananda ~





# GAJENDRA KOTHARI

## One idiot

+91 98678 24321 | [gajendra.kothari@eticawealth.com](mailto:gajendra.kothari@eticawealth.com) | [www.eticawealth.com](http://www.eticawealth.com)

I am  
**ONE  
IDIOT**



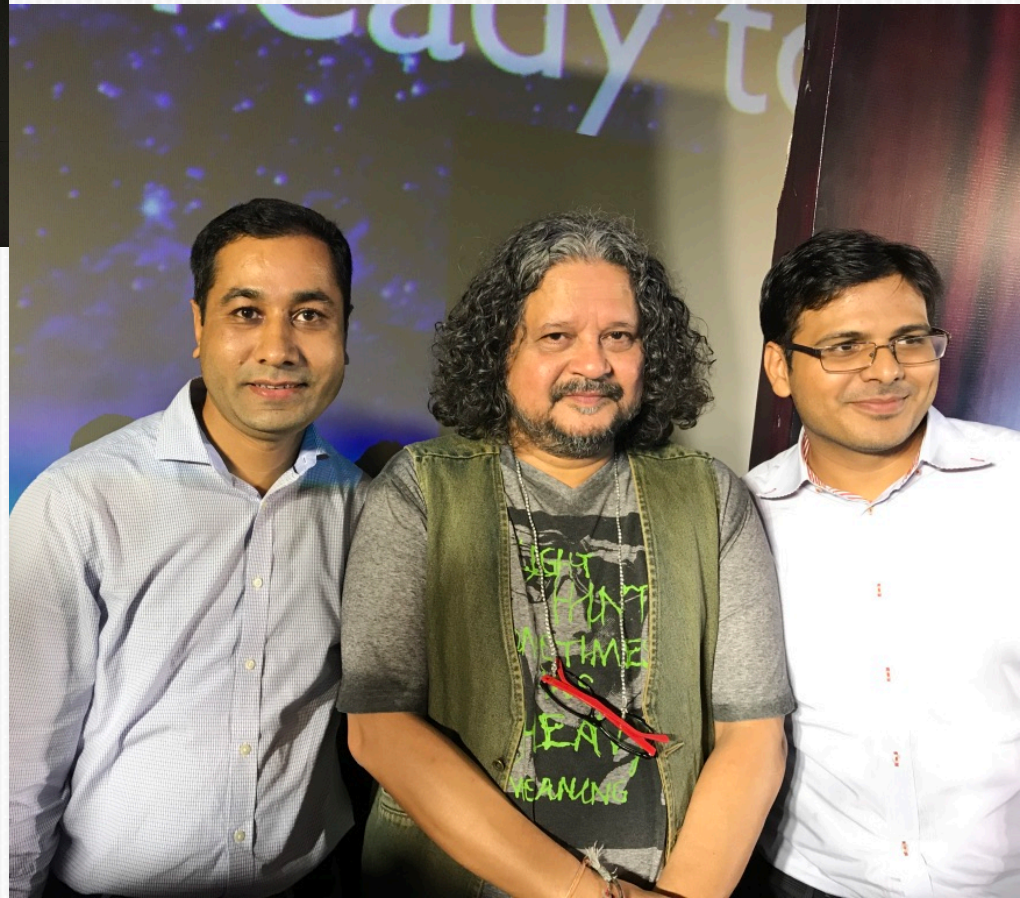
follow me...

[www.oneidiot.in](http://www.oneidiot.in)



Amole Gupte  
The creator of  
"One Idiot"

Bugs Bhargava  
aka "One Idiot"

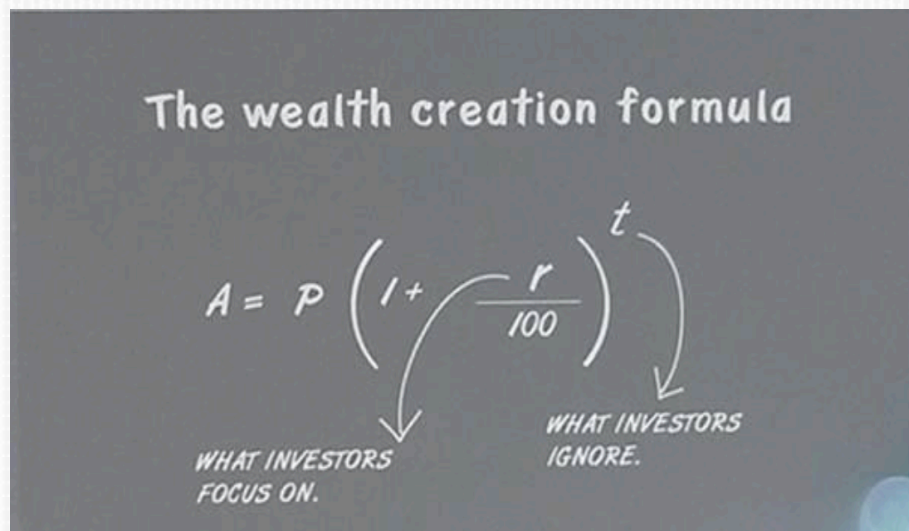


# INSPIRED BY THE “ONE IDIOT” MOVIE

Monthly Step-up SIP Amount	Rs 4,00,000
SIP annual growth	10%
Period	20 years
Total Investment	Rs 27,49,19,997
<b>Return @15%</b>	<b>Rs 1,04,26,72,823</b>

My  
retirement  
portfolio at  
the end of my  
50th Birthday

Atleast  
**100 crores**



**ONE  
IDIOT**



# EXISTING SIP'S AND FUTURE TARGET

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Started with Rs 10,000 SIP in Aug 2010

Total existing SIPs per month: Rs 8,90,000

<i>SIP Monthly Target</i>	<i>SIP Amount</i>
<i>March 2016</i>	<i>3,00,000</i>
<i>March 2017</i>	<i>4,00,000</i>
<i>March 2018</i>	<i>5,00,000</i>
<i>March 2019</i>	<i>6,00,000</i>
<i>March 2020</i>	<i>7,00,000</i>
<i>March 2025</i>	<i>12,00,000</i>

**The first idea – simple but easy to overlook – is that building wealth has little to do with your income and lots to do with your savings rate.**



My Dream Goal - Rolls Royce Phantom

Present Cost - Rs 8.00 crore (Mumbai, on-road price)

# Roadmap for



## Goal Setting Calculator

Email | Download

What is the amount that you would like to spend on buying an item you dream - a big car or a foreign holiday or a house (Rs)

80000000

1 Lakh 25 Lakhs 50 Lakhs 75 Lakhs 1 Crore

Afer how many years away would you need this amount?

15

1 25 50 75 100

The expected rate of inflation over the years (% per annum)

5

5 7.5 10 12.5 15

What rate of return would you expect from your investment (% per annum)

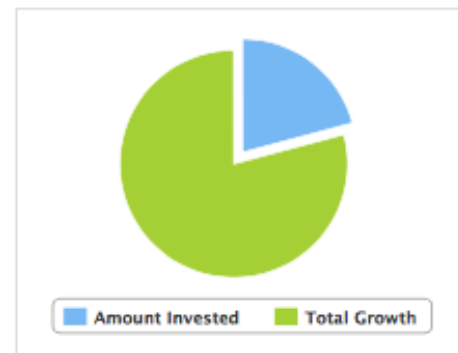
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5 7.5 10 12.5 15 17.5 20

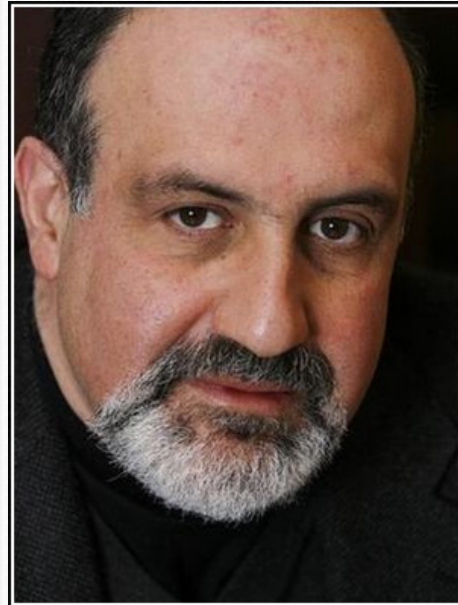
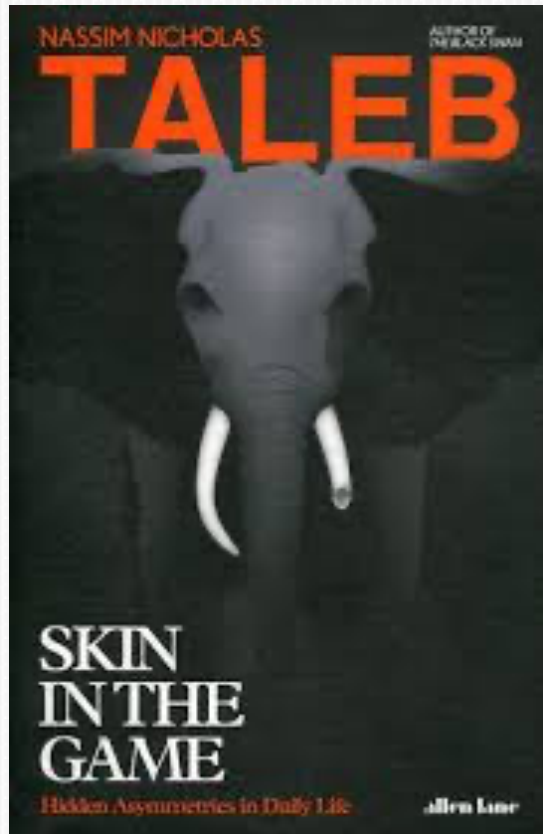
How much savings you have now? (Rs)

0

0 25 Lakhs 50 Lakhs 75 Lakhs 1 Crore



Your targeted Dream Amount (Inflation adjusted)	<b>Rs. 16,63,14,254</b>
Growth of your Savings Amount (18% per annum)	<b>Rs. 0</b>
Final Targeted Amount (Minus growth of your savings amount)	<b>Rs. 16,63,14,254</b>
Number of years to achieve your goal	<b>15 Years</b>
Monthly Savings required	<b>Rs. 1,92,657</b>
Total Amount Invested in 15 years	<b>Rs. 3,46,78,260</b>
Total Growth Amount	<b>Rs. 13,16,35,994</b>



Never ask anyone for their opinion, forecast, or recommendation. Just ask them what they have—or don't have—in their portfolio.

— Nassim Nicholas Taleb —

AZ QUOTES

# THE FIRST MEETING

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- ▶ Make sure you are on time
- ▶ Know your prospect well
- ▶ Explain things in a very simple format
- ▶ Have a detailed presentation ready at all times. Data is God
- ▶ Facts Tell, Stories sell
- ▶ Play games with clients to make them understand the concept better
- ▶ Always involve the entire family when you are having discussion
- ▶ Make great use of Audio Visuals
- ▶ Try to onboard the client / Ensure that the first meeting always lead upto a follow-on meeting
- ▶ Need to sell yourself before you sell products

# THE GREAT FAMILY DISCUSSION



# THE FIRST MEETING - ORIENTATION

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- ▶ Courage to say NO.
- ▶ 80% of clients will not make money
- ▶ Your money can go down as well
- ▶ We don't manage your money. We manage you.
- ▶ Buy right, Sit tight. 99% of the time we will not be doing anything.
- ▶ We explain them our remuneration structure in the first meeting and also mail them for their records.
- ▶ Only work on Long term relationship.
- ▶ Don't expect any sales call / product pitch from us.
- ▶ We also introduce them to our team members so that the Etica brand name gets registered in their mind.

# INDUSTRY SELLS COMPLEXITY

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- ▶ PMS / AIF
- ▶ Structured Products
- ▶ REITS
- ▶ Private Equity Funds / Venture Capital Funds
- ▶ Art Funds
- ▶ Complex Derivatives Strategies
- ▶ Smart Beta / Algo based strategies



# KEEP IT SIMPLE

- ▶ Buy a Term Insurance Plan
- ▶ Buy a Health Insurance Plan / Personal Accidental / Critical Illness Cover
- ▶ Start your Investments - Liquid Fund / Debt Funds / Balanced Funds / Diversified Equity Funds

Life is really simple, but we  
insist on making it complicated.

Confucius

**SIMPLICITY  
IS THE ULTIMATE  
SOPHISTICATON.**

- LEONARDO DA VINCI



**NMI** Nick Murray  
Interactive  
Since 1998

## To the Prospective Subscriber

*Nick Murray Interactive is now in its twentieth year, offers multiple membership options.*

- An eight-page newsletter, available in the last two weeks of each month, containing more for the subscriber with the most value: monthly updates, special investigations and financial planning. Throughout is always an ongoing, non-sellable, useful insight — also never too late to read!*
- A 200+ page business knowledge base (the NMI Website) that you can call on freely to seek advice, prepare your day to day investing and IT behavior, research, analyze, write and formulate. Also, self-education on investment opportunities to consider.*
- The chance that reading this insight or other articles that you subscribe to will also inspire you to finally complete items on the planning/behavioral philosophy and practice.*
- Free research, as Edward Jones may be concerned today, to give you an unbiased perspective to their and progress and to monitor and evaluate the offering process.*
- Full access to the entire knowledge archive (over 1000 pages) and everything together with a search feature that can help guide you through articles.*

*The goal is simple and straightforward that every subscriber that is truly wealthy (not one that can simply not work in our field) or which will be called towards the end of their career subscription. I hope you found the newsletter on the newsletter's home page to see how well our subscribers think we're doing it all right!*

*After producing the content for the pasting most of subscribers, and would welcome the opportunity to do so for you, too.*

*Nick Murray*

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“How many times does the end of the world as we know it need to arrive before we realize that it's not the end of the world as we know it?”  
—Michael Lewis

# SIMPLE WEALTH, INEVITABLE WEALTH

20TH ANNIVERSARY EDITION

## NICK MURRAY

# AROUND THE YEAR WITH NICK MURRAY

# NICK MURRAY

## THE GAME OF NUMBERS

*Professional Prospecting for Financial Advisors*

ent to  
relationships and  
your clients  
beliefs  
you are.]  
Behaviors  
plan the  
your success  
Prospect with  
establish trust.

Nick Murray  
The Excellent Investment Advisor

THANK YOU

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