

John Thiel, head of Merrill Lynch, on the Future of Wealth Management

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FWA President 2014-15, Maureen Adolf; John Thiel, head of Merrill Lynch Wealth Management; and Beth Dorfman, FWA member.

John Thiel, head of Merrill Lynch Wealth Management, believes the future of advice and guidance in the wealth management industry lies in shifting the dialogue with clients — away from a conversation based on performance alone to one that speaks about clients’ money in the same way they do, and about how the industry can help them invest to achieve the outcomes they desire. John delivered his message to a standing-room-only audience at a recent breakfast, co-sponsored by the [Financial Women’s Association \(FWA\)](#) at One Bryant Park in New York City.

The power of simplicity

John noted that while most clients hold their own advisers in high regard, the industry’s overall reputation is broken. He underscored to the group that, according to the Edelman Trust Barometer, the financial services sector currently ranks towards the bottom in terms of inspiring trust. But John believes that, rather than taking the kind of client-first approach that could reverse this trend, the industry appears to be doing the opposite:

“So many times what I see are people saying we are going to come in and show you how smart we are,” John said, “and they speak in a jargon clients can’t understand. The industry is selling complexity and people want to buy simplicity.”



Panelists listen to John as he highlights the future of wealth management.

Focus on client goals

John said that in order to fix this problem, the industry needs to break free from the kind of

thinking that helped to create the problem in the first place: The solution begins with an exclusive focus on the client. Financial strategies and business practices can then be developed that clients can understand, and that are specifically designed to help them reach their personal goals. Beyond that, John believes that the industry needs to be completely transparent with clients with regard to three critical questions surrounding the management of financial assets on their behalf: What will the service cost the client? How much risk is the client willing to take to achieve their goals: What progress is being made toward the outcomes that matter to them? Ultimately, John emphasized, the industry needs to give the client a consistent experience in every single conversation, in every single contact.

All this adds up to a long journey for the wealth management industry, with some major changes in the way it does business. John pointed out that he knows it won't be easy. But he also made clear that the goals-based approach is already being implemented across Merrill Lynch and its clients love it: "Perhaps that will encourage even the industry's die-hard skeptics," John noted.

"I believe that when you organize your business and relationships around the simple principle of treating others as you would like to be treated, things have a way of working out," he said. John closed with a personal plea to the women in his audience, "The time is ripe," he said, "for people like you in this room, who are empathetic and who listen, to be part of the solution. We need your help."

About the Financial Women's Association

Established on Wall Street in 1956, the Financial Women's Association is a global non-profit dedicated to accelerating the leadership and success of women across all industries in the financial community by advancing careers, fostering alliances and preparing the current and next generation of professionals.

The group works to recognize the achievements of women, illuminating their unique contributions to their professions, companies, and communities, and also to educate and develop members through international conferences, briefings from industry leaders, and thought leadership.

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