



A Conversation with James

TRANSCRIPT: Nick Tolchard Tells James Berkeley Investment Houses Face A New Dawn In The Middle East

Today in *A Conversation with James*, James Berkeley talked to [Nick Tolchard](#) Head of Invesco Middle East and Head of International Development. He is an articulate speaker with views that transcend the challenges facing his industry. Nick has been helping Invesco Middle East navigate a turbulent regional environment and exploit growth and expansion opportunities in the region. He has also been actively driving the firm's global growth plans. We talked over the telephone while he was back in his UK Head Office. We talk about BALANCING SHORT-TERM AND LONG-TERM OBJECTIVES WITH THE NEEDS OF HIS KEY CONSTITUENTS.

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JAMES BERKELEY, HOST: Thank you for joining me today.

Positive signs, although challenging geopolitics. What is your organisation doing to exploit the regional recovery?

NICK TOLCHARD, HEAD OF INVESCO MIDDLE EAST: The asset management market has gone through a challenging period, at a country level for example in Dubai, and from an industry sector perspective, which has dented investor confidence. Rational observers, both within and outside the region, should understand that

looking forward the Middle East remains a strategically important region, the infrastructure is

present and business leadership is better equipped than at any time in the past. From our perspective the region is very important.

There are three key imperatives in this period: A desire on our customers and clients' behalf to better understand products, better understand the *actual* risks attached, have their expectations met. To exploit those opportunities, requires less emphasis on selling a product, and greater prioritisation on informing clients and customers. Tactically, we are targeting the effectiveness of our client education and customer dialogue. *Invesco Investment Intelligence* is the first of many tangible initiatives.

BERKELEY: Talent acquisition, retention and nurturing are going to be a key organisational asset for profitable growth. What is your advice to others?

TOLCHARD: Our physical presence in the region is small by design. What we have learned is that there are many local asset managers who know the region but a smaller number of global firms. What has changed in the past twelve months? Retaining and nurturing our talented team remains a top priority of mine. It is a significant business risk. By comparison, we are less inclined to hire new talent today than twelve months ago. For that balance to change, we would need to see a change in growth opportunities. We are not at that point today. Our investment in our people is being directed towards embedding behaviours, i.e. aligning employees with processes that support our long-term business and organisational goals.

BERKELEY: If you accept the fastest, surest route to loyal and “permanent” customers and clients is with fulfilled employees offering great service. Where should people in your position direct time and money?

TOLCHARD: Employee fulfilment is a very challenging area in our industry with a direct impact on client acquisition and our ability to manage our business with a long-term perspective. Where should we invest? Change people's motivations to encourage thinking beyond 12 month targets.

BERKELEY: Competition will become more severe for your brightest and best people. How are you prepared to handle this? Please describe the preventative action you are taking.

TOLCHARD: We really benefit from being a global organisation with significant experience operating in a competitive environment in established markets. My experience is

1. Take the best of your intellectual property and focus on what you are really good at.
2. In emerging markets it vital that your performance really “stands out”, adequate is not good enough.
3. Promote your individuals and organisation's excellence, focusing on the specifics of the delivery to the client.

BERKELEY: What new products, services, relationships and attendant value are you prepared to

bring to existing customers to accelerate repeat business? To succeed in those areas, what needs to change about the employees you attract, retain and nurture?

TOLCHARD: With existing customers - it is about carefully targeting products with innovative fund choices and sustainable products with a long-term track record. Businesses to business relationships are changing rapidly in the GCC region and the sales channels need to adjust accordingly. Success for us is maximising our top line growth from a small number of high-value relationships, and strengthening our network of relationships within those customer firms.

BERKELEY: Turning to new clients.

TOLCHARD: We are taking a twin-tracked approach over the next 5-10 years in the region. Focused growth in our traditional target market, high-end institutions, banks, insurance companies and so forth. Stronger ties with Sovereign Wealth Funds, and emerging Middle Eastern banks. That is a challenge for our people as well as our organisation.

BERKELEY: What closing thoughts do you have for the industry as a whole?

TOLCHARD: If the industry is to really exploit an upturn it needs to achieve at a minimum,

1. Maintenance of the highest global standards.
2. Avoid the temptation to exploit higher commission for short-term gain.
3. Practitioners who welcome strong a regulatory environment in the region.
4. Regulation that brings greater clarity and robustness for all participants.
5. High levels of trust derived from meeting clients' expectations, which will have a positive impact on clients and improve the attraction of high quality employees in the sector.

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