

June 2011

# onwallstreet

www.onwallstreet.com

th

onwallstreet

**James Allen**

**Mitch Cox**

**Greg Fleming**

**Michael Gardner**

**Sallie Krawcheck**

**Ron Kruszewski**

**Jerry Lombard**

**Danny Ludeman**

**Robert McCann**

**Greg Quental**

**Michael Schroeder**

**John Taft**

**Jim Weddle**

**Dennis Zank**

# anniversary

The most influential leaders in wealth management today expound on evolution, revolution, moving the debate past wirehouse versus independent, crisis as the new norm, the importance of customizing portfolios to fit both emotional and financial goals, the increasing value of the financial advisor and the future of technology—involving, oddly enough, man, dog and machine.



## Required: Scale, Capital and a Global Presence

**W**ithout question, the financial services industry has seen a tremendous amount of change over the last two decades. When I began my career as a financial advisor at Baird 25 years ago, we were still using pneumatic tubes to send handwritten tickets down to the trading floor. Today, orders are entered electronically from anywhere in the world. Broadly speaking, the last 20 years has seen the markets become globally intertwined 24/7, technological advances rapidly speed the flow of communication, and our clients' needs have become increasingly sophisticated. As a result, financial advisors and their firms had to dramatically change the way they do business, service their clients and respond to investment opportunities around the globe.

So what hasn't changed? For the most successful advisors and firms, it's an intense focus on our clients—the most important asset we have in this business. While this business was very heavily transaction and commission oriented 20 years ago, today it's evolved to a predominantly comprehensive wealth management business. The client service model is unquestionably more complex than it was 20 years ago, and most advisors have come to realize they can't be all things to all people. Teams of advisors and in-house specialists with complementary areas of expertise, now work closely together to focus on a broad spectrum of life cycle changes for our clients—from portfolio management and asset allocation, to estate planning and philanthropic gifting, to retirement income planning and generational planning. While these issues existed 20 years ago, they are addressed today in a much more sophisticated fashion, leveraging technology and involving our clients' other tax, accounting and legal advisors to provide the best service and advice.

Overall, change has been very good for our industry, and the future of this business has never been brighter. While we've witnessed massive consolidation, we're reminded of the lasting lesson that bigger is not necessarily better. A tightening regulatory environment and the significant investment in technology required to meet our clients' demand for new capabilities present formidable challenges, but firms with sufficient scale, capital and a global presence, will be able to adapt quickly to change. They will be well positioned to expand wallet share and mind share with clients, particularly higher net worth relationships.

In the coming years, I'm confident the advisor career path will become even more attractive to creative, entrepreneurial people of all backgrounds who are seeking a successful, rewarding career that doesn't require them to sacrifice work/life balance.

After all, as I'm sure you can agree, this is the best business in the world. I look forward to all the next 20 years has in store! **OWS**

A close-up portrait of Michael J. Schroeder, a middle-aged man with short brown hair and blue eyes, smiling slightly. He is wearing a dark suit jacket, a light blue dress shirt, and a red tie with white and blue diagonal stripes.

**Michael J.  
Schroeder**

President of  
Baird's Private  
Wealth  
Management Group

**YEARS IN SECURITIES  
BUSINESS: 25**