

## *Wealthy Applaud Bessemer, Boo Big Brokerages*

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New York-based ultra high-net-worth specialist Bessemer Trust has again placed first overall in a new survey of the wealthy by the Luxury Institute, the third year in a row the firm has finished on top. SunTrust Private Wealth Management is second, with Wilmington Trust Wealth Advisor Services a close third. Some of the industry's best-known names, including wirehouses Smith Barney and Merrill Lynch, placed near the bottom of the survey.

The Luxury Institute this year split its annual scientific survey of wealth managers into three categories: private banks, commercial banks and regional banks. Among commercial banks, the leader was Deutsche Bank Private Wealth Management, followed by HSBC Private Bank and JPMorgan Private Client Services. At the bottom of the seven-firm category were Citigroup Private Bank and Bank of America Private Bank.

In the regional bank survey — which comprises 10 firms — the top

three were SunTrust, Wilmington and BB&T Wealth Management.

The largest grouping was the private bank survey, with 21 firms, including Bear Stearns, Deutsche Bank Alex Brown, Fidelity Investments, Goldman Sachs, Merrill Lynch, Morgan Stanley Private Wealth Management, Northern Trust, Smith Barney, UBS Wealth Management and U.S. Trust. In this group, Bessemer led the pack, followed by Glenmede Trust and Credit Suisse Private Client.

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**“A unique and exclusive bank, one that is used by people that are admired and respected, and a bank that makes its clients feel special across the full customer experience.”**

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A chart of the top 10 managers across all three categories is at the bottom of this article.

The Luxury Institute surveyed more than 500 wealthy consumers — with a minimum household net

worth of \$5 million and a minimum gross household income of \$200,000 — to come up with each firm's “Luxury Brand Status Index,” or LBSI, rating. That's made up of respondents' impressions of the quality of a firm's products; its exclusivity; its social status; and how special a manager makes the client feel across the full customer experience. The survey also asked about a firm's price worthiness and whether a client would recommend the firm to others. Respondents must first indicate that they are familiar enough with a firm to comment on it.

For the third year running, Bessemer came out on top in the overall LBSI rankings. The survey says the firm is “a unique and exclusive bank, one that is used by people that are admired and respected, and a bank that makes its clients feel special across the full customer experience.”

SunTrust placed well “thanks to very strong perceptions of the social status of its customers and

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the ability of the group to make its customers feel special,” the survey says. “Younger consumers in the market are significantly more likely to indicate SunTrust would be the bank/group they would be most likely to consider.”

Merrill and Smith Barney performed poorly in the survey, placing near the bottom of the list of 38 firms the survey asked about. “Both banks trail significantly behind the benchmark for Private Banks in terms of quality, exclusivity and social status,” the survey says. Bank of America Private Bank came in last in the commercial bank category, with the same score as Smith Barney. Across all three categories, only Merrill unit First Republic Bank and last-place Charles Schwab performed worse than those three firms.

The most significant change from last year’s survey was U.S. Trust’s drop in the rankings, to a tie with LaSalle Bank for 20th place overall. U.S. Trust was third overall last year. “They’ve gone from top of the pack to middle of the pack,” notes Milton Pedraza, Luxury Institute CEO. The drop is probably due at least in part to recent changes at the firm. “They’ve had so many management changes and ownership changes,” Pedraza says. He adds that it’s far too soon to say what might happen now that Bank of America has purchased the firm.

A major finding of the survey overall is that smaller firms — Bessemer, with \$51 billion under management from 1,800 clients, or Philadelphia-based Glenmede and its \$20.5 billion in assets and 1,500 relationships — tend to rank higher. “When it comes to private banking, smaller is better,” Pedraza says. “They tend to have a customer-centric culture. They tend to be objective and independent. And they don’t have to try to replicate and clone their culture into so many different offices.”

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Bessemer senior managing director Rob Elliott says part of his firm’s success can be attributed to “our singular focus on the ultra high-net-worth marketplace. We stay 100% focused on the broad needs of wealthy families. Not investment banking, not IPO’s, not commercial banking. It allows us to stay very client-centric.”

Glenmede president and CEO Al Piscopo also cites customer service as key. “It’s an appreciation for the particular needs of an individual family or an individual within a family. Taking the time to collaborate with them, making sure what their needs are. And then putting the right

people from Glenmede into relationships, so we have the chance to build a good deal of understanding on our side.” Glenmede placed fifth overall.

Pedraza adds that even small firms need to be large enough to reach a “critical mass” to provide a full range of services. Chip Wilson, Glenmede’s executive v.p. and director of client services, agrees. “We are small enough to have a very collegial and cooperative servicing of the client relationship, but large enough that we have all the various arrows in our quiver to service that client,” says Wilson, who came to Glenmede from the larger U.S. Trust in 2004. “Sometimes, larger organizations have very full quivers, but very loose bows. There’s a challenge in getting all of the resources of a big organization to the client. I think our size works to our advantage.”

Information on purchasing the Luxury Brand Status Index surveys is available from the Luxury Institute’s web site.

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### **Top 10 Wealth Brands As ranked by Luxury Brand Status Index**

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Bessemer Trust  
SunTrust Private Wealth Management  
Wilmington Trust Wealth Advisor Services  
BB&T Wealth Management  
Glenmede Trust  
Credit Suisse Private Client  
Bank of New York Private Client Services  
US Bank Private Client Group  
Mellon Private Wealth Management  
Goldman Sachs

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Source: Luxury Institute