

Alfonso Roa Díaz-Regañón, president of the AEFP Accreditation and Certification Committee

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Alfonso Roa is the president of the Association of European Financial Planning (AEFP) Accreditation and Certification Committee.

What does it mean to manage equity?

Managing equity means defining a plan for customers, so that they can reach their financial objectives, which can be highly diverse, from having a good retirement, to being able to offer their children the best education possible or buying a house, to name just a couple goals.

What are the reasons why individuals or companies should turn to an expert in equity management or a financial adviser?

There can be a wide range of reasons, but there are primarily two: lack of knowledge about efficiently administering the equity you have or a lack of time to manage it. You must also remember that we are living more years now and this involves better planning for retirement. Furthermore, wealth, which was very concentrated until 25 years ago, has expanded, making the demand for financial consultancy services increase.

What is the professional profile of an equity manager? And financial consultants?

That is a tough question to answer. In Spain, great importance is placed on university degrees in financial and economic subjects, but the most important thing in the Anglo-Saxon world is that the person who wants to work as an equity manager or a financial consultant has the corresponding professional certification. This means that anybody with a university degree or even without one, can work as a consultant or adviser if they obtain European Financial Planning (EFP) certification, which accredits that you have the knowledge required in financial, tax and commercial fields.

In Spain, even though this accreditation mode by competences is starting to be introduced, it is still far from the Anglo-Saxon system. Nonetheless, entities that want to hire financial advisers or equity managers increasingly ask for a Financial Agent Diploma (DAF) or the European Certificate of European Financial Advisor (EFE). These certificates accredit less the educational and skills levels than the EFP, but enough to work as a financial adviser or equity manager in Spain.

What competences must a person have who wants to work as an equity manager? And as a financial adviser?

It is very complex to define the competences that an equity manager or financial adviser must have. Competences are the knowledge and skills a person need to exercise their profession. Knowledge can be easily defined and measured, but it is not so easy to actually do so with skills. Even so, equity managers and financial advisers must have empathy, because they must understand and get along very fluidly with customers to be able to identify their needs and motivations and then adapt their advice. They must also have sales skills and know how to analyse, evaluate and synthesise the information provided by clients to then present them with a suitable investment plan.

What is the situation of banking and finance? How will private banking develop?

These are difficult times. Private banking will probably become more oriented towards customer banking than product banking. This means that they will tend to place greater importance on the customer's objectives than on short-term benefits. This fact will require significant effort and investments in two areas: technology and human resources. People will be needed who are highly prepared and very educated.

What effects has the financial crisis experienced in 2009 had on equity management and financial consultancy?

This is very clear: the loss of trust of the end customer. And now, what must we do?: get it back. Recovering customers' trust entails creating a customer-oriented bank and not a product-based bank, as I mentioned earlier. To give a simple and clear analogy, this means forgetting about 'coffee for everybody', namely, product standardisation, and investing our efforts in developing different products according to the different customer groups and segments.

How do the continuous changes in financial products, the free circulation of capital between European Union member countries and globalisation affect the daily work of a financial adviser? And of an equity manager?

Financial advisers and equity managers must simply be people capable of being permanently up to date and keeping well-informed about what is happening in their immediate environment, but also in the global environment. Besides a personal interest about what is happening in the world, this also requires continuous training in financial, tax, commercial and technology issues.

What are the professional profiles that the sector will require in the future? What skills will they have to possess?

Above all and with respect to the financial system, I must point out that Spain has a unique feature with respect to the rest of Western countries: there are 45,000 branches of banking and credit entities, which represent a lot of personnel, not always with the necessary qualifications to adequately perform the functions they are assigned. In the future, the competences required with regard to basic knowledge will be the same as right now, but more complementary and specific education will be needed, as well as financial consultancy accreditation.

What impact is electronic banking having on the sector? And on the competences of the people working in this field?

Electronic banking has had little impact on private banking because it is centred on retail or traditional banking. Electronic banking for private banks is simply an alternative channel for product distribution. Nonetheless, I must insist that in private banking, there has to be an important investment in technology in order to improve the benefits and features that are passed onto customers, making them more reliable, more user friendly and faster.

Moreover, generalised access to information will mean that financial advisers and equity managers will have to expand their knowledge bases in information management. This means that they must have extremely clear ideas about financial issues and know how to discern what is relevant information and what is not.

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