

IITian Picks K'mangala to Impart Fin Gyan

MUTUAL fund and insurance manager, **Saurabh Bansal**, an IIT Delhi and IIM Lucknow alumni had a modest middle class upbringing. Having worked in the financial outsourcing industry across Europe and US, he decided to give up the plush job to set up Fin@work and moved back to



Koramangala in late 2010. He spoke to **Shilpa Shree** about his beliefs, future plans and new breed of advisors who are redefining the profession. Edited Excerpts:

Why did you relocate to India from US?

I grew up aspiring to a good school and a secured job. After IIT Delhi and IIM Lucknow, I worked in the financial outsourcing industry across Europe and US. But at some point my calling took over and I wanted to come back home. So one-and-a-half years ago I decided to move back and set up Fin@Work.

Can you elaborate on the business of fund management?

We help individuals achieve their financial goals and build wealth in a structured and scientific way. Financial advisor means someone, who upholds fiduciary responsibility and avoids any kind of conflict of interest with the clients. We are not affiliated to a single manufacturer. We help clients choose the best product based on their needs. In that sense, we are far closer to our clients in understanding their needs and aspirations.

» Continued on Page 3

'Real Estate Investment is Top Priority for Youth'

» Continued from Page 1

What kind of services do you offer?

Broadly, we offer two lines of service – one is financial planning, and the other is wealth management. Our clients engage with us for a wide range of services from pure advice to a complete family office. Given that financial planning is a fairly new concept, we have been very actively organizing seminars in companies across Bangalore. We invest a lot in educating people and helping people understand its importance in life.

Who is your target audience?

Our focus is on the middle-income group. Most of the financial entities in India target high net worth individuals due to higher profit margins. These people end up seeking advice from friends, relatives or have to rely on bank RMs and independent agents.

And quite often, they get their fingers burnt by investing in fancy products, which combine everything under the sun – protection, investment, tax benefits etc. Such experiences makes them even more sceptical and they switch back to more traditional means of investment like Fixed Deposit etc, with or without the knowledge that those investments do not offer any protection against inflation.

Besides, we are a growing country and people are so focused on their careers, they often end up overlooking the need to invest. Clearly, there is a need in the market for systematic investments for this group. This is where we come into the picture.

How are your services different from your competitors?

We practice fee-based advisory services i.e. we get compensated by our clients and not by the manufacturers. We believe that it is the only way by which an advisor can be truly be objective.

I spent a lot of time in the US, closely observing some of the most successful financial advisory firms and under-

standing the nuances of their business models. We follow the best international practices. Our advisors are well qualified and also hold CFP certification, our research process is pretty rigorous and detailed in every manner.

Who are your competitors?

There are several financial entities such as banks, national distributors, broking houses among others who are fulfilling one or other aspect of people's financial needs. But most of them are driven by sales targets and employ product-selling approach. Since, their revenues mainly come from commission or brokerage, they find it difficult to build trust with the clients.



Financial industry is getting 'professionalized'. There

is a totally new breed of financial advisors now and existing players are also seriously re-looking their business models.

SAURABH BANSAL

Founder, Fin@work

What is the kind of growth you have seen so far?

So far, the company has had a good response from the market. We have built a client base of 80 to 100 clients and we manage assets in the range of ₹10 crore to ₹20 crore. All our clients want to continue with our services.

What new categories are emerging for you? What kind of changes are you bringing in this regard?

There is a perception that people become serious about their finances when they are in their mid- or late-thirties. But I have come across many young-

sters (in mid-twenties), who are looking to make a start somewhere. Given the demographics of the Indian population, it could potentially become a serious segment. We have already started designing new services and price-points, which will be amenable to them.

Besides, the company is also focusing on the working women who are looking to plan and take control of their financial future.

What is your target for 2013?

From the sales point of view, expanding the client base will be a target. Apart from that, we also have a plan to build scale and strengthen our infrastructure including software, research etc; so that our advisors are even better equipped to serve the clients in future. This requires infusion of additional capital. Fin@work is self-funded start-up looking to raise external capital next year.

What kind of changes have you seen in the fund management business in the recent past?

I am seeing an increased "professionalization" of the financial advisory industry, there is a new breed of financial advisors, and existing players are seriously re-looking their business model. There has been definitely a paradigm shift in financial intermediation; from a product and agent driven industry, it is moving towards solution and advisory driven profession.

What changes in consumer behaviour have you observed?

Investing in real estate has become the first priority for any young professional these days. I have seen a significant portion of investment capital directed towards this avenue, sometimes at the cost of sacrificing other goals. There is also an increased adoption of term insurance, which was earlier considered a waste of money by many but is now considered an essential component in financial planning.