

COMPANIES

Threadneedle chief sees role as that of a rugby coach



Interview

Campbell Fleming Chief executive, Threadneedle Investments

With just 100 days in the job, he has taken over at a testing time, writes David Oakley

Campbell Fleming is a big Australian who speaks like a rugby coach and has a razor-sharp eye for detail that gives away his training as a lawyer.

The new chief executive of Threadneedle Investments, who has just passed 100 days in the job, has taken the helm at a testing time for the asset management industry and his group, one of the biggest in Europe.

Colleagues say Campbell Fleming has an easygoing style, but is focused and demanding when it comes to winning flows and clients

Charlie Bibby

Like rivals at other fund management companies, he has to consider how he navigates Threadneedle through what technical strategists refer to as an “inflection point” where events – the unwinding of quantitative easing and renewed concerns over the eurozone – threaten to trigger a change of direction in markets and reverse returns and investment flows.

“We have to take every stage in the markets a step at a time and make sure we play as a team. Despite some worries, there is no doubt that investors have felt that they’ve got to get some better return on their money. I still think people think this is the right time to put their money to work,” Mr Fleming, who

likes to use sporting metaphors, says.

The importance of being focused and playing like a team is part of the culture of Threadneedle. “I have a good group of people around me and I want to keep a culture that relies on the team rather than star fund managers like some other asset management groups. I see my role as a coach, rather like a coach of a rugby team,” stresses the 48-year-old Mr Fleming, who is 6ft 1in and has the physique of a rugby forward.

He was disappointed by Australia’s defeat in Sydney – his home town – in the rugby test series against the British and Irish Lions at the weekend. But, he says, a chief executive must always try to remain positive.

All sewn up

- Chief executive: Campbell Fleming, aged 48, married, three children
- Assets under management: £84bn
- Owners: Ameriprise Financial, the US financial services group, bought Threadneedle in 2003 to act as its global investment management arm
- History: Before being bought, it was a standard insurance management arm of Zurich Insurance Group investing in cash and government bonds. Today it manages equities, all kinds of fixed income and hedge fund products

“One of the most important things as a boss is to motivate people,” he says, leaning forward in his chair in his spacious office in the City, overlooked by The Gherkin. “I think the best two words ever invented are ‘Well done’. And what some people do not say enough is ‘Thank you’.”

He adds: “It is a tricky period for the asset management industry. It is a competitive market and we all have to offer something that will separate us from the pack.

“What we offer is certain themes. So, if investors want yield, we offer equity income or fixed income that generates decent yields. If they want diversification, we can offer those kind of products. Lastly, if they want a certain outcome, such as a guaranteed return, we have

some interesting blockbuster products, as we like to call them.”

He certainly has much to be positive about as far as Threadneedle is concerned. It has undergone a big transformation in the past decade from a small, rather parochial investment house to an operation with £84bn under management.

Since it was sold by Zurich Insurance Group to Ameriprise, then American Express, in 2003, it has doubled its assets under management and extended its products from cash and government bonds to equities, alternative investments, property and investment solutions.

Andy Maguire, a senior partner at The Boston Consulting Group, the management consultants,

says: “Threadneedle is now a world-class group with a broad range of products. It is not quite as racy as a hedge fund, but it has taken on some hedge fund characteristics, investing in derivatives and taking bolder positions in various markets.”

Critics say Threadneedle lacks the firepower of larger groups, such as Schroders and Aberdeen Asset Management. Schroders, the biggest asset management group in Europe, has strengths across the board and an impressive distribution network that helps sell its products all over the globe.

Mr Fleming rejects this criticism, saying: “We have offices all around the world and are well placed in many markets. We can expand and improve, but we have a good operation.”

He joined from JPMorgan Asset Management in 2009 and has worked on the operations and legal side of the business.

Colleagues add he has an easy-going style, but is focused and demanding when it comes to winning flows and clients.

“Focus is all important,” he says, again sounding like a sports coach. “We continue to do well in terms of [assets under management] growth, we continue to do well in terms of revenue growth, and we’re on a reasonable trajectory. But we have to keep on doing this, keep on improving. That’s what I want to see at Threadneedle.”