

# Protecting, Preserving and Optimizing Assets

In an interview, **Sven E. Rischko**, Founder and Managing Director of **KRONOS Advisory GmbH**, walked us through the impressive business story of his company.

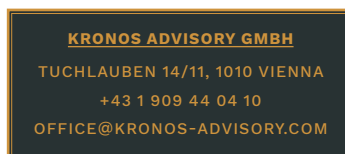
## What acted as the driving force behind the founding of KRONOS? What sparked your interest in this area?

When I was 38, I sold my former company – an asset management company – to a stock market listed business. After this, I had a clear vision to found a firm that efficiently helps asset owners to stop being taken advantage of by providers of capital investments or asset managers. The fact is, that investment advisors and asset managers do not always necessarily pursue the interests of their clients, but also their own. My prior experience and relevant knowledge compelled me to come up with the concept of family offices for investors with smaller investment volumes. That is how KRONOS Advisory was born.

## Tell us about the incredible journey of your company. How did you establish yourself as a reliable and trusted advisory?

Gaining reputation among providers as the feared advisor on the customer side was not always easy. Our corporate philosophy is that we only make an offer for cooperation if – after an analysis of the current situation – we are sure that our costs are lower than the resulting added value for the investor. We are trying to accomplish that by appropriate expenses/cost reductions in investments and through a more targeted overall structure of assets. Still, we have often failed with acquisitions. We had to learn a lot about how to access asset owners and their representatives and how to explain that private banks carrying out the asset management mostly are not able/allowed to construct a strategic asset allocation which best fits the client's needs. However, we did not give up.

Several milestones have marked our journey. The most important one was to build up the best possible team in all areas of our business, meaning not only the CRM Department. We wanted to create a working environment in which everyone feels comfortable and thinks and acts entrepreneurially instead of like a “9 to 5 employee”. For sure, there are other milestones like being able to acquire one of the world's top 5 business consulting companies as a client or receiving several international awards. However, without our team, this would not have been possible.



## Could you kindly elaborate on the various services that the company provides?

We help asset owners to achieve the goals they pursue with their assets, without us carrying out our own products or asset management and without any interest in commission. We charge our fees to the customer, either on the basis of hourly rates or via agreed flat fees. Our aim is to negotiate the best possible conditions with providers.

## What innovative strategies do you follow to sustainably protect, preserve, and optimize client's assets?

Initially, we do a comprehensive analysis of the situation, goals and expectations of clients and accordingly develop an appropriate strategic asset distribution, completely independent of products and providers. Depending on the individual needs of the asset holder, this usually also includes asset classes that are outside of depositable investments. For every single part of asset allocation, we use tenders to find the best possible provider.

## What are some of the key challenges that you are observing in the industry, and how you are approaching them?

What I observed frequently was the difference between the knowledge asset owners think they have and the actual latest know how. We solve this quite easily. As we are not in the need of new clients but want to help additional clients, we use a very direct speech and do not act as a submissive advisor.

## How do you maintain your competitive advantage?

We do not think about competitors, we only think about how to create even more added value for our clients. I think that is what differentiates us.



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