

# Client-Focused



John W. Thiel

**EDITORS' NOTE** John Thiel began his career with Merrill Lynch in 1989 as a financial advisor in Tampa, Florida and later served as a Global Private Client Advisory Division Regional Director in two Chicago-area offices. He joined the Private Banking and Investment Group in 2000 and launched its private wealth management business in the Pacific West Region. He was named the head of the group in 2006 and ultimately head of all of Merrill Lynch Wealth Management. Prior to joining Merrill Lynch, Thiel had a distinguished career in the public accounting and insurance industries. His extensive background also includes tax and estate planning along with financial operating experience as a CPA with KPMG.

**COMPANY BRIEF** Merrill Lynch Wealth Management ([www.wealthmanagement.ml.com](http://www.wealthmanagement.ml.com)) is a leading provider of comprehensive wealth management and investment services for individuals and businesses globally. With nearly 15,000 financial advisors and \$1.8 trillion in client balances, it is among the largest businesses of its kind in the world. Within Merrill Lynch Wealth Management, the Private Banking and Investment Group provides tailored solutions to ultra-affluent clients, offering both the intimacy of a boutique and the resources of a premier global financial services company. These clients are served by more than 150 Private Wealth Advisor teams, along with experts in areas such as investment management, concentrated stock management, and intergenerational wealth transfer strategies. Merrill Lynch Wealth Management is part of Bank of America Corporation.

## How has Merrill Lynch Wealth Management created such consistent results and how is the business faring today?

Historically, we have been grounded in the leadership style, the humility, and the candor that Charlie Merrill brought to this organization 100 years ago. His notion that the interests

of the customers must always come first has guided us through good economic times and bad.

Interestingly, Merrill Lynch was at one time the laughingstock of Wall Street with our novel concept of "bringing Wall Street to Main Street." Years later, this proved to be a value proposition that enabled many more Americans than ever before to participate in and prosper through the capital formation process and to truly become "investors." The leaders who succeeded Charlie had humility and continued to put client interests first. Most of these leaders grew up in the wealth management business, which gave them great perspective to help lead our new approach to the industry. That spirit of innovation and trying to always improve the industry has made all of us work harder and be more reflective – and continues to guide us in meeting today's challenges.

### What makes the firm unique?

In a word: culture. While leadership needs to drive the culture, it ultimately needs to be reflected through every advisor who carries our business card and interacts with clients.

You can also point to the uniqueness in the leadership of this organization. If you look at who is running wealth management businesses across the industry, many were at one point leaders at Merrill Lynch.

So it's the leadership style of Merrill Lynch, demonstrated by advisors and management alike, that has created the success of this organization, and is manifested by how our clients feel about us.

### How much of a niche is the market for clients?

We have a broad client base and we focus on three core segments: the affluent, the ultra-high-net-worth, and an institutional segment, which often results in private wealth management but starts as a corporate client.

We approach each of those segments with unique resources even though a financial advisor always serves as the point person.

### Following the recent recession, many say financial services hasn't changed much. Is this true?

It is changing and we're going to lead that change, but it is not yet changed.

The change that is necessary is that we, as an industry, need to stop talking to clients about the way we think about their money and start talking to them about the way they think about their money.

### An Interview with John W. Thiel, Head of Merrill Lynch Wealth Management

What we found through a lot of conversations in formal and informal interactions with our clients is that they think their money has many jobs to do. Initially, clients will talk about risk in the ways that our industry has taught them, meaning portfolio volatility. But risk for most of our clients is more closely related to achieving the outcomes they want.

Clients have been told for years that success was simply about beating a benchmark. But while performance is important, the period from 2000 to 2010 showed us that regardless of performance versus a benchmark, it may not be enough return to achieve the outcomes our clients are looking for.

Of course, 2008 and 2009 put an exclamation point on this. Our clients have literally said they don't want to see charts or graphs anymore because the bottom line was that it didn't get them to their desired outcome.

### How do you relay that change to the advisors?

Our approach is called "goals-based wealth management," which is identifying a common set of needs that our clients have depending on wealth level and stage of life. It's about helping the advisors realize that we have to redefine the conversation and ask clients, what are your essential goals and those that are discretionary? Must-haves and nice-to-haves if you will. The way we would invest is different for an essential goal versus a discretionary goal. Furthermore, we factor in their "investment personalities" to be sure that we provide advice that is consistent with the way they perceive risk and many other factors.

### The equity markets are going up but there are many concerns about the economy and unemployment levels. How do you see the economy faring today?

The economy at the moment is growing slowly. We're optimistic that we will see some pick up, which should help to steadily bring unemployment down. Maybe we're going back to when people saved and debt was managed more prudently, which is healthy in the long term.

### What has Bank of America brought to Merrill Lynch and how did the cultures mesh?

Since Bank of America also had a strong customer- and client-focused culture, the merger was a natural fit. Across all lines of business, Bank of America is about teamwork. We call it "success that is shared." ●