

Independent Financial Planner



Name: Sapna Narang, CFP™

Designation: Managing Partner

Organization: Capital League (incorporated in 2003)

Unique Selling Proposition (USP): An all women boutique wealth management venture catering to the needs of CXOs and hence large focus on retirement planning. The 7-member team has three founding partners.

Clients: 75 families

Compensation Model: Mix of fee and commission; Capital League charges an annual fee, above which there are no transaction charges.

Assets Under Management (AUM): ₹ 300 crore

I spent over 15 years in banking and wealth management, starting my career in 1994 with BNP Paribas, where I found it comfortable to interact with clients and address their queries and soon moving up as a relationship manager. Once the private banking division opened, I moved to HSBC where I was groomed as an investment advisor, which ultimately helped me become a wealth manager. In 2003, I left HSBC and started Capital League, my own venture with two of my former colleague from HSBC. I am proud that we were focused to position Capital League as a boutique wealth management firm that focussed on providing services to a limited number of discerning clients.

The Premise

During my career with large banks, I realised that there was a conflict of interest when the product 'manufacturer' was also the product 'distributor'. This led me to explore the nascent field of 'independent advisors'. I had the opportunity to interact with an overseas independent advisor, who after a long stint with a large bank, had decided to venture out on his own. He convinced me that clients' need a dependable person they can trust, more than a large brand name. This idea took root and I did a dip-stick survey with my clients to assess their need for 'an independent' advisor viz. a large institution with a known brand name. The results were encouraging and I decided to take the plunge, and thus left HSBC in 2003 to start Capital League.

The Allure of CFP™ certification

As a wealth manager I figured that an investment portfolio in isolation has no meaning. Most families look at wealth accumulation to meet certain objectives, like acquiring a standard of living, assets, and meet family obligations of providing for the elderly or children. The need to build a sizeable retirement corpus and other such goals also emerged and I realised that to a large extent wealth accumulation is driven by such financial goals. To be more effective a wealth manager I started incorporating Financial Planning in my work while addressing client needs, which was also the trigger to pursue the CFP™ certification. In my view, the CFP™ certification program gives clarity to planning finances over long time periods. It bases strong mathematical and analytical skills which are efficient in

calculating cash flows and arriving at corpus to meet goals with clear solutions to time value of money issues. Moreover, the certification helps with positioning and differentiation.

My First Client

It has been many years since I started working and do not recollect the first client experience well enough. However, the formal financial planning study through CFP™ certification program has enabled me to articulate clients' thoughts in terms of concrete financial goals. I can discuss selection of asset classes in terms of time-frame to meet certain financial goals and not just in perspective of the latest gyrations of the markets. I feel the client experience tends to be more rewarding when one can relate one's wealth accumulation to meeting financial goals.

Advantage CFP™ certification

The CFP™ certification has made me a more effective wealth manager. While planning finances for my clients, my biggest challenge to incorporate and understanding the significance of appropriate mathematical tools to calculate cash flows and arrive at corpus to achieve those goals. The formal CFP™ certification program education has helped me with clarity on the mathematics of planning for long time periods. The ability to simultaneously calculate effect of inflation, portfolio compounding and portfolio outflows over a 10-20 year time frame makes long term financial planning very effective.

Clients value your abilities when you are able to link investment strategies to address financial goals. They appreciate the perspective that one is able to offer and this is largely the benefit of being a CFP™ professional. Yes, for some of them the certification adds to the credibility.

Practice Management

I see Practice management as something which evolves and one learns gradually through trial and error. After a few years one realises the importance of addressing the different aspects of practice management in a formal manner, which can help us make the practice efficient by focussing on client segmentation, appropriate marketing and staffing.

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