

# Private Banking 2.0



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It is at your fingertips. Click once and you have every conceivable bit of financial and investment information available and updated within the last 5 minutes. Click, then enter the security code and your money flies from Switzerland to Asia. Click again and your money is in Brazil. It is an amazing time for the global investor and family office. More often than not, the family office is just as up to date and better informed about investment opportunities than its friendly banker or fund manager. It receives its information from many independent sources, whereas the front man from whatever institution is often getting his information from internal sources or a talking-points memo.

You can get the best information from Bloomberg, Morningstar, Dow Jones or Lombard Street Research or get opinions from any “guru” of your choice with your morning coffee. What’s more, you can tailor your downloads to access only information you want to read on topics you have selected.

Welcome to Private Banking 2.0. The investor is now a very capable adversary to those who want his money. No more coffee with the related “just sign here, it’s a good deal”. Of course, now we know it was a good deal... for the bank. Some families are obviously

not plugged into the new age, but the numbers who are rise every day. Also, with the Next Gen coming of age, with all their computer experience, the trend will rapidly evolve.

Family offices and individual investors also are interested in more than just information, they are looking for deal flow and a sharing of information, thoughts and questions among their peers. Until recently the only way to do this was to fly to some exotic place and meet others similarly situated at conferences. All are waiting for the coffee break or some other time during the conference to start passing out cards and finding who else is there to help. Banks have their client portals, but the new version of portals is much different.

There is so much information on the internet, it is difficult to sort out the information you really need. There are new portals for family offices developing that do their own sift process and are being set up by organizations of family offices or those closely aligned with those groups. Others are established by entrepreneurial bankers or investment advisors with other interests and a less than independent perspective. There are also numerous groups on the public social media websites for family offices, but they mostly involve everyone but family offices, and the expertise of those on the site is more than dubious.

One of the biggest reasons family offices turn to such portals is to share

experiences and information. Also, to get a look at proprietary, off-market deal flow. That has been done by various merger and acquisition groups online for years. Put it in the family office space and you have eliminated the need for intermediaries to get to the deal flow. At least that is what some think. Many websites have sprouted up in Switzerland and elsewhere focusing on just this aspect of family office interest. Others have gone the totally opposite direction, like FamilyBhive.com, based in the UK. It is a social-oriented portal helping put high net worth individuals in contact with people at the same level. What happens afterwards is up to the individuals. It is a very interesting site and looks to be expanding to places like Switzerland and Singapore. IPI is an association in the U.S. with a members-only website for individual and private investors.

A very interesting portal was opened officially in April at a conference of the Global Partnership Family Offices in the Zurich Dolder Grand Hotel. Jonathan Lidster, COO of the company, introduced a portal called “Pharos”. It is a very interesting website for family offices. First, it provides information independent from global sources. Second, it provides tones of buzzes and whistles, like video conferencing among peers, training, reference libraries and the like. Yes, it also includes a location called “Marketplace” for deal flow. However, that is not the key focus of the site. I am sure there is more to come.

There are a number of portals under development in Switzerland and elsewhere, but Pharos is the most promising at this time. Anyone with a similar site is more than welcome to send a link. One thing is for sure: There will be much more to come as the internet expands to service and support the revolution going on in individual and family office investment. It certainly changes the dynamics between the investor, banks, funds and other intermediaries.

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