

## BUSINESS EDUCATION

# The route to better wealth management

Classrooms are becoming a diverse mix of affluent individuals as attitudes to investment mature, writes Hugo Greenhalgh

For most students, preparing for business school means worrying about the fees or choosing the right laptop. It does not involve wondering where the bodyguard will sit. But then most courses do not cater for billionaires and their offspring. Welcome to the world of private wealth management.

AdKil, director of executive PhD programmes at Nyenrode Business Universiteit, has first-hand experience of this world. "Our course can not only have the younger members of the family on it, but also the main successors as well, so privacy is important" he says. "[Sometimes] guards are outside the classroom."

Wealth management courses have been around in various guises for graduates looking to enter the asset management industry for years. But now business schools are actively seeking those wealthy scions of dynasties in the making who want to learn how to manage the family firm or money – and getting a response.

Institutes worldwide, from Nyenrode in the Netherlands to the University of Chicago Booth School of Business in the US, offer a variant on these courses.

Nyenrode's course attracts both the wealthy and those seeking to work for the rich. "The participants are family

offices and then also members of the bigger family firms," says Prof Kil.

"It can be a very interesting mix: the professionals can learn a lot from the family members and the families can learn how consultants think." Chicago Booth solely targets the wealthy and, while family office executives may attend with principal family members, the course is closed to all other financial services professionals.

In the UK, Cass Business School at City University London offers a five-day private wealth management course explicitly designed for those with a net personal wealth in excess of \$50m.

Learning how to manage your money in the light of micro- and macroeconomic trends is crucial, says one spokesman for the course. There are also opportunities to "connect with a group of peers who face the same issues in managing substantial assets".

Another example in the US is The Wharton School of the University of Pennsylvania, which has run its private wealth management programme in association with the Institute for Private Investors since 1999.

More than 800 family members have been through the course, says Richard Marston, a professor of finance who teaches the course. "One family member is sent on the course," he says, "and then it's several the next time. We see a lot of repeat families."

Prof Marston describes his course as "wealth management unwrapped". Modules range from learning how to hire an adviser to the different types of asset classes available worldwide.

"We presume they have little

knowledge of running a company – or perhaps they are from the second or third generation who have careers outside finance," he says, though recent intakes have been more investment savvy.

"Over time it has become a more sophisticated group. We've been through several economic crises now, and 2008-09 traumatised many of these families [some of whom] made very bad mistakes at that time. They are much wariest of simple approaches to investment than in the past."

James Sefton, professor of economics at Imperial College Business School, would agree. Imperial offers an MSc in Investment and Wealth Management, where he has seen several students come from wealthy families who were "going to return to their portfolios".

However, for those looking to manage the money of the wealthy, the industry has changed, Prof Sefton says. "Wealth management [is perhaps traditionally not] the most academic or technically orientated career but it is changing. You would not get a top job unless you had the [technical] skills."

Prof Kil is also keen to stress the hands-on nature of his course. "What we don't want are tourists," he says. "[The course] is putting the knowledge you have into practice."

As the generation that founded companies after the second world war looks to pass them on, demand is growing. Prof Kil says he could double the size of the course if he wished, but he prefers not to.

"It is not for everyone and not for startups. We want to keep it elite."