

SECONDED FROM JERSEY TO SINGAPORE IN 2015, STEVE SPYBEY, GROUP CHIEF OPERATIONS OFFICER AT HAWKSFORD, HAS A WIDE-REACHING PERSPECTIVE ON GLOBAL WEALTH MANAGEMENT. BUT WHERE DOES HE FEEL THE CHANNEL ISLANDS SIT ON THE INTERNATIONAL STAGE?

Tell us, in a nutshell, what your role entails.
I'm here to make sure that, as a business, we have a platform to service our clients effectively and to the highest standards across our international business. That's in the regions we already operate in, and the ones we'll be in in the future.

So why did you move from Jersey to Singapore? What's the thinking behind being based and running the operation from there?

It's part of our longer-term plans. The business in Singapore was bought in March 2014, and we wanted to get a broader understanding of the Singapore and Hong Kong businesses in terms of market opportunities and how we can best serve our client base here. It's also about trying to help the business evolve and provide a broader range of services from our existing operations on a global scale.

You spent most of your career at EY before joining Hawksford in 2014.

Why the move?

I enjoyed working at EY for what was nearly 11 years, doing a wide range of mostly project-based work. However, one of the frustrations was that I would lead a project to its completion and then move on to the next thing. You can't really get under the skin of a business for the medium term doing that.

I decided that I would look for an operations-based role in industry, so I could use the skills from those advisory-based projects for a longer period with one particular business.

You have a young family, so how did you find relocation, both from a work and a personal perspective?

My two daughters were three and seven at the time. I'm fortunate that Hawksford

THE INTERVIEW STEVE SPYBEY

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provides immigration support services as one of our client services, so a number of aspects were straightforward. But I think it also highlighted the power of technology, as viewing flats and schools was all done over Skype or video conference and that worked remarkably well. Some aspects are difficult, when you're experiencing a different culture on a day-to-day basis, but a number of things are quite simple. I'll never view public transport in Jersey in the same way, though, having lived here!

From a business perspective, how have you found adapting to the cultural differences? It's fair to say that some textbook and stereotypical cultural differences exist, with plenty of evidence of a great work ethic and a love for food!

The business environment is very supportive of entrepreneurship and a good match for our global strategy. Inside our business, there's a difference in terms of engagement and trying to generate effective two-way dialogue. To understand how information is being received and to get good-quality feedback on ideas takes a little more time to develop.

When it comes to client interactions, I probably see less difference because our business in Jersey and our business in Singapore both deal with a very international client base. A lot of our clients in Singapore are European, American or Australian.

A large number of Channel Island firms seem to be setting up in the Far East – both Jersey Finance and Guernsey Finance have a presence in the region. Is this simply a case of having to chase the action and go where the money is?

I think a number of Channel Island businesses are looking to become more international and that's generally viewed as a positive thing when it comes to diversifying business risk and exposure to a particular jurisdiction. It's quite natural to turn to locations like Singapore and Hong Kong when you're looking at corporate and private client services, and increasingly funds services operations.

It's also driven by client demand. We increasingly have clients within our Jersey operations that expect us to be able to provide services across a range of jurisdictions. We want to meet their needs.

So are people across the region using particular services that you offer, or is it a broad scope?

It varies depending on the geography. Thinking specifically about Singapore, clients are increasingly interested in



FACT FILE

Name: Steve Spybey

Age: 34

Position: Group Chief Operations Officer, Hawksford

Married to: Jo

Children: Freya (7) and Mia (4)

Hobbies: Playing saxophone and piano, and running

Interesting fact: I cut my own hair!

establishing true operational substance here. So they aren't just looking for incorporation services, they're looking for other things that come with that – such as immigration services to bring the right talent into the jurisdiction, and payroll services to support those operations when they're here.

That reflects a similar story in Jersey. Firms are increasingly keen to not only set up a company in Jersey, but also to have robust board structures in place to ensure that they can truly claim to have established the required substance for that company.

In the East, are the Channel Islands seen as one place, rather than two islands with two separate, albeit similar, offerings?

The perspective that comes with distance is interesting. The Asian view of the Channel Islands does struggle to differentiate between Jersey and Guernsey, and part of our role, to a degree, is to educate clients about what the islands have to offer.

I also think the opposite is true in relation to Singapore and Hong Kong. There's a tendency for Europeans – myself included – to badge them as very similar

and a lot closer than they are in reality.

It's also interesting when thinking what Europe looks like from Asia. When looking at it from the proximity of Jersey or Guernsey, we tend to think about it more as individual countries. However, Europe looks like a region when it's perceived and talked about from Singapore and Hong Kong. And that can make things like the discussion around Brexit potentially more damaging than we might realise.

When it comes to Brexit, has that put a hold on Asia doing business with the Channel Islands at all?

