

What MFDs should not be doing?

By Riddhima Bhatnagar, Published on 9th June 2024

Often, we talk about what needs to be done to grow business. However, it is equally important to know what mistakes to avoid.

In this article, we spoke to a few leading MFDs to know what MFDs should not be doing. Here is what they said.

Akta Sehgal, Founder of Manas Wealth, Noida

- MFDs shouldn't offer something because it is the flavour of the season. Don't fall prey to marketing tactics of manufacturers. For instance, many people have sold balanced advantage funds in the recent past
- If an investor is investing for a shorter period, MFDs shouldn't shy away from giving them debt funds
- MFDs should tell clients if they think they have a wrong expectation or opinion. It is important to let go of some business if it comes at a cost of your moral values

Nitin Bellara, of Zeus Distribution House, Pune

- Many distributors follow the market movement to make their recommendation strategies. However, they should look at two simple things - clients' risk appetite and their asset allocation needs
- Many of us are not proactive in client communication. Instead, we wait for clients to get in touch with us. I think we should speak to at least 5 clients a day as it not only helps us stay in top of their clients, it can open up opportunities for some incremental business
- MFDs shouldn't blindly chase performance. Sometimes MFDs run behind the alpha generating funds and avoid consistent performers

Shifali Satsangee of Funds Ve'daa, Agra

- MFDs sometimes set unrealistic expectations from equity markets and pass this notion on to their clients. We should set the expectation right from the beginning and prepare clients for handling volatility
- MFDs sometimes ignore handholding their clients during difficult times. It is essential to stay in constant touch with clients and reassure them that their money is safe

Vishal Dhawan of Plan Ahead Wealth Advisors, Mumbai

- Sometimes MFDs keep quiet when there is a difference in opinion with clients. We should not encourage such practices as clients value honesty over anything
- MFDs should only recommend funds based on solid research rather than following the herd
- Many MFDs do not pay attention to small service calls. I think we should work towards reducing turnaround time to resolve a service request. For instance, if a client asks for capital gains statement, it should be sent to him within a few minutes