

accelerando observer

Rookie perspectives - take note February 2022



Marie Luna Kalus Cabrera

I started in my first position in financial services in August 2021. I had no idea, no background knowledge, nothing.

I only had an empty notebook and a laptop. Now, 6 months later, my notebook is full of notes and thoughts and, thanks to Zoom and Teams, I have already met many people around the globe. In this commentary, I will share my most honest thoughts, experiences and opinions with you.

Before I started working for accelerando, I had no idea what the company was really about. I never fully understood it. I grew up with accelerando next to me, but it looked boring and somewhat James Bond-like at the same time. I was not aware of all the work that went on behind a client project or study, nor the amount of information, data and thinking required.

During my first week I realized immediately that I needed to create a glossary. The number of new words I had never heard before was overwhelming and it didn't get any better when I came across all those abbreviations and industry jargon. Reading, researching and analyzing in the three different languages didn't make it any easier. But it wasn't too complicated either. Just one month later I felt very comfortable with all the fund language. What I love is meeting and connecting with people through many client video conferences, but also through LinkedIn.

Miguel Robles Perez

Socrates said "I only know that I know nothing" and the quote describes perfectly well how I felt when I joined accelerando 6 months ago. Although I studied finance and accounting, and the basic notions were clear, I entered a new world, full of new challenges.

Today I would like to talk about my experience as a newcomer and the point of view of a rookie that had never worked in financial services.

Since becoming a father (not long ago), my views on many things have changed. I care more about money, the future and the importance of family finances. Financial education should be a must for all people. In fact, due to the lack of financial education people struggle, miss opportunities and make mistakes. I realize this with family and friends every day.

When I was studying at university, I thought financial services were very challenging, without many opportunities for newcomers, at least in the Valencia region, and I thought that the industry is generally not too keen on investing in beginners. I was wrong.

Having been present at many video conferences, I realize that most people welcome rookies. Even many very senior people come across as very friendly, offering a helping hand. As a rookie it is a very nice experience to receive a message saying "Let me know if I can be of assistance."

When I started working I thought people were going to be very different from what they are really like. I expected them all to be serious, most likely boring and stiff people, and without a doubt this is the prejudice I regret the most. When I started to expand my network many people, especially quite well known and often very senior people, responded to me in an extremely friendly way, offering me their help in whatever I needed.

Parallel to working at accelerando, I study psychology and I find it interesting to study people's behaviour. There are so many more different personalities in the fund industry than I would have assumed.

Another aspect which fascinates me is that there are many people trying to keep change and innovation as far away from them as possible, hanging on what they have always done, while others embrace change with open arms. There is a link to age here, but I think it is much more about mind-set and culture.

Looking at the industry itself, I see an industry full of opportunities with new things to learn every day. As a beginner, this is naturally high speed learning, which I enjoy.

But I must admit that there are also things I need to get my head around. It is great to see that everything is possible in this industry. Nobody tells you how far you can go, there are no limits, you can develop the way you want, you can achieve whatever you set your mind to. But I also realized that many careers come with a price. There are many examples of people who dedicated their whole life to work, often at the expense of mental health and / or family life. Ambition is important. I love ambition and at the end of the day it differentiates us, but ambition must also be balanced with a healthy life and I think the right balance is key to long-term success.

In many cases, there are not real limitations in terms of how much one can earn, which is fascinating. But in general people in the industry seem overpaid. I don't understand why so many people in this sector earn a multiple of a doctor for example. Many times the salary is not really commensurate with the function or work of the person and I think this can become an industry problem in the future - at least towards general society.

I have been reading and analyzing industry news on a daily basis since I started. There are topics that come up again and again, such as M&A activity. In this context, I find the chosen language sometimes misleading, pretentious and also funny.

The industry's size itself is amazing, not only for the assets managed, the number of funds available, nor the number of different asset managers. In Europe, differences between countries, mostly with respect to culture, local regulation, taxation and also local competition can be huge.