There's a general feeling that Brexit couldn't possibly happen – but you never know. I suppose 2016 feels like quite a big year from a political and a macroeconomic perspective, when you look at the UK referendum and the American election. There's a general assumption here that the UK will remain in the EU.

When you talk about some of the biggest challenges, not only for wealth management but for business in general, a UK exit from Europe and a radical change in US politics would be challenging in many ways that we can't fully predict.

One hot topic at the moment seems to be whether people are less willing to pay for financial expertise. Are you noticing any challenges, or do you ultimately believe that people will pay for value?

I think people pay for service. And in our industry, client service is one of the most critical things when it comes to market reputation and maintaining your client book.

It takes very little to damage that, so it's something we spend a lot of time thinking about – how do we demonstrate effective client service on a day-in-day-out basis? I think that there is fee pressure across the board, but it comes slightly less from the ultra-high-net-worth clients.

We also see trends within geographies – there are certain nationalities that are particularly cost-conscious, and that requires a deep understanding of those cultures to explain why services are priced the way they are.

Technology is helping to drive cost efficiencies, but the flipside is the concern surrounding automation of services. How do you incorporate tech wisely without losing the personal touch?

I believe good service becomes excellent service when it's supported by enterprising technology. Our technology ambitions are led by our client strategy – and that's very important.

I see technology affecting our industry in two distinct ways. First, it can encourage and support interaction with clients. I see client due diligence and client on-boarding as an important part of that, but I think we'll see a broader impact, with technology changing the way in which day-to-day contact with clients is managed.

We have a high volume of interest in Singapore and Hong Kong, with a lot of our new business coming through our website – we've seen a big shift in the past two or three years in terms of mobile devices being used to access web pages in comparison with desktop machines. So we'll see a step change in the way we interact with our clients.

The second part is actually how we go about some of our processes. Technology allows us to increase quality and drive efficiencies through better and more effective use of workflow tools. I think there's an increasing amount of data that we deal with as an industry and as individual businesses, and automation will have to come a long way before it actually takes over the way in which we analyse a lot of that information.

But that will come in time, and we need to make sure that we use it to help



PEOPLE PAY FOR SERVICE. AND IN OUR INDUSTRY, CLIENT SERVICE IS ONE OF THE MOST CRITICAL THINGS WHEN IT COMES TO MARKET REPUTATION AND MAINTAINING YOUR CLIENT BOOK



support some of the decisions that we take as a business, as well as evaluating client-related information.

There's been a lot of M&A activity in recent years, most notably in the trust sector. In Jersey and Guernsey, it's the larger companies that are very acquisitive. Is this something you see continuing, and where are you with regard to your own growth?

Acquisition is a core part of the business strategy for a number of players in the trust and corporate services market. Where people are focusing their capital depends on the shape and scale of their existing business. There are some attractive assets in the Channel Islands market, of the scale that could be acquired by businesses like ours, but they are increasingly few and far between.

Having said that, businesses are also increasingly looking to overseas jurisdictions to build that network of businesses that can service international clients requiring jurisdictional flexibility. Our acquisition strategy is focused, albeit not exclusively, on our international footprint – in terms of how we strengthen our Asian offering, how we grow in the Caribbean, and also from a mainland European perspective.

Do you have anyone in your sights at the moment?

Always.

Anything you can share?

No! [laughs]

So, looking ahead, what do you think are the biggest challenges and opportunities in wealth management in the next 12 to 24 months?

There are three things that go through my mind on a regular basis – and they all present both challenges and opportunities.

The first is regulation, something our industry always has to keep front of mind. The second is volatility – this is already present and looks set to continue with the macroeconomic events that we know are coming in 2016.

The third area is data. Client data is increasingly shared under some of the regulatory requirements like FATCA, and it will be shared more when it comes to the Common Reporting Standard going forward. The accuracy of client data and the way in which we control that becomes ever more important.

Clients are also increasingly concerned about who actually has their data and what they are doing with it. They are interested in how we process their data and how we control and have the checks and balances in place to make sure that any reporting we have to do is done in a very accurate and effective way. We're confident that we have appropriate measures in place and we are looking at ways to provide these assurances to clients.

Linked to data is cyber security. Data is seen as an asset, one that's valuable and subject to attack. We work with security consultants to ensure we are aware of the latest developments and react accordingly.

But, as you say, these are opportunities as well – so will the more agile firm potentially benefit the most?

I think so. We're taking steps in relation to areas such as data, working out how we can help clients to safeguard their own data, to supplement existing measures to protect the data we hold for them. For example, we can help them with more secure communication protocols between them and us. When it comes to issues like regulation, demonstrating to clients and intermediaries that we have a really strong grasp of exactly what's required becomes ever more important – and I feel very confident we have that well in hand. ■

NICK KIRBY is Editor-in-Chief of BL magazine