



Finding the perfect fit

Entrepreneur Paul Jeffreys has come a long way in the five years since setting up Jigsaw Wealth Management from his basement in Singapore. Here, he tells Gary Shepherd about catering for an untapped niche of clients

BY GARY SHEPHERD

Although a Guernseyman by birth, Jigsaw Wealth Management's founder Paul Jeffreys embodies the entrepreneurial spirit of the Singaporean economy, which, by his account, is rapidly returning to a strong growth curve after being hit by the global slowdown last year.

Jeffreys founded the firm in 2004 having become frustrated following stints working for two of the largest private banks in

Singapore, Lloyds and Coutts. Entrepreneurialism is in his blood – prior to this he worked for his family's insurance brokerage in the Channel Islands, which has been running since 1936.

Now based in the Hitachi Tower, Jigsaw is a team of five, with three working advisers. The focus is on wealth and tax management with a client base currently of around 50 to 60 high net worth expats. Many of these were served by Jeffreys in his

previous employment, although numbers are expanding all the time.

He says: "We have grown nicely. All my contacts I thought would come across have done so and we have grown from me setting up the business as a one-man band – I believe I am the only IFA to ever get a licence in Singapore from his basement."

■ Setting up his stall

Jeffreys says his motivation for setting up on his own

owes much to the dissatisfaction he felt working for banks which he says offered just a single proposition, which did not necessarily suit the client or the adviser.

He says: "I had always favoured a holistic point of view in understanding the clients' needs then coming up with a suitable product for that, regardless of whether that product was best for me or best for the bank. Banks have their own proposition, and salaries and bonuses are pegged to

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IA KEY POINTS

Principal Paul Jeffreys founded the firm in 2004, having previously worked in Singapore for Lloyds and Coutts.

Jigsaw aims to give a private bank-like service to HNW expat clients, keeping all financial matters in one place.

Jeffreys believes that it does not matter if advisers are remunerated through commission or fees, so long as it is agreed up front.

IA FACT FILE

Founded: 2004
Assets under advice: s\$150m (\$106m)
No. of employees: 5
Location: Singapore CBD
No. of offices: 1

that proposition.”

Another motivating factor was to take advantage of what he saw as an untapped niche in the market for clients that are not a perfect fit for either the existing private banking model or for IFAs specialising in retail investment products.

He explains: “Most private banks want to deal with £5m-plus, while anyone with £1m or £2m probably has too much money to consider a retail proposition. There is little else for them to look at.

“While expats can hold a lot of money, the average I was looking at when at the banks was between £500,000 and £2m, but that still did not get them the red-carpet treatment. I decided that if I set up my own business that focused purely on that segment and gave them the level of service you might expect if you had £10m-plus in a private bank, then I might be able to coax these clients away from the retail sector and get the services they ought to be having.”

■ Taking full control

Central to the Jigsaw approach is Needs Based Analysis (NBA), a comprehensive questionnaire used to obtain as much financial information about a client as possible before advice can be administered. Jeffreys is a believer in taking over the entire financial management of clients, almost like a family office strategy. This, he explains, is vital for expats, who may have previously used multiple banks as they have moved and settled in different countries. To make the process easier, Jigsaw uses a website devised by an associate that enables cli-

ents to capture valuations for all of their investments in one place.

He explains: “Administration of someone’s assets is as important as performance itself – if you end up with ten investments with ten institutions and some are performing and some are not, it is very difficult to manage cutting losses, stopping losses and taking gains and opportunity.

“My strategy was to tell clients to come to me and I can truly look after everything you have. It does not mean you have to sell things that you might not want to sell – you can still hold them and we can help manage them for you. Most firms will say that but in reality they have no way of physically doing it.”

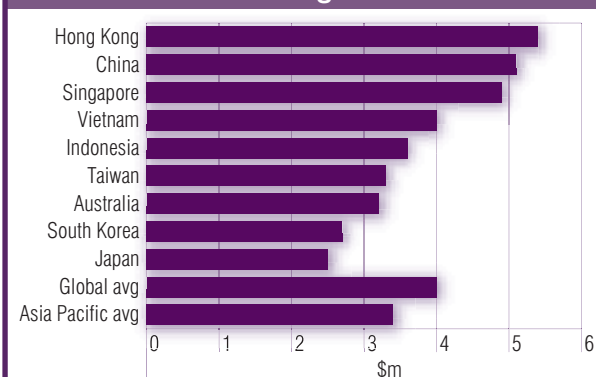
■ Commission

Adviser remuneration is another topic close to Jeffreys’ heart; he believes that any eradication of commission would have a negative effect in both hitting small businesses and making it harder for new advisers and businesses that do not already have a large client base. Jigsaw employs a mixture of commission, fee-based and performance fee only charging structures agreed up front with the client.

“Ultimately, if a client is fully aware of what is happening – with full disclosure of charges and so on – then it should be up to the client and the adviser to choose whether commission is paid or a fee is used,” asserts Jeffreys.

“It would be incorrect for the industry to go totally to fee-based because you will end up with a scenario where time-based cost will be no different to a law firm or accountant

Asia Pacific HNWIs’ avg net worth ’07



Source: Capgemini Lorenz curve analysis, 2008

practice with clients scrutinising about whether a professional really did spend all the time with them that they have been charged for.”

■ Strong returns

Whatever your thoughts on the Jigsaw approach, it appears to have borne fruit, with the last three months proving to be the most profitable in the company’s history, a period that closely follows Singapore emerging from a technical recession in the second quarter of the year. Jeffreys says he plans to use this success to expand further, with the possibility of hiring new advisers. But he intends for the business to stay focused on the market it serves best – expats – with no prospect of taking on local Singaporean clients.

He adds: “My biggest dilemma when I set up the business was, in doing my research, people said they did not see us getting any clients at the size I was already looking after as I did not have an institutional name behind me. I believed I would because of our unique approach.

“As it has turned out, we do not get everybody but we certainly get those that

want a more personalised service. If there were only the big boys left, then that choice would not be available and everyone would have to put up with the more bureaucratic proposition from a policy-driven environment, rather than a flexible environment.”

In his determination to out-do the ‘big boys’ would Jeffreys ever look to setting up new ventures outside Singapore? He says he is unlikely to return to Guernsey unless it was part of his retirement strategy, although this seems a far off prospect considering that he has also kept busy by involvement in a spread betting firm, details of which he is reluctant to divulge. Besides, he seems pretty happy to encourage more Brits to move east.

“If I was to suggest to somebody that wanted to leave the UK to live somewhere else that gave them the least culture shock it would have to be Singapore,” he says. “It is as Western as you can imagine; everyone speaks English, everyone is friendly and it is a very clean and safe place with costs comparable to London. In general, most people slip into Singapore with the click of their fingers.” **IA**

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