

Tuning in to the beat of her inner drum

Alida de Swardt is an ambitious and experienced financial services specialist. She joined RMI Investment Managers in 2016 as Head of Distribution and Marketing before assuming the role of CEO in March 2018. While her career in banking and investment management spans more than two decades, she has not let the intimidating and male-dominated industry divert her from her true self; a kind, passionate, engaging and inspiring leader.

RMI Investment Managers (RMI IM) launched a multi-affiliate investment management model in 2015, the first of its kind in South Africa. Its aim is to identify and partner the best boutique investment talent in South Africa by becoming a supportive, non-interfering and long-term shareholder in their businesses. As a 100% subsidiary of JSE-listed investment holding company RMI Holdings, it is well-placed to be a shareholder and partner of choice for boutique investment managers. RMI IM is independent, has patient and permanent capital and a solid reputation of backing entrepreneurs building businesses in financial services.

The RMI Group has done this successfully with Discovery, OUTsurance and Momentum, all of whom are now formidable financial services firms in South Africa. To date, RMI IM has invested in 12 boutique asset managers across various investment styles and asset classes, including active, passive, traditional and alternative investments.

Aligning with the entrepreneurial DNA of the RMI Group is key. RMI IM's business model is such that only minority equity stakes are acquired to ensure their affiliates retain their independence, particularly when it comes to their investment capabilities. By partnering with RMI IM, affiliates can concentrate on what they do best – managing investments to achieve superior returns for their clients.

The unique opportunity

Between 1990 and 2013, nearly 40% of investment management firms started vanishing by means of acquisition, merger or closure with the average lifetime close to only five years. Reasons for this failure included lack of steadfast shareholder support, poor business models, lack of differentiation and poor investment returns. Post-Covid, it is expected that a similar trend will once again emerge, leading to consolidation opportunities for smaller players.

To address these challenges, RMI IM assists its affiliates with brand credibility through the RMI association, business acumen and strategic insight from its executive team and board, as well as asset raising and marketing capabilities, operational robustness and economies of scale.

Through its partnership with Momentum Metropolitan, a distribution business that has a long history with the financial advisor industry, it is able to provide additional distribution capabilities to complement its affiliates' own distribution teams. Insights and relationships from these sources are used to understand how best to service the changing advisor market.

Distribution: the lifeblood of asset management

While there tends to be a strong institutional support base in boutique managers, albeit highly concentrated, these businesses generally aspire to grow their retail following, which is a long-term endeavour. To achieve this requires building a trusted and recognised brand supported by a consistent, long-term investment performance track record. With more than 650 active funds in South Africa, investors are spoiled for choice, which makes standing out in the crowd a real challenge.

The RMI IM team remains steadfast and committed to their affiliates in helping them to overcome these challenges while recognising that each business is at a different life stage and therefore endeavours to assist them where most appropriate and relevant. For RMI IM, it's about finding a unique engagement model with each of them, rather than assuming a blanket approach.



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The company has a strategic ambition to help build the next generation of significant asset management businesses and enable them to reach their full potential. Through doing so, RMI IM hopes to indirectly play its part in cultivating a savings culture in South Africa while helping to transform its portfolio companies to better reflect the society it ultimately serves.

Transforming the industry

Transformation within the asset management industry continues to come under the spotlight as progress remains stubbornly slow, particularly regarding female representation in portfolio management and decision-making roles. According to a recent industry report, in South Africa only 3.5% of active funds are managed by a female portfolio manager, or a female-only team.

As a founding member of Athena, RMB's gender equality initiative, De Swardt is passionate about the promotion of gender diversity and the empowerment of women in financial services. She recognises that as a woman in a male-dominated industry she naturally brings a different perspective. "There's a lot of research that shows that diverse workforces achieve so much more," she says.

Talent is your biggest asset

"In asset management, your biggest asset is your talent," says De Swardt. "It's a people business. Yet, I'm not always sure that we prioritise the importance of interpersonal skills coupled with technical capabilities." She adds, "In business, people tend to unconsciously employ individuals like themselves, which can easily result in groupthink," says De Swardt. "We should mindfully be seeking out diverse talent in terms of skills, experience, backgrounds and personalities to ensure we are constantly challenging our approach and thinking."

De Swardt leads by example as her own team at RMI IM, while small from a headcount perspective, is incredibly diverse. "It's about achieving the right balance of gender, racial and cognitive diversity within a team. As this, I believe, is when true creativity gets unlocked."

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Partnering your team

The entrepreneurial heritage of the RMI Group is something that De Swardt has learned first-hand through her 20-year association with the Group. She leads with a strong partnership ethos.

"Through our owner-manager culture, we allow individuals to own a part of the business and to drive it themselves," says De Swardt. "I find that you get the very best out of people when you give them the responsibility and flexibility to deliver results in their own unique way."

De Swardt believes in surrounding herself with people that complement her skills and experience and enabling others to be the best version of themselves, rather than directing them or micro-managing.

"Trust and respect are two key values of my leadership style. Trust is given when work is outcomes-driven and not limited to KPIs, and trust is built when you provide a safe space for vulnerability." She adds, "My team do not fear asking for help, as trying to cover up weaknesses or vulnerabilities is not productive or conducive to success."

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The driving force of her inner drum

Financial markets can be extremely volatile and so much of what happens at a macro level is out of one's control. From a young age, De Swardt learned that to lead effectively, one needs to be both resilient and realistic and to not be motivated by fear. She inspires and motivates others to focus on what is in their control by using their individual skills and talents in a meaningful way. Combining this with positive energy and a growth mindset is how, she believes, to successfully achieve goals and ambitions in both life and business.

She was just seven when her father, a retail entrepreneur, introduced her family to Peter Drucker's management theory. Her father taught her how to tune into her inner drum, to deeply connect with its driving force and listen to it regularly as a guide to know whether she is on the right track. She believes that by tuning into your inner drum you can find your true purpose and meaning in life.

Looking ahead

In July 2020, RMI IM began its fifth financial year and although still in the early years of the business model, De Swardt is confident that strong foundations have been built for long-term success. Building enduring investment management businesses is a long-term endeavour that requires patience, humility and stamina. Looking ahead, De Swardt believes that RMI IM's patience and long-term outlook will stand the team in good stead to navigate what will likely be another tough few years.

"Our partnership model was truly put to the test this year during what has been an extremely trying period for everyone, not only in the market but in our businesses and personal lives too."

She adds, "So, we are now deeply focused on the 'partner' and 'grow' phases of our business model and while we don't expect the investment backdrop to get any easier in the next few years, we remain confident in our ability to stay the course and continue backing management teams that we truly believe have what it takes to succeed; building critical mass, relevance and a credible track record." ■