But also asset managers and fund distribution models can be very different to each other, not to mention all the different investment strategies out there.

What really helps is that, thanks to the fund industry having gone largely virtual as a result of Covid-19, we can listen to some of the best fund managers and smartest people in asset management every day. I have even been able to take courses 10,000 km away, which would have been very difficult to do in person. In fact, the amount of knowledge is overwhelming.

I like data and data analysis. At accelerando we buy and collect enormous amounts of data, but what opened my eyes is that accelerando does not take data at face value, but rather questions data and makes the effort to understand what is really behind certain data points. That so-called holistic sense that Philip is always telling us about is a key factor.

I already witnessed that many asset managers model on data, despite knowing the data sets might be incomplete and sometimes incorrect. It looks to me that the industry relies too much on data, without really challenging it. Minor differences can cause major issues. I don't know, maybe I'm a data geek, but I know that without the correct data, you can have problems in the future. This is not only limited to fund distribution models.

We can also see it in ESG and greenwashing scandals. I have learned that there are different tones of grey, or green in this particular case. Especially on ESG data, the need to provide clear solutions and credibility appears to be a key challenge for the industry.

The 2008 financial crisis did a lot of harm to the financial services industry, including asset management. Since then, lots of things may have changed, but the sector has not managed to become more trustworthy - at least for many people of my generation.

Intelligent, honest and impactful marketing could help, but asset management marketing in particular does not appear to be as good as it should be. It does not bring across the major points and fails to build the connection. In most cases it is simply too boring.

Often a merger or a merger of equals is announced, but at the end of day, they are mostly acquisitions, which is clearly something different.

Another topic which fascinates me is ESG and impact. Also here, I find the wording often misleading and not convincing. I especially remember the case of DWS and Desiree Fixler and the resulting reactions in the asset management sector.

In addition, something that really surprised me as a woman was the scarcity of women visible in financial services in some European countries. Their numbers may well have increased, but I believe that it is still not enough. By this I am not supporting the measure of a minimum percentage of women in a company. I simply believe that equal opportunities should be given regardless of gender and that is not always the case.

These have been my first impressions of the industry, although there is still one important question to be answered: What is it like to be a rookie?

Well, being a complete beginner has its positive points and also negative ones, but on an overall basis it is something very positive. You don't have to pretend to know everything. You can ask questions without being embarrassed. People are willing to help and share their views and knowledge, but are also interested in the views of people of my generation.

This is not limited to direct to consumer marketing. It also applies to business to business marketing.

I think the industry must improve here and this is also a point where data comes in. Data is key for segmented campaigning.

Moreover, we receive everyday segmented campaigns on social media, often fitting my personal taste very well - but not from asset management. When I visit a technology, photography or fashion website for example, social media shows me tailored advertisement straight after.

It has never happened with asset management yet, at least in my social media channels.

I have practised many contact sports like judo, boxing or MMA since I was a child, That has taught me many good things like respect, loyalty, self-control and most essentially perseverance.

Today, you can lose, you can be the worst in class, the weakest, but hard work beats talent when talent doesn't work hard and I see similarities in asset management.

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Everything we do is centred around European fund distribution - across all European jurisdictions, distribution channels as well as all elements of proposition and communication. We put practice-relevance above all else and are fully dedicated to providing our clients with the utmost clarity and conviction necessary to make strategic as well as tactical decisions. In fact, our promise to our clients is as straight-forward as can be: Clarity, relevance and actionability. Our forward-thinking approach, much marked by intellect, eclecticism as well as curiosity, takes fresh, different and un-biased perspectives. In consequence, we are well known in the industry for identifying major distribution opportunities and challenges at early stages. We take particular pride in the high proportion of multi-year client relationships - including some of the world's largest and Europe's fastest growing asset managers - which are characterised by an unchallenged level of trust and open dialogue. Last but not least, our boutique structure enables us to truly tailor our services to very specific client requirements.

